

THE LEGISLATIVE ASSEMBLY OF MANITOBA

8:00 o'clock, Friday, April 9th, 1965

MR. EVANS: Madam Speaker, this evening being government business, I would ask you to call the debate on going into the Committee of Ways and Means.

MADAM SPEAKER: The adjourned debate on the proposed motion of the Honourable the First Minister and the proposed amendment thereto by the Honourable the Leader of the Opposition and the proposed amendment by the Honourable the Member for Brokenhead. The Honourable the Member for Portage la Prairie.

MR. MOLGAT: Madam Speaker, I believe the Member for Portage la Prairie is travelling with the First Minister this evening. I'm a little suspicious about that performance but he's not here and I wonder if it could be allowed to stand. But if someone else wishes to speak we have no objection.

MADAM SPEAKER: Anyone else wishing to speak? The Honourable Member for St. John's.

MR. CHERNIACK: I have taken the trouble, Madam Speaker, to do a little homework. I had suggested previously to the Honourable the First Minister, that it would be of interest if we could arrive at some information of the income and expenditure which would be involved with the proposal brought in by the government at the special session last summer. At that time the First Minister announced that the government had decided on reviewing the recommendations of the various commissions which had been reviewing the problem of municipal-provincial relations, that it was now going to implement parts of what were recommended and in particular the recommendations of the Michener Report. The Honourable the First Minister set out that it was decided that there would not be a sales tax but that there would be a special tax levied in order to carry out certain recommendations of the Michener Report. And he stated, and I'm reading from Page 13 of Hansard of the special session last year, which gives the speech of the Honourable the First Minister on the budget that: "To implement all the recommendations proposed in the report would cost many millions more" than certain estimates that he discussed prior to that, "and in our judgment the policies now recommended are the maximum additional provincial burdens that can be accepted at the present time."

And I think that running throughout the speech is a clear cut intention to raise special new revenues and to disburse them for the purpose of relieving the burden on the real property ratepayer. In that speech he spoke of expenditures which were going to be undertaken, which the government had accepted as being desirable on its part, for the purpose of relieving the burden on the real property taxpayer, and he spoke of the measures as costing between \$18 and \$19 1/2 million in a full year. He later estimated that the revenues which he expected to raise for this purpose would run in the neighbourhood of some \$20 or \$21 million and outlined then in detail what the expenditures would be and what the revenue would be.

Now, Madam Speaker I am really unable to read through a financial statement such as the expected expenditures for this coming year, the estimates we are dealing with, and the revenues presented in the budget this year, and being able to derive from that the information which I think is interesting, and that is: what will be collected from the special taxes imposed last August; how will this money be disbursed back to the real property ratepayer in the way indicated by the Honourable the First Minister was the intention of the government. I do not feel that I know just how to derive from this information all the detail which is necessary and that is why when we had occasion to debate the question of the school tax rebate about two weeks ago I remember speaking on the matter and addressing the Honourable the First Minister and suggesting that it would be very interesting now to compare what is now known and what is expected with what he had planned and indicated last August and I had hoped that possibly this information could have been provided to us in the interval. But it wasn't provided and I thought, well I'd better get busy and see what I could figure out on my own and I must admit that I cannot state that the figures I have derived are correct, but I can say they are as correct as I could figure them out to be. And when I had completed my homework, I arrived at some pretty shocking calculations which made me doubt that I could be right, so I went back and I did my homework again and this time I called upon assistance of others that I thought could help me and I discovered that I had overlooked something which made the figures just a little bit more startling. So I decided the best way to do it, Madam Speaker, is to present the figures I have derived to this Assembly for consideration and for correction if they need indeed to be corrected, and if then they are corrected we will have a fuller picture.

(MR. CHERNIACK cont'd)

But I state firstly that I believe that it was clearly expressed to us that the moneys to be raised by the additional taxes were to be used for the purposes outlined in the Michener Report and which were in the end to end up as being a rebate in some way to the hands of the real property ratepayer. So going on that assumption I went through both the statement of expected income and the statement of expenditure and I now propose to report on my homework, Madam Speaker. I obtained my information as to the Premier's expectations from his budget speech in August, 1964 and it appears concisely set out as he can do, on Pages 13, 14 and 15 of Hansard.

He stated that there would be a school tax rebate and we all know how the formula was to be applied. He stated that the estimate of this cost is between \$8 1/2 and \$10 million. So I set a column saying "Estimated Expenditure, \$8 1/2 to \$10 million," and then I looked at the budget and I find in Item 52 (a)(2) that the actual expected anticipated expenditure in this coming year or in this current fiscal year is shown as \$10 million. Well that's pretty well what the Premier thought it would be.

He also stated that in rural municipalities the province will take over 100 percent of the capital cost basis, about 4,000 miles of connector roads now jointly financed. In addition to accepting the municipal share of capital cost the province would accept 100 percent of maintenance which was then fully a municipal responsibility. He would accept 50 percent of the capital cost of Metro roads and bridges including land acquisition; take-over \$1,000 per lane-mile obligation for Metro maintenance; and cities, towns and villages outside Metro would receive similar treatment. And he estimated that this would involve about \$7 million of expenditure. And looking at what I think is the corresponding item in the estimates for this year under 11(5) and 11 (4)(b) I come to a total of \$6,483,000, which is only half a million out, and that isn't much when we talk in these terms. So that's pretty close, Madam Speaker.

Then he stated that it was proposed that the province should take over main trunk drains in a manner similar to that proposed for roads. He estimated the cost to be some \$675,000 plus 25 percent thereof, came to \$840,000 -- and here I had difficulty and I could not get the correct figure but I took it from Item 6(15) (c)(3) at a figure of \$1,682,860, this includes costs of research in addition to the actual cost of maintenance of drains. So that apparently in this figure I have shown more in the anticipated to be spent than actually was contemplated in the program of the Honourable the First Minister.

Then he spoke that there would be increased grants in lieu of taxes to be contributed by the province. He estimated it at \$1 1/4 million and now the anticipated expenditure is \$1,274,000, which is awfully close.

And then he indicated that the province would charge back to the municipalities the full cost of assessment instead of half costs and this then became a credit of some \$200,000.00. So that all in all I derive from his budget speech of last year, last August, that it was estimated that the expenditure in line with the recommendations of the Michener Commission would be from \$18 to \$19 1/2 million, and I have derived from the current estimates a figure of \$19,167,000, which is pretty, pretty close to the Premier's calculations.

Well, once I justified my ability in doing this so well, I thought I would tackle the revenue. And there, Madam Speaker, is when I ran into what I considered a surprise. I shouldn't say entirely that it was a surprise but because I looked back to Hansard where I tried to make a modest contribution to this debate, and on Page 257 of the same special session I was speaking of one of the Honourable Ministers of the Cabinet and I referred a little unkindly of him when I said that "the Honourable Minister who I think is most comfortable in a horse and carriage, proceeded to justify a budgeting practice of a five percent margin when he indicated that if \$21 million was expected to be raised and \$20 million spent in this method that a margin of \$1 million was quite reasonable." And I indicated that I did not think that a margin of \$1 million was reasonable. I thought it was high. But I went on to say, Madam Speaker: "actually I believe from reading the address of the Honourable the First Minister in introducing this Bill that one-half of the income is expected to be used in hand-outs to school ratepayers and that the other half is intended to provide a public works program, in the main for this province, some of which -- and I use that term in the broadest sense -- it may be the largest portion of which, but I don't think all of which, I think only some of which will relieve the municipalities of a load that they are now carrying. So that I believe that we will find that of the moneys raised in this way some \$21 million estimated, not all of it will find its way back through whatever means the government decides to use to relieve the

(MR. CHERNIACK cont'd) burden on the real property taxpayer."

In other words I indicated, Madam Speaker, at that time that I suspected that if there was going to be a miscalculation that the weight of the miscalculation would fall beneficially to the revenue of this province to be used by the government in its normal regular needs of general revenue. And I suggested then that this tax measure was a tax measure not just for the relief of real property ratepayers in the municipalities, but also for the relief of this government to bring in additional revenues without really admitting that it was raising the taxes in order to derive additional revenues.

I might say that in my investigations when I tried to see whether I had erred in some way, I enquired as to just what was expected to be assumed by the Province in terms of Metro responsibilities, and I have prepared a memorandum on what I was able to derive and that is mainly very little factual information. I'm told that the provincial government has assumed none of the services carried out by Metro in 1964. The provincial government has increased grants for street maintenance from \$1,000 per mile to \$1,000 per lane mile, but Metro has yet been unable to compute the savings that this represents. The province has not taken over the responsibility for any streets in the Metro area directly, as opposed to 1964. Some streets have been returned to their municipalities as their responsibility; other streets which were once municipal responsibility have been given to Metro. The end result has been that Metro is now responsible for the maintenance of 37 miles more than it was in 1964.

As far as capital construction is concerned, the province prior to this year paid 60 percent of the capital cost of construction of Metro streets exclusive of the purchase of land, and 100 percent of the cost of constructing bridges, exclusive of the purchase of land. The revised agreement is that Metro will now receive from the province 50 percent of the cost of constructing both streets and bridges, including the cost of land purchase, and I am told that Metro does not know whether this will result in an end saving or a rise in cost. However, they do consider the present formula superior to the past, simply because it simplifies the computations. The actual relief in monetary savings will not be measurable until the end of the year, but if estimates are right, then those are the estimates that I have already given earlier this evening. But the estimates of revenue I think I found more easily to pin-point, and again I hope I'm right in my calculations; if I'm wrong, I'll be very pleased to be corrected.

Now on the revenue item, the Honourable Provincial Treasurer in his speech last year stated that there would be an increase in drivers' licences from four to five dollars for the two-year period, with a corresponding 25 percent increase in licence fees under The Highway Traffic Act Schedule A. He estimated the increase to be some \$1,900,000. But when I look at the actual for '65 and the expected for '66, I find a difference of, a rise from 6,700,000 to 10,775,000 -- an actual rise of 4,075,000, which is over \$2 million more than was estimated. I realize that this includes the two-year collection for drivers' licences, but I'm not aware that that big a difference makes up this difference. No doubt I will be informed if I haven't given sufficient weight to that factor.

I note that in the statement the Honourable Minister indicated that there would be an increase in the gasoline tax by three cents per gallon, as well as fuel taxes under the Motive Fuel Tax, and fuel oil used for heating will be taxed at one cent per gallon. The expected increase was to be 7,550,000; the actual increase that I have been able to derive, in the revenue item 356, was from 26,300,000 to 35,500,000, or an increase of \$9,200,000, again a rise of some \$1,700,000 greater expected now than was anticipated would be increased in last year's figures.

Now the Liquor Commission was asked to increase prices in beer and in alcohol of other types, and it was expected by the Honourable Minister that the increase would be \$2,700,000; and the revenue increase that I have been able to derive now from the revenue picture column 75, is from last year's 16,600,000 to 19,700,000, or an increase of \$3,100,000.00. Then he indicated a cigarette tax increase of five cents per package, and expected a revenue of \$3,200,000 more; and now from my figures, I find an increase from 3,700,000 to 7,000,000, or a net increase of 3,300,000 which is awfully close to the Provincial Treasurer's estimate.

Then he expected an increase in natural resource contribution from the mining royalty tax -- \$400,000 estimate; actually the increase appears to be 1,430,000 up to 2,960,000 or an increase of one and a half million dollars, instead of the \$400,000 previously estimated. Now this too may be revenue additional to the increase that was planned for, but I can only report it as I see it, and the revenue there is one and a half million dollars.

The surtax of five percent on purchases of electricity and telephone service was

(MR. CHERNIACK cont'd) estimated by the Honourable Minister to be \$2,800,000, and appears from the present revenue statement to be \$4 million, an increase of \$1,200,000. So that I have now come through to the end of these dry figures -- not all dry because liquor was involved in some of them -- where the Honourable Minister expected an increase -- last year expected the increase to be some \$18,550,000 less a reduction by the reduction of the one percent on the surtax on income tax, but \$18.5 million aside from the \$2,200,000 which was expected to be raised from the land transfer tax and which was never proceeded with. So that although he was figuring then on some \$21 million, when one removes the 2,200,000 from land transfer tax, the amount was 18,550,000 less the reduction for the surtax of 866,000, or a net expected increase of \$17,000,684.

Now that was the figure that I have been able to arrive at from the Honourable Provincial Treasurer's speech of last August, but when I, in my own way, arrived at these figures out of this year's expected revenue, Madam Speaker, I find a figure of \$25,205,000 less the reduction in surtax on income tax of \$896,000, or an increase of \$24,000,409 without the land transfer tax. Therefore, where I had had occasion last August to suggest that five percent was a pretty good cushion, I now find a difference from estimated revenue of \$24,409,000 and an estimated disbursement of \$19,167,128, leaving a cushion of \$5,241,872 -- \$5,200,000 out of an expected disbursement of \$19 million.

Well now, that's an awfully good cushion to take care of miscalculation, and the only thing that is possible is that I have made a gross error, in which case I have provided an awfully good cushion, and I have no doubt that if my figures are wrong and I have made a gross error, I will be informed about that fact very gleefully by members on the other side. However, in order to get the correct figures, I have had to expose myself in this way, Madam Speaker, and I am quite prepared to do so. I have gotten these figures; these are the best figures I have been able to arrive at. If there are corrector ones, please let us have them so that there is no error in our conclusions. But I must so far go on this basis, that there appears to be some \$5 million of revenue come into the coffers of this government from special taxes planned to be made last August, \$5 million in excess of the amounts which the government plans to return to the real property taxpayer by the various methods already indicated, namely the school tax rebate -- although I hate to use that name for it -- the grants to municipalities, and other aids to municipalities.

I feel, Madam Speaker, that if my figures are correct they deserve both explanation and also clarification as to whether or not it is true that this additional revenues of some \$5 million have gone into the general revenues of the province to be used for the general purposes of the government. If so, then it must be admitted that the tax imposed last August, the tax on heat, the tax on telephones, the tax on gasoline, the tax that we've reviewed time and again in various ways, has been a tax which has been used for the purposes of general revenue of this province, and to that extent it is an increased tax by the government under the excuse of carrying out the Michener Commission's recommendations, out of the excuse of returning this money back to the real property taxpayer in accordance with those principles. If that is the case, then I think that the government should admit that monies have been derived out of such revenues that have been used to carry on the program of this province, and to that extent provide an increased tax or a new tax imposed by the government for its own purposes. I repeat that even if I have made a gross error, the calculation I have of over 25 percent excess would have to be very, very much incorrect to bring it down to the statement which the Honourable Premier made, that the policies now recommended are the maximum additional provincial burdens that can be accepted at the present time. I think there is no doubt that by the statements he made he intended to indicate that all the revenue was to be returned to the real property ratepayer in some form or another, with the exception of that cushion of some five percent. I'm looking forward to the reply which I will receive. I hope I will not be proven too wrong, but if I am, I am ready to accept the accusations of poor arithmetic.

MR. SCHREYER: Would the Honourable Member permit a question? Is the Honourable Member saying that the increment in taxation in the past year, the increment exceeds the increment in local government grants and rebates, by some \$5 million?

MR. CHERNIACK: That is the increment which I can attribute to the type of taxation that was imposed last August as special tax. There may be other -- well there are; increments coming from other sources; but this is what I have been able to derive from the special tax of last August.

MR. COWAN: Would the Honourable Member permit another question? In view of all

(MR. COWAN cont'd)of these increases that are supposed to be accounted for by the increase in tax rates, how do you account for the increase in the estimates of 4 million in the income tax from individuals? There is no increase in the tax rate of individuals.

MR. CHERNIACK: Do I understand that question to mean, how do I account for the fact that there is additional revenue derived from income tax? Was that the question. I don't propose to account for that. I was dealing only with the special tax imposed by the Honourable the First Minister and his government last August, which was supposed to be used only for the paying back the real property taxpayer. There are of course other increased revenues, but I was talking about the special tax of which the income tax was not one. Actually there was a reduction promised which was, I think, made.

MR. EVANS: Madam Speaker, this item will now stand in the name of the Honourable Member of Portage la Prairie? In that case, I would ask you to call the next item on the Order Paper.

MADAM SPEAKER: The adjourned debate on the proposed motion of the Honourable the Provincial Secretary. The Honourable the Member for Logan.

MR. HARRIS: I adjourn this debate for my colleague from Elmwood.

MR. PETERS: Madam Speaker, I asked my colleague, seeing as I was away, I phoned and asked him to stand it in my name, seeing as I was on this Highway Safety Committee, and I thought that I should make a few remarks. I was very disappointed in the work that the Committee had done because I don't think that we sat enough. We had four meetings and I remember the very first meeting that was called, we couldn't even have a quorum. Of the nine members on that committee there were only four of us who had showed up, and we had 'phoned all over the city trying to get hold of other people who were on the committee. Some of them were out of town. We finally got hold of one of the out of town members and he drove in 100 miles, so we came back that same day so we could have our first meeting, and in my opinion, Madam Speaker, there is very much to be done in the field of highway safety, and we have not even scratched the surface with these meetings that we had, and the Committee if it's reconstituted is going to have a very big job on its hands, Madam Speaker, because there are such glaring violations of Acts that we now have on the statute books. All you have to do, and I found out having to go to the Winnipeg General Hospital this past winter for four months nearly every day that I was there, there is a pedestrian crossing mark in front of that hospital and you were taking your life in your hands to cross at the pedestrian crossing. Now I don't know why the law is allowed to be violated in this way -- right in front of a hospital. I guess they figure if they hit you they'd get you to the hospital pretty fast; if you didn't walk there, they'd be able to get you there very quickly, and this is just one example, Madam Speaker, of Acts that we already have on the books that are being violated, and we are talking of putting more Acts on the books of this province and we are not policing the ones that we have now, and I don't know what we are going to do about this because it certainly is not right to set up laws and then just disregard them.

You can go almost anywhere. The 15-mile speed limit in school zones is violated daily and you are taking your life in your hands to even cross there, people going through them at 30 and 35 miles an hour in 15-mile zones, and it's all right to set up a Highway Safety Committee but you've got to do more than that.

Once you enact legislation you have to enforce it, and before we put on any more laws into the statute books we should enforce the ones that are now on the books, because we can put on all the laws we want and if we don't enforce them, Madam Speaker, they're not going to do any good. I certainly hope that when the committee is reconstituted that they will put in an honest effort to do a real job because they will have a big job on their hands and it's going to take more than four meetings to do it and that's all we had, Madam Speaker. I was very disappointed that that's all that we had was four meetings, because we could have had many more meetings from the time the Committee was first appointed and then re-appointed, and to have had only four meetings on such an important subject, to me, Madam Speaker, was very sad.

MADAM SPEAKER: Are you ready for the question?

MR. R. O. LISSAMAN (Brandon): If no one else wishes to speak I'd like to move, seconded by the Honourable Member for St. Matthews, that the debate be adjourned.

MADAM SPEAKER presented the motion and after a voice vote declared the motion carried.

MR. EVANS: Madam Speaker, would you be kind enough to call the next Order.

MADAM SPEAKER: The adjourned debate on the proposed resolution of the Honourable the Attorney-General. The Honourable the Member for Brokenhead.

MR. SCHREYER: Madam Speaker, I didn't anticipate we would reach this item and I'm not prepared to speak, so I would ask leave to have it stand.

MADAM SPEAKER: Agreed to have it stand?

MR. EVANS: Madam Speaker, would you be good enough to call on page 20 the Resolution standing in the name of the Honourable the Minister of Public Utilities.

MADAM SPEAKER: The Resolution standing in the name of the Honourable the Minister of Public Utilities.

MR. STEINKOPF: Madam Speaker, I beg to move, seconded by the Honourable the Minister of Municipal Affairs -- I haven't got the slip before me -- that a Committee of the House be formed as follows: Whereas a committee was called together for the purpose of advising the Premier as to the advisability and desirability of alterations in the law and business practice in the field of consumer credit, with a view to providing the best possible protection for consumers while at the same time allowing the credit granting industry to function effectively: And whereas the said committee has now submitted its report with respect to the said matters; And whereas it is expedient and desirable that a Special Committee of this House should be appointed for the purpose of considering the said report and to make such comments and recommendations to this House as it considers advisable; Therefore Be It Resolved: That this House appoint a Special Committee comprising nine members of the House to sit during the present Session, and in recess after prorogation, to study and review the law and business practice in the field of consumer credit, and without restricting the generality of the foregoing (a) to consider the report of the Premier's Committee on consumer credit; (b) to make such recommendations respecting the field of consumer credit as it considers necessary and advisable in order to protect the consumer from unfair trade practices and at the same time allow the credit granting industry to function effectively; and (c) to report to this House on the matters referred to it at the next Session of the Legislature.

MADAM SPEAKER presented the motion.

MR. STEINKOPF: Madam Speaker, in moving this resolution on consumer credit I do so in the full knowledge that this is a complicated, difficult and highly controversial subject that will require a good deal of serious study. The phrase "consumer credit" sounds simple, but it is so much a part of our way of life that it might be as complex as life itself. These past eighteen months this Government has delved deeply into the problem of credit, with particular emphasis on that phase of the use of credit in the hands of the consumer and more particularly in the hands of the few unscrupulous granters of credit. There is no more all-embracing subject that affects us all, some more, some less -- most of us directly but all of us indirectly. Subjects which we have been directly or indirectly interested in and which have affected consumer credit during the past two years have been such items as The Companies Act, The Unconscionable Transactions Act, The Real Estate Brokers Act, The Mortgage Brokers Act, The Consumer Credit Act, The Partnership Act, in matters relating to the sale of used cars, in the Tallin Commission, and with the Premier's Special Committee on Consumer Credit; in attending meetings also of the Ontario Select Committee on Consumer Credit and the Common Standards Committee on the same subject.

I have read recently the report which was issued by the Royal Commission on the cost of borrowing money, the cost of credit and related matters, in the Province of Nova Scotia, and I have also watched with interest the recent legislation in Saskatchewan and England and reports on credit from the Alberta Legislature. As I mentioned previously, and has been in this House, many of the states of the United States of America such as New York, Massachusetts and California, have legislation on all the complicated parts in consumer credit, and in most cases this legislation has been in favor of the consumer.

Government and business have been in voluntary partnership since the beginning of World War II, and as the years roll on it becomes more evident that this new type of mixed enterprise -- the label given to it by the Honourable Member for Brokenhead -- is here to stay, and both parties to the partnership seem to be flourishing. The same applies to the voluntary partnership of business and labour. Labour takes its share of the profits in the same fashion as business does, before the government is entitled to its share. More and more governments consult with their business and labour partners before embarking on a program that would basically affect the local or national economy. The United States has a balance of payments problem which is trying to cure in high gear through a voluntary partnership between

(MR. STEINKOPF cont'd)business and government. In the last few weeks President Johnson has conferred with a parade of the nation's top industrialists and bankers, and has gotten from them a commitment to cut down on their lending and spending abroad. So in much the same fashion, before embarking on a consumer credit legislation program that could seriously affect the economic growth of this province or before it would rock the province's economic boat vis-a-vis other provinces, we called in local experts and tabbed them the Premier's Committee on Consumer Credit, and then proceeded to pick their brains.

This document which I now have the honor to table is the result of that picking, and pickings were good. I am sure you will find the report most interesting and it will give you reason to think about the problem. You will reduce the material to situations in which you or a friend has been involved, or as to how it would affect you as a consumer or, if you are a business or professional man, how it will affect your day to day transactions. You will be emotionally upset if legislation is suggested that would slow down the operation of your business or that would curtail in any way the extension of the present liberal policy of credit granting. You might as a consumer object that the recommendations do not go far enough to protect you from your weakness or lavish tastes. Whatever your reaction, it will be normal, and it will be up to the committee to listen to you and finally decide what's best for you and for all of us. There are no unusual or startling revelations in the report, just a common sense exercise by people who make credit granting and the use of credit their main interest in life.

Business and consumer groups have confidence in this government and like the way it goes about getting things done, and in keeping with this confidence we have only brought to this House that legislation on which there was unanimous consent as to principle. On those matters on which there was no consent, or as I said there is doubt as to our right to pass legislation, on which the last word on enforcement or interpretation such as disclosure of credit charges, we have made no recommendation, but we want more time to study them and to study the inter-provincial effect; and so we recommend the creation of a Select Committee of this House.

The committee will have broad powers, and although it will be free to call before it experts and to hear from the public, I hope it will also study the reports made by similar committees and to watch closely the work of the Ontario and the Senate Commons Committees which are presently concerned about the same matters.

No doubt the subject that will receive the most attention is that of disclosure. The debate still rages as to whether or not it is possible to calculate all types of credit accounts in a manner that will show in terms of percent the cost of credit. The problem for a province is further complicated by the fact that the province might not have the right to legislate on a matter of interest, notwithstanding that the legislation has nothing to do with the setting by the province of an actual interest rate.

A few weeks ago all of us working on the matter of disclosure were excited when we learned that the British had found a formula that would do the job of determining the interest rate. You know what that formula is -- $\frac{200 M \times D + D}{P \times N + 1} \times N - 1$. After a lot of digging we found

out how it works and how it doesn't work. It doesn't work on cyclical accounts and this is where we have temporarily parted company, because there are at least 20,000 such accounts on Portage Avenue alone, and for a formula that won't work on these accounts we can't be too much interested.

Whatever we do in this field there will be a strong undercurrent of skepticism and such skepticism is both healthy and justified, for the fundamental issue involved in the present program is not just whether it will work, but what it will do to the free enterprise credit system if it does work. The fact is that a program which cuts across the profit incentive, either by curtailing the use of credit or by imposing additional difficult administrative costs, which has coercion behind it, will rapidly become a means of penalizing the decent businessman while rewarding the man who drags his feet. It would be more palatable to me to use the basic tools of monetary policy which are so general in their impact and so avoid the discrimination and difficulties inherent in all forms of direct control. But the basic tools seem to have gotten a bit rusty, and until the credit grantors can police themselves there seems no alternative but to determine how few direct controls are required to stop the high pressure, high interest rate business concerns from unloading its wares on the unsuspecting and many times ill-informed public, and at the same time to permit the other 98 percent of business concerns to operate efficiently without curtailing the amount of credit they have been used to granting. It

(MR. STEINKOPF cont'd) is our hope that this committee can come up with the right answers.

MR. FRED GROVES (St. Vital): Madam Speaker, I wonder if the Minister would mind repeating that formula. I didn't get it down.

MADAM SPEAKER: Are you ready for the question?

MR. MOLGAT: Madam Speaker, I was very interested in the speech made by the Honourable Minister on the introduction of this bill, and I don't rise to object to the resolution that he is proposing. I must say, however, that I am somewhat confused as to exactly what it is that the government intends to do, because it appears to me, Madam Speaker, that there is a great deal of confusion in the government's actions.

To begin with, we passed a year ago a bill to provide relief from unconscionable transactions. Then the government appointed the Tallin Commission last spring. We now have a bill before this House to amend the bill on unconscionable transactions, plus a further bill recently put on our desks which is to deal with consumer credit, Bill No. 86, An Act respecting Consumer Credit. Whilst all this is going on, the Premier of the province has a Special Committee on Consumer Credit, and now the Minister comes in with a separate resolution on the subject of consumer credit as well. Now I'm not saying that we should not be having a committee to investigate this. I agree that the matter is serious, that it does require thorough analysis, that quite probably we should not be jumping into new laws that have not been carefully thought out as to their over-all effect on both the consumer and the seller, and that this has to be thought out very carefully, but I cannot understand the course of action of the government. Why is it then that we have before us Bill No. 86, An Act respecting Consumer Credit, which was put on our desks on Wednesday of this week, and now we have a resolution telling us that we are to set up a committee to study what another committee has been studying?

Now surely the government should make up its mind exactly what direction it intends to head in, and this great show of activity with some bills and then some committees, another committee I don't think is the final answer. I think they should have made up their minds on one or the other. Now, how do we justify, for example, Bill No. 86 in the light of the statements made by the Minister this evening, the fact that this matter needs further study? What is it exactly the government intends to do? It appears to me that they have got themselves in a very confused state and that the public of Manitoba really won't be able to analyze or find out what is going on. Now if this is the case, if the committee is to be set up, then I would suggest that all the matters in that particular field be referred to that committee and that it get down to work during the course of the session, or immediately after the session, so that when we come here next year we can have legislation provided. I'm not prepared to support the appointment of a committee that won't have any sittings until next October, then when we come along at the session next year we'll be told, well the committee hasn't completed its work and we have to be re-appointed, as --my honourable friend the Minister of Health across from me is smiling right now. I think he is aware of what I am speaking.

There are certainly, and the Tallin Commission has shown that there are matters here that need investigation. I think we have to strengthen our laws in this regard; we have to protect the public; but I'm not agreeable to simply going on and on and extending this matter by having committees after committees studying it and not getting down to work. The only basis on which I'm prepared to support the resolution that's before us now is if it's on a clear understanding that this committee will get down to work, and that the chairman of this committee will call them together at the earliest opportunity, and that when we come together here in this session the next time we will be faced with specific recommendations and legislation by the government.

MR. PAULLEY: Madam Speaker, I'd like to say a word or two on this very important subject. I want to approach it, however, from a slightly different angle than that taken by the Honourable the Leader of the Liberal Party.

It seems to me that by the resolution that we have before us this evening, that once again the government is procrastinating and delaying, for this matter of consumer credit has been before this Assembly for a good number of years. I don't think that it was necessary for the government to await the action of the treatment of some of the citizens which resulted in the Tallin Commission at all. This government was told as long as five or six years ago that in the whole area of consumer credit there was need for action. I recall, Madam Speaker, when a former member of this House who became the Minister of Welfare, one John Christianson, after I had mentioned one or two matters dealing with consumer credit, asked me whether or

(MR. PAULLEY cont'd). not I expected the government to legislate for the morals of the people of Manitoba. He severely, at that time, objected to my suggestions that in some spheres this was absolutely necessary and essential if the people of the province were to be given at least some semblance of consumer protection in the field of credit and also insofar as the field of consumer consumption was concerned.

This, Madam Speaker, was a period of, as I say, four or five years ago. The matters, as they suggest became evident mainly as the result of the exposé in the Winnipeg Tribune, were of concern to all of us. The result was that a commission, the Tallin Commission, was set up to investigate these matters. I suggest, Madam Speaker, that the Government of Manitoba has had ample time over the period of the years to consider this matter without referring it once again to another committee of this Assembly. What is the result of this present session, Madam Speaker? Many matters have already been referred to the Committee on Rules and Statutory Regulations. As a matter of fact, Madam Speaker, that particular committee is going to be a miniature Legislature because they have so many matters to consider in the field of consumer affairs and the like. I say this is an abdication of responsibility. I say that any effective government would have laid before the Assembly direct proposals as a result of the years of being in office. I suggest, Madam Speaker, that there's no excuse for the present government to take the attitude that they are doing in this session in referring these very important matters to sub-committees or special select committees of this House.

This matter of a need for protection insofar as consumer credit has been with us for many years. This government took office in 1958 and like the proverbial new broom they were going to do some clean sweeping. We felt that they should have the opportunity to do the cleaning, to do the sweeping. Now, six years later, after all of the publicity that has been given in the field of consumer credit, what is this progressive, aggressive government going to do? Delay yet another period of time and refer this matter for further consideration to a committee of this House. And I repeat my earlier remarks, Madam Speaker. I'm convinced that this is nothing more or nothing less than an abdication of the responsibilities of government. We have no assurance, we have no assurance that after this special committee to be appointed by the House, that even at the next session we will have concrete proposals before us in this very important field.

I've just had the opportunity to briefly glance at the document laid on the Table of the final report of the Premier's Committee on Consumer Credit. On Page 2 reference is made to the question of a code of ethics. The opening sentence in that particular paragraph or section says that within any industry one will find persons who practise business on an unscrupulous and unethical basis, and that the credit granting industry is in no different a position than any other industry in this respect. Is this what the committee is going to consider? I appreciate that the Honourable the Provincial Secretary has before us a Bill 86, which I suggest, Madam Speaker, is only a piecemeal approach to the problem. Again I repeat, because I think that it's necessary to repeat it to my honourable friends opposite, that this is a question that's been before us for years and has been drawn to the attention of the government on many, many occasions. I recall, Madam Speaker, every time that there was established another loan company here in Manitoba, particularly my honourable friend the Member for Winnipeg Centre groaned, every time that I stood up and used the introduction of bills setting up additional loan companies to point out to the government the question of the looseness of consumer credit and the likes of that. On many occasions, Madam Speaker, because I raised this question it almost was a laughing stock item for the members opposite, and there was a groan that went up in this House when I drew this to the attention.

But this didn't happen yesterday or at the last session. As far as I'm concerned on this matter, I suggest that the Minister, the government has had ample opportunity to consider this. Unless it be considered that I'm a little harsh on the present Provincial Secretary, Madam Speaker, may I say to him I appreciate the fact that he was first elected in the election in 1962, so maybe it is a little unjust of me to hold him responsible, but I certainly can hold the First Minister of this House; I certainly can hold the Minister of Industry and Commerce and the Deputy Leader of the Conservative Party in this Assembly responsible for the delay in taking action in this regard. May I use a phrase that I found it necessary to use on a few occasions in the past, that at long last it appears as though the Government of Manitoba, the Conservative administration as came to the conclusion that the Leader of the New Democratic Party and his group were not so far wrong after all. --(Interjection)-- Pardon? After all, in answer to my honourable friend the Minister of Industry and Commerce, after all

(MR. PAULLEY cont'd)the knocking that it has been necessary for me to do on their craniums, I suggest, Madam Speaker, the knocking has been long and the penetration has been just as long. And I doubt very much, I doubt very much whether the government would have been motivated to move even on this occasion had it not been for the widespread publicity that was given through the media of the Winnipeg Tribune and the cases that were under investigation by the Tallin Commission.

So I say to the government, as I have illustrated on a couple of occasions already this session, that the government is a government of convenience, a government only of action when it becomes politically expedient for them to take action, and when an assessment of the pulse of the electorate has been taken which indicates to them action should be taken. So while, Madam Speaker, it will not be my purpose to oppose the resolution of my honourable friend the Provincial Secretary, I do however want to point out to him, despite Bill 86 and any related bills that may be forthcoming, that I'm going to accept this. But let me also, Madam Speaker, warn the government that I for one in this Assembly --and I'm sure that I do not stand alone-- am sick and tired of the procrastination of the Government of Manitoba in fields of very vital importance to the people of Manitoba. For in this we're going to have at least a full year's further delay, the government has not accepted our proposals for the establishment of a Department of Consumer Protection, and I wouldn't be surprised if in the resolution that I have proposed to this Assembly that it too may be eventually referred to some other committee of some other nature.

So I say, Madam Speaker, I do not particularly blame the present Minister, the Provincial Secretary; this is new to him. And may I say to you, sir, that at least in the couple of years that you have been the Provincial Secretary, some action, at least, has emanated as the result of your occupancy of that particular position. And may I conversely say, Madam Speaker, that the previous Provincial Secretary, who had matters drawn to his attention of a similar nature on many occasions, did not see fit to take action up until now. So I say, Madam Speaker, I will not oppose the passage of this resolution but I do wish to criticize the government for its long delay, because in the meantime, in the meantime, many more citizens of the Province of Manitoba are going to get rooked as a result of the delay in action by the government, which as I say, in 1958 started out progressive, constructive and forward-looking. The adjectives no longer hold true, Madam Speaker, and we're going to have a full year's delay once again before matters of such vital importance will be considered, and I sincerely trust and hope that in the deliberations of the committee that there will be concrete proposals before this Assembly at the next session of the Legislature.

MR. FROESE: Madam Speaker, I would like to make a few comments in connection with this resolution before us. I think the main section of that resolution is in Clause (b) which deals with, and I might read: "to make such recommendations respecting the field of consumer credit as it considers necessary and advisable in order to protect the consumer from unfair trade practices and at the same time allow the credit granting industry to function effectively." This is the major portion of the resolution, and it seems to me that the committee that has sat and brought in this report is weighted too much on one side. It's weighted to protect the consumer. And that is why the recommendations that appear in this report, I feel a lot of it is wishful thinking. It's one thing to bring in a report and make recommendations; it's another thing to legislate some of those recommendations into action that would work properly. Because we know from the experience at this session --the one bill on garnishment that was brought in -- that followed the recommendation of this very report, and we find now that this bill was referred to Law Amendments and then later on referred to another committee, and I wouldn't be surprised if this bill never came back in its present form, because I don't think it's good legislation. It's harming rather than helping, in my opinion.

I find other sections of this report here, one in dealing with full disclosure of finance charges, and this is nothing new in this House because we've dealt with this time and again. The matter has been raised I think at every session that I've been in here during this last four or five years. We had legislation passed, then it wasn't proclaimed. The following year we had another bill come in, it was-- amended the legislation, made it ineffective, and that's where it rests today. So I think the committee should have more representation from the practical side so that they would make recommendations that would be practical and that could be introduced into legislation and make it work and be worthwhile.

I notice also under the section of seizure of goods, hereto it makes it much more liberal and I doubt whether this section would work. I have my doubts on it. There's also the matter

(MR. FROESE cont'd).....of registration of traditional sales agreements. Here too I feel this is impractical and that there would have to be certain exclusions --or provisions made for exclusions. In my opinion there is still a lot to be done and I for one would like to see the committee that will be constituted weighted more to the other side so that the recommendations that will be coming forward will be practical.

MR. STEINKOPF: Madam Speaker, may I thank the Honourable Leader of the NDP for the.....

MR. MOLGAT: Madam Speaker, I wonder if there are any other members who wish to speak, because I presume the Minister is closing the debate.

MR. PETERS: Madam Speaker, I beg to move, seconded by the Honourable Member for Brokenhead, that the debate be adjourned.

MADAM SPEAKER presented the motion and after a voice vote declared the motion carried.

MR. EVANS: Madam Speaker, would you call in succession Bill No. 68, No. 101 and No. 86.

MADAM SPEAKER: The adjourned debate on the second reading of Bill No. 68. The Honourable the Member for Rhineland.

MR. FROESE: Madam Speaker, I have not completed my study on this bill and I would ask the indulgence of the House to have the matter stand.

MADAM SPEAKER: The adjourned debate on the second reading of Bill No. 101. The Honourable the Leader of the Opposition.

MR. MOLGAT: Madam Speaker, I too would ask leave to have this matter stand.

MADAM SPEAKER: The adjourned debate on the second reading of Bill No. 86. The Honourable the Provincial Secretary.

MR. STEINKOPF presented Bill No. 86, an Act respecting Consumer Credit, for second reading.

MADAM SPEAKER presented the motion.

MR. STEINKOPF: Madam Speaker, much that I said on the resolution applies to 86, and I'm afraid I'll have to repeat some of it because apparently it fell on rather deaf ears. I did say that those parts of the report by the Premier's Committee, on which there was unanimous agreement, we have adopted in Bill 86 and feel that this will prove to be exceptionally good legislation insofar as the business of consumer credit is concerned. The problem, the subject matter of which is very very large and this government has been very quick to adapt and to provide legislation in the field as soon as it was practical to do so.

The first bill, the one that we brought in last year, The Unconscionable Transactions Act, was brought into this House, this Assembly within a matter of weeks after the Supreme Court of Canada ruled the Ontario Act of a similar nature *intra vires* of the province. This was followed up at the same time with all the other legislation that I mentioned. The Real Estate Brokers Act, the Mortgage Brokers Act, many parts of The Companies Act, were changed and brought up to date with an eye to protecting the consumer and at the same time making it a little easier for businesses to carry on.

The suggestion recently made that this legislation is as a result of the disclosures that were in the Winnipeg Tribune last spring is certainly a little far removed from the fact because much of this was in the mill prior to the time that that legislation came about. As a matter of fact, I think some of those disclosures were prompted by the fact that we did bring before this Legislative Assembly The Unconscionable Transactions Act. Each one of these acts, each one of these committees, these commissions, have dealt with a separate and distinct subject. The Unconscionable Transactions Act dealt with the lending of money. The Tallin Committee concerned itself primarily with the matter of mortgages and securities of that type, whereas our Premier's Committee dealt with matters concerning the smaller items and of a type that were more of a personal nature.

This act before us has three principles in it. One is the matter of a lien that limits seizure to the seizure of the article itself and provides for no further action. Another one is what is commonly referred to as a cooling-off period. We have a two day cooling-off period provided for off-premises sales and agreements in writing. Another section of this act deals with the assignee's rights somewhat similar to the amendment that was before this House recently on The Unconscionable Transactions Act, but this has to do with contracts of all types.

I think that this province in bringing in this Act, which is positive legislation and is about as far as one can go today with any sense of security in bringing in legislation, will then

(MR. STEINKOPF cont'd).....have legislation on its books probably as advanced as any province in Canada and certainly most of the United States, and at the same time leaving a climate for business that will in no way curtail its activities.

MADAM SPEAKER: Are you ready for the question?

MR. ALBERT VIELFAURE (La Verendrye): Madam Speaker, if nobody wishes to speak, I beg to move, seconded by the Honourable Member for Carillon, that the debate be adjourned.

MADAM SPEAKER presented the motion and after a voice vote declared the motion carried.

.....Continued on next page

MR. EVANS: Madam Speaker, I would now propose to move the supply motion. I beg to move, seconded by the Honourable the Minister of Health, that Madam Speaker do now leave the Chair and the House resolve itself into a committee to consider of the supply to be granted to Her Majesty.

MADAM SPEAKER presented the motion.

MR. MOLGAT: Madam Speaker, before the question is put I wonder if I could ask a question of the Leader of the House. I presume that after we're through health estimates we'll return to Attorney-General which is pending, and then after Attorney-General could he indicate to the House which department we will be considering?

MR. EVANS: The first two items are correct, Madam Speaker. I'll try to confirm that it's the next in order according to the books, but I will try to let my honourable friend know at the earliest possible moment.

MADAM SPEAKER put the question and after a voice vote declared the motion carried and the House resolved itself into a Committee of Supply with the Honourable Member from Winnipeg Centre in the Chair.

COMMITTEE OF SUPPLY

HON. CHARLES H. WITNEY (Minister of Health) (Flin Flon): Mr. Chairman, I would just like to conclude with some of the questions, or answer some of the questions that were posed at the last time we were dealing with respect to the estimates.

Dealing with third party recoveries, the reason for the reduction in fees is that more cases in 1964 were settled with the insurance adjusters and company without solicitor's intervention. A total of \$13,464 was paid out to 199 solicitors in Manitoba and in the rest of Canada and in the United States. When an injured party employs the services of a solicitor and he requests the hospital accounts, this is provided him and he is requested to include these accounts in any action he may institute and is paid a fee of 10 percent of the total recovery of the hospital account for his services. If no legal action is being instituted and an amicable settlement is arranged between the injured party and the insurance company, then we settle direct with the insurance company with no intervention by the solicitors. The total amount that was recovered without the assistance of solicitors in 1964 was \$51,889.41.

The Honourable Member for St. John's made some reference to ambulance or emergency services and I made some comments back to him. I find out in consultation with the hospital officials that every hospital in the city at the present time is equipped to handle the ordinary type of emergency situation. Those cases that are requiring the more highly specialized facilities and trained personnel are referred to the Winnipeg General, the St. Boniface General Hospital or the Children's Hospital. In all new hospital construction, provision is made to include emergency facilities capable of handling the usual emergencies. It should be noted that this fall a fully modern intensive care unit will come into operation at the Winnipeg General Hospital which will be capable of handling the most severe type of injury, and planning is underway at the present time for new and modern emergency departments at the Winnipeg General, the Children's and the St. Boniface Hospital.

Just to briefly refer to the situation at Churchill, there is one doctor in private practice; one doctor, a public health officer for the Federal Government; one Department of National Health and Welfare officer; and one lady doctor who is not practising but is available in emergencies.

The Honourable Member for Logan asked why some of the hospitals were not affected by the freeze. A new service wing underway at the Winnipeg General Hospital had been approved and was under construction at that time so naturally the freeze did not affect it. There were other projects in the same category that were underway, the Brandon General Hospital and extensions to the Dauphin General, Gilbert Plains district and McCreary district hospitals who were also permitted to go ahead because they too had been approved prior to the survey being undertaken.

The Honourable Member for Logan was asking too about what surveys have been done by the Commission with respect to the Metropolitan area. The studies in the Metropolitan area are going on constantly. The Willard study acts as a guide but in the five years that the Willard study was started of course he realizes that there have been changes made in the Metropolitan area. There have been changes in the population patterns and in the residential development patterns in the Metropolitan area so the study continues on constantly.

MR. PETERS: I don't know if this question was asked before or not. I wonder if the

(MR. PETERS cont'd). Minister could tell us what the situation is in regards to trained nurses, whether we are running short of them. What I have seen in visiting the hospital this past winter, it seems to me that there is a shortage of nurses and I wonder if the Minister could tell us whether they are trying to get more girls to go into training or what is happening as far as the nursing profession is concerned.

MR. WITNEY: We are providing in the estimates this year for two new public health nurses in order to establish another course for licensed practical nurses which will mean that we will be graduating another 54 licensed practical nurses in the province. With respect to registered nurses, we do not have a shortage of nurses or a shortage of applicants to the nursing schools. All of the nursing schools have sufficient applicants and all are graduating a full complement of nurses. Right now the nurses from Canada are in demand in many places. They move; they get married; but they also start to come back.

With respect to the shortage of nurses, a series of meetings have been held with the Manitoba Hospital Commission, the Association for Registered Nurses, the hospitals and the doctors on the problem of shortage of nurses and those studies are continuing to see just how deep the shortage is and what can be done about it. Also being taken into consideration are the recommendations with respect to the two-year course for nursing, because one of the problems we do have is to find sufficient trained nurses who can teach in the teaching areas.

MR. GUTTORMSON: I'd like the Minister to clarify something on this matter of third party recovery. The figures he gave the House previously was that in 1964 they had recovered \$206,000 in round figures. He said tonight that \$51,000 of this was paid without any legal work. Is this correct? Does this mean that \$155,000 then was collected through lawyers?

MR. WITNEY: Yes.

MR. GUTTORMSON: Now he gave figures here that the cost of recoveries was \$13,464. What does that represent? That represents 10 percent that was used to collect this money?

MR. WITNEY: Yes, it would represent approximately that 10 percent. If you take the \$51,000 away from the \$206,000 you get in round figures about \$154,000 or less, so it comes to about 10 percent.

MR. GUTTORMSON: Now he gave another figure of \$8,821. What does that figure represent?

MR. WITNEY: The \$8,821 represents the staff that are employed by the Hospital Commission. They employ one full-time staff and I think it is two clerks -- three people in all.

MR. GUTTORMSON: Then the total cost of recovery then would be what, \$22,285.00?

MR. WITNEY: That's correct.

MR. GUTTORMSON: As I understand it from the letter that was written by the Commission, Mr. Vaughan Baird is the solicitor. Is this correct for the Commission?

MR. WITNEY: Mr. Vaughan Baird is the -- I'll get the exact title for you -- he's a consultant to the Commission.

MR. GUTTORMSON: What money is paid to him? How much money was he paid in 1964?

MR. WITNEY: He was paid \$5,000 for his consultant's fee to the Commission, and for that part of the legal work that he did with respect to third party recoveries he was paid \$516.24 which is 4.6 percent of the amount received.

MR. GUTTORMSON: So he gets a retainer fee of \$5,000. What is the \$516.00? Is that the cost of recoveries or is it his expenses? Is that correct?

MR. WITNEY: That's his 10 percent of those third party recoveries that he obtained through his firm.

MR. GUTTORMSON: Just \$516.00?

MR. WITNEY: I'm sorry. If the honourable member will note, I said that the money of \$13,464 was paid out to 199 solicitors in Manitoba and in Canada during 1964.

MR. GUTTORMSON: In 1963 the Minister said the cost of recovery was \$27,000 and the third party recoveries were \$173,000. Was Mr. Vaughan Baird paid \$5,000 retainer fee at that time? What additional money did he receive as the 10 percent?

MR. WITNEY: I haven't got the additional money that he received in 1963. As far as his consultant fee in 1963, it was \$5,000.

MR. GUTTORMSON: Would the Minister undertake to give me the extra amount, please?

MR. WITNEY: Yes.

MR. T. P. HILLHOUSE, Q. C. (Selkirk): what the practice is in respect of

(MR. HILLHOUSE cont'd). third party recoveries where the insurer in an automobile liability case admits liability and perhaps the claim is paid to the Manitoba Hospital Commission either direct by the insurer or by the adjuster for the insurer. Is there any commission paid to the insurer of any commission paid to the adjuster in respect of a voluntary settlement?

MR. WITNEY: It is my understanding the answer is no.

MR. EVANS: Mr. Chairman, I beg your pardon, I wonder if I could inform the Leader of the Opposition that I expect the next department to be considered will be the Department of Mines and Natural Resources.

MR. MOLGAT: Thanks very much.

MR. DESJARDINS: Mr. Chairman, I wonder if the Honourable Minister -- I can see that he has given me the answers on this third party recovery -- could give us for '64, this \$51,000 that was recovered without necessity of legal help, could he give us the same breakdown for 1963? Also, the cost of this third party recovery in '63 was \$27,000. There is only one figure there. Was there a staff at the time to compare with this \$8,000 that we have this year, or is that included in this \$27,000? I wonder if you could give us these two breakdowns, then we'd have the comparative figures.

MR. WITNEY: I can give the same breakdown. I haven't got it here but I can get the same breakdown for 1963. It's my understanding that in that \$27,000 that there would be 8,000, or 8,800 whatever that figure is that's paid for staff, because the same staff were there in 1963. Except for increments, it would be a bit lower.

MR. DESJARDINS: Could he tell us what the staff -- does this staff work only for the third party recoveries, is that it, or is there some other work besides that.

MR. WITNEY: They do third party recoveries.

MR. DESJARDINS: Is that all?

MR. WITNEY: That's my understanding.

MR. DESJARDINS: Mr. Chairman, if this is the case, I think we'd be better off with more lawyers because lawyers are cheaper. They have cost us close to \$9,000 then this year to collect 51,000. That seems to be quite a cost. If I understand -- well this 51,889 is the amount that was recovered without the help of any lawyers or solicitors, but that cost us \$8,820 because this is the staff that's doing this and this is all they do, this third party recovery. But we'll get this information later on.

Mr. Chairman, there's two things that I want to bring up at this time that the Minister had promised to answer. This uniform services that is provided only in certain hospitals -- in other words on the Manitoba Hospital Commission Annual Report on Page 13(b), the following are also insured out-patient services and then the electro shock therapy and so on, and this is only available in Manitoba where you have a patient hospital, Princess Elizabeth Hospital, Assiniboine Hospital, Brandon and Dauphin General Hospital. This is the third year that I suggest that some of this could be done at different hospitals such as General and St. Boniface who are equipped for that and who would like to do it, but this has never been changed.

I'm not going to pursue this business of 20 percent for capital cost as some members of my group from the rural points think that maybe I have gone far enough on this. So we'll leave that alone for this year anyway and maybe next year we'll try to do it again.

Now another thing, this depreciation allowance of equipment, I'd like to know a little more. I think that the Minister said that to his knowledge there's no change in policies, but I think there should be. Unless my understanding is not right, the only way that equipment -- and I'm not talking about new equipment now in a new hospital, I'm talking about replacement of equipment and equipment that they've had now. This is bought, is purchased by this depreciation fund, and the method of calculating this depreciation is based on a purchase of years ago. The cost gone way up and I would like -- this is not a question because I've got the answer that there's no change in policy -- but I would certainly like to suggest anyway that the Minister should look into this. Better provision will have to be done especially if Metro will -- although I said that I wouldn't mention this 20 percent, I have to mention it here -- but Metro will probably get these different hospitals to pay with their other revenues that they have through parking lots and things like this unless they were using that to pay the difference to get new equipment, so I wonder if that would be brought in.

Then of course I would be very interested to know the breakdown on what this five percent income tax brought in, this corporation tax, and if all that money is in the plan. This is something that I asked and we were going to get the.

MR. WITNEY: Mr. Chairman, with respect to the depreciation, as I mentioned to him the other day there has been no change in policy, but later on I was advised by the Hospital Commission staff that they are looking into this matter and I understand they are looking into it in consultation with the Associated Hospitals of Manitoba.

I made an error on the staff that's involved in the third party recoveries. It's one clerk and one employee, so it's two, not three. I said three.

MR. DESJARDINS: I believe you mentioned two once before. I think it was Friday.

MR. WITNEY: On physiotherapy -- physiotherapy is provided at the St. Boniface Hospital in particular, well not in particular but as an in-patient benefit. On the out-patient basis, it's at these four hospitals that are listed in the report. One of the reasons for that is that in these four hospitals there is a centralization of the people who have these particular talents for physiotherapy, occupational therapy, etcetera. I just repeat that, that in the St. Boniface Hospital which is the one I think he mentioned, the physiotherapy is provided as an insured in-patient activity. As an out-patient activity, it is only these four places, and if you take a look at them, the Manitoba Rehabilitation Hospital, the Princess Elizabeth Hospital, etcetera, these are areas where there is a concentration of the physiotherapy and occupational therapy staff. When we are able to get more of these staff then we will be able to expand the out-patient activity of physiotherapy.

MR. DESJARDINS: staff, right?

MR. WITNEY: I think that's a fair answer for me to give, yes.

MR. MARK G. SMERCHANSKI (Burrows): Mr. Chairman, I wonder if the Honourable Minister would shed some light on how much is allotted for the proposed renovation at the Grace Hospital on Arlington Street. I requested that yesterday and I don't recall the Minister giving us these figures.

MR. WITNEY: No figures are available as yet, Mr. Chairman. I mentioned one, I believe it was on the first day or the second day that we were on the estimates what the overall thinking was with respect to the Arlington Street and the St. James Street and he'll find it on the Hansard on that date. The Salvation Army people have submitted just a functional program and that functional program is being considered by the Manitoba Hospital Commission, and in light of the various changes which may have to take place, there have been no dollar figures assigned to it as yet.

MR. SMERCHANSKI: Does that mean then that as far as the plans are concerned by the Hospital Commission that these are not complete for the Grace Hospital on Arlington location? Is this what he means?

MR. WITNEY: Yes.

MR. SMERCHANSKI: The construction of the St. James section of the hospital then is not completely finalized in terms of cost and what it will contribute in reference to the proposed renovations at the Arlington Street site as well?

MR. WITNEY: The costs that have been debated -- or at least finalized I mean by the Hospital Commission and the Grace Hospital authorities for the St. James site are completed to my understanding for the 258 beds which I believe they are building out there, and on the basis of the need of a community hospital servicing that area.

MR. SMERCHANSKI: Mr. Chairman, I can't seem to just follow that type of thinking. It is my understanding that the proposed renovation on the Grace Hospital on Arlington Street is part and parcel of what is going on in St. James. Now my question is, is the condition as it exists now, that the plans are completed for St. James and they're not completed for the Grace Hospital on the Arlington location? Is this the situation?

MR. WITNEY: That is my understanding, Mr. Chairman.

MR. SMERCHANSKI: Well, Mr. Chairman, this is not my understanding and this apparently is not the information that is available. I would appreciate if the Honourable Minister would be in a position to give us this information. As I understand it, there is quite a definite expenditure involved in the renovation of the Grace Hospital at this Arlington Street site and it is very questionable whether this is justified or not. I think that some attention should be paid as to why the Grace Hospital was not located in its completion at St. James. I would also like to ask the Minister now, why was the Grace Hospital at the St. James site not permitted to go ahead and build the 500 beds that was originally proposed, and why they were more or less advised to build based on the 268 beds that the Honourable Minister has mentioned.

MR. WITNEY: Mr. Chairman, if the honourable member will refer back to Hansard he

(MR. WITNEY cont'd)..... would see that I read something into Hansard with respect to the hospital on the western outskirts at St. James being provided with 258 beds, and that there is reference made there to the Arlington Street hospital. I don't think it's necessary to read this into the record again. The St. James hospital will be a community hospital, and it was considered at that time that the Arlington Street hospital would consist of specialized services. As I have mentioned to the honourable member, while the St. James hospital is going ahead the Arlington Street -- the functional program has been received by them but it is still under discussion with the Manitoba Hospital Commission.

MR. SMERCHANSKI: Mr. Chairman, the next item I'd like to get clarification on is that the Honourable Member from Gladstone last night mentioned the Manitoba Medical Service under Plan HCX, which I think that the Honourable Minister is acquainted with, and this is a plan that is losing approximately \$300,000 per month and which is being subsidized of course by the other two plans which are known as the H Plan and the HC Plan. Now my question is, why do we not in Manitoba adopt the take-over of the diagnostic service entirely under what's known as Bill No. 320. I would like to know why we in this province haven't taken it over.

MR. WITNEY: Mr. Chairman, with respect to MMS, I mentioned last night in answer to questions that came from the Honourable Member for Neepawa that there was established after the big meeting of the doctors held in December a committee that comprised two general practitioners, two specialists and the four lay members of the Manitoba Medical Service Board, a committee to study the problems that MMS are undergoing at the present time, and this question of H, HC and HCX is one of them. The other question I also answered last night about lab and x-rays. That was under investigation by the Manitoba Department of Health quite recently and we received information back from the Manitoba Medical Association and we are still considering that very proposal.

MR. SMERCHANSKI: Mr. Chairman, my question is, why do we not in this province go and assume the diagnostic service under Bill No. 320? As I understand it now, we have got some modification under the federal assistance or the rural diagnostic service and in Metropolitan Winnipeg we have it covered under the HCX Plan, which is a losing plan. Now my question is, why aren't we in this province covered under the terms of Bill No. 320? Could the Minister please answer that?

MR. WITNEY: Mr. Chairman, I thought that I had more or less answered it by telling the honourable member that we are looking into it, but it is a major problem. It's not only a major problem in this province but it's a major problem in other provinces as well. In some of the other provinces they have moved into it or are considering moving into it, and I think one of them is Alberta that is considering moving into it. It is a problem that just can not be resolved overnight. I don't know what else I can say, except that we know that the situation can be covered under The Hospital Diagnostics Act and we are trying to find our way around a very difficult problem.

MR. SMERCHANSKI: Mr. Chairman, I feel this way. I appreciate what the Honourable Minister is telling me, that there's been a committee struck off of doctors and medical people to look into this and make a study of it. I think that that's quite proper. I also appreciate the fact that this can not be resolved overnight, but the fact of the matter is, Mr. Chairman, that the residents in this province are contributing over \$300,000 per month into a losing plan and this is costing the average resident in Metropolitan Winnipeg a great deal of money in terms of the dues that he pays under the Manitoba Medical Service. I think that this is of vital importance to those people who are subscribers. This isn't something that has just developed in the last six months; this has been going on for quite a long time and I think that the Honourable Minister is quite aware of this. My question again is -- it isn't a matter that can not be resolved -- my question is, why do we not go under Bill No. 320 in terms of our diagnostic service. Now my question is as simple as that, and I wonder if the Honourable Minister has got an answer for it.

MR. WITNEY: Mr. Chairman, I've given the answer that we are looking into it and that's the answer that I give him.

MR. SMERCHANSKI: Mr. Chairman, as I understand it, under Bill No. 320 we can elect to be subsidized or assisted by our Federal Government in reference to the diagnostic services. Now it's quite all right for the Honourable Minister to say that the answer has been given when in reality it has not been given. This is a matter of great concern to every subscriber of the Manitoba Medical Service. This is a condition that has been known to be taking

(MR. SMERCHANSKI cont'd). place for the last two years and yet our Department of Health has seen fit to do nothing about it until a group of doctors got together and they set up this committee simply because they were getting paid at the rate of 70 cents on every dollar, and the difficulty was that they're losing that 30 cents on a dollar due to the unusually high cost of diagnostic service in Metropolitan Winnipeg. Will the Honourable Minister agree to this?

This is a fact, Mr. Chairman, and this is not something to be taken lightly. I think that the Department of Health in this instance has missed the boat, sleeping at the switch, and something should have been done long before this because it is unfair to the large percentage of subscribers who are subscribing under Plan HCX which covers the diagnostic service, and on the study of these three plans it revealed that the unusual high cost of the diagnostic service is what is contributing to the loss of \$300,000 per month. The other two plans, the H Plan and the HC Plan are the ones that are subsidizing this other plan. It would appear to me, Mr. Chairman, that there is something radically wrong in the high cost of x-ray service and in the high cost of the lab analysis. This is quite a complicated problem, because you have many expert doctors who are x-ray technicians who are called in on a 60 per month basis to analyze and study these x-ray plates for clinics who make a profit on the running of x-ray and lab analysis, and this I think, Mr. Chairman, is an unfair way because this does not reflect directly on the ethics of any medical man.

I think that the Honourable Minister knows, and especially the previous Minister of Health knows more about this matter than possibly he cares to admit, but this is something that should be resolved. I merely bring this to the attention of the committee, Mr. Chairman, in that if this is not properly resolved in terms to try and stop the loss of \$300,000 per month, then what we should do is do what Alberta did do in mid-summer last year, and that is, let us put all our diagnostic service under Bill No. 320, because we have got a modification of it in rural Manitoba and we have no -- and we have no definite method of handling it in Metropolitan Winnipeg.

MR. CHAIRMAN: 1 (a) (1) -- passed; (2) -- passed: 1 (b) (1) --

MR. PAULLEY: Mr. Chairman, I haven't taken much part in the debate under the Minister's salary other than a question or two directed to him and wishing him well, and as the debate progresses I'm sure that he must be more and more appreciative of the expression of goodwill and hope that I extended to him in my remarks the other night.

However, under the question of Health Education, I would like to ask the Honourable the Minister of Health if he could make available to me, and possibly to all of the members of the committee, copies of the various publications that are made or are handed out by the department under the heading of Health Education. I note that as I look through the review and the report last year, Mr. Chairman, there are many items covered for which publications were issued. Now, I'm not asking, Mr. Chairman, my honourable friend to produce these publications this evening. I would appreciate, however, to be given copies or other dodgers that the department issue. I note, Mr. Chairman, that the publications cover such matters as psychiatric nursing, RH factor, first aid, pre-school children, carbon tetrachloride and other areas as well, flip charts or first aid, and I would appreciate receiving from the Honourable the Minister copies of these.

MR. WITNEY: Mr. Chairman, I mentioned when I introduced the estimates that I would have the flip charts distributed to every one of the members and I regret that I have not done that as yet, but I will. With respect to all of the publications, that's an awful lot. Are you sure that you would like them all, or would you like those that are most used. You'd like those on pre-natal care and post-natal care and those on psychiatric nurse training? Well, I will see that he gets those copies.

MR. PAULLEY: I say to my honourable friend that I might not be directly concerned with pre-natal and post-natal care, but I am concerned with the job that the Department of Health is doing in all fields, Mr. Chairman, and I regret to say to my honourable friend that I would like to see all of the publications or copies if, if it's possible. He may be out of supply at the present time on some of them. I would excuse him for a few omissions but not too many.

MR. DESJARDINS: Mr. Chairman, I wonder if the Minister would endeavour to get two sets and see that our Party gets a copy of those also.

MR. WITNEY: I was going to facetiously say that we'll need a truck, but if we need it we'll get it.

MR. CHAIRMAN: 1 (b) (1) -- passed; (2) -- passed; (3) --

MR. MOLGAT: Under (3), Mr. Chairman, I note that there's been no change there in the estimate for Alcohol Education Service. Now in the past year the government has made a very substantial increase in the taxation on alcohol and I think we find that the revenues that we can expect from that source are going up substantially but that the government does not seem to be spending on the education on alcohol matters anywhere near the amount of increase that it is showing in its income. It seems to me that this was an important part of the recommendations of Mr. Bracken when he made the study for us some years ago, that a share of the profits made out of the liquor business by the government should be invested in a sound education program and a sound program of temperance for the people of this province. Now I note that this year the grant for this particular service is identical to what it was last year. Could the Minister indicate whether he has received any requests for an increase in this and is he contemplating making any change.

MR. PAULLEY: Mr. Chairman, before the Minister answers that, I might ask him one or two on this particular item. He may be able to answer them all at the same time if that meets with your convenience. I note that in the report of the department mention is made of the Manitoba Alcohol Education Services, also the item covers, as I understand it -- the Association of Alcohol Services deals with, I understand it, going around lecturing or giving talks to school children and the likes of that, these Alcohol Services. And I note from reading their annual report there was a request for additional help which as the Leader of the Official Opposition indicates there hasn't been any increase in the amounts of money. Also, Mr. Chairman, in the report on Page 17, reference is made to a committee set up to co-ordinate all activities in the alcohol field including education and rehabilitation. A co-ordinating committee was set up comprised of a representative from each agency including the Health Education. I wonder if the Honourable the Minister has a report as to the results of the deliberations of this committee and if so could he make a copy available, and if not why not.

MR. WITNEY: Mr. Chairman, the co-ordinating committee has kept minutes of its various meetings that it's had, and I believe that during the past year it had something like four. I was at the first one and I was at the one that we had prior to coming into the estimates. And the co-ordinating committee on alcoholism has been working I believe quite successfully. At that meeting that we had -- and if the honourable member would like a copy of the minutes I can forward it to him. I think he will find in those minutes that the various participating bodies AES, the Salvation Army, the Alcoholism Foundation, Health Education, all co-ordinated by the Director of Rehabilitation, that they are expressing in there that they have made some progress. You must realize though that the changeover was quite different to what we had before, and so I wouldn't like to say that there were not difficulties within that committee, but I'm quite sure that they have overcome them.

The co-ordinating committee is continuing and there's a meeting scheduled for May at which time I have indicated that I will be there and that meeting will be held in the offices of the Alcohol Education Society. But as for a report, there was no contemplation of a report, but if the honourable member would like the minutes of that last meeting, I will see that he is provided with them.

Now, the Honourable the Leader of the Opposition refers to this figure of \$36,000.00. That of course is only the grant that we make to the Alcohol Education Society. We have in the Section (d) in the estimates in here, we have expanded quite considerably our program with respect to the problems of alcohol. For instance, the expenses of the Alcoholism Foundation have risen; I think they are from about \$75,000 to \$86,000 -- these are supplies and increments of salaries, etcetera -- but we're also providing in there seventy-five to eighty thousand dollars for the development of a new facility for women similar to the Nassau House operation for men which has been functioning at full capacity. And then also combined in there will be another grant of \$20,000 to the Salvation Army Harbour Light Centre.

We have decided in allocating our various monies that we would retain the same grant to the Alcohol Education Society; we would maintain the same grants that we had which is under Health Education, about \$40,000 or I think it's \$36,000 -- roughly about that -- for advertising at any rate, which was about the same as last year, but because we had these needs pressing on the doorstep as a result of the increased activity of the Foundation and of the Salvation Army Harbour Light Centre, both of which more or less renewed their activities during the past two years, we decided to meet the rehabilitation concept of alcohol first with what monies we had available. With these people that we are able to rehabilitate, they also become some of our

(MR. WITNEY cont'd)best salesmen as to the problems of alcohol and how to avoid them, and through such organizations as the AA and these people that we have rehabilitated. these are quite a task force whose influence in the province I don't think you can exactly measure.

I would like to say to the Honourable the Leader of the Opposition also that in the Alcoholism Foundation their three counsellors have been also spreading out greater this year through the province to such people as Service Clubs, to areas where business may have been having a problem, or industry may have been having a problem, to talk to staff of the industry and into the schools; and the counsellors have also, in addition to the Alcohol Education Society been requested to have counsellors speak to several schools and they have done so with considerable success.

MR. MOLGAT: Do I understand correctly then, Mr. Chairman, from the Minister that there was a request for an increase in the grant that we're particularly dealing with under this item, to Alcohol Education Service?

MR. WITNEY: Yes, I'm sorry. I didn't answer that question. There was a request for an increase in the grant for AES.

MR. MOLGAT: The Minister does not propose to make an increase, is that so?

MR. WITNEY: That is right, Mr. Chairman. The figure in here is \$36,000, the same as last year.

MR. MOLGAT: Mr. Chairman, I have been critical in past years about the whole structure of our alcohol education and alcohol rehabilitation and so on, on the basis that it was very difficult in my opinion to arrive at a sound program when it was scattered through a series of departments, because I think that in past years we had it appearing here in Health and we had some appearing I think under other departments. Now, last year the Minister indicated that this would be co-ordinated and I approve of this move. However, it doesn't appear to me at this time that insofar as these estimates are concerned that we can still get a comprehensive view of what it is that the government is doing in the field of alcohol rehabilitation and education. Now, I approve completely of this co-ordinating committee, but I would like to know exactly what has been accomplished. In the past year I think he has abolished one of the groups. As I recall it, there were three separate groups that were operative in this field. I think one, and that was the Committee on Alcohol Education --

MR. WITNEY: That's right.

MR. MOLGAT: Yes, that one has been disbanded. Now, does that leave us then with two groups now? And the co-ordinating committee is dealing strictly with these two groups, is that correct? Then the next answer I would like from the Minister is exactly the breakdown of the grants that we are giving. Now this one is clear, the grant to Alcohol Education Service is one; it's set out separately. There are apparently other grants in the item (d), but I think it's impossible, Mr. Chairman, with all due respect to wanting to keep on the item, to discuss one without discussing the other, because they go hand in hand. Now I don't care if we do this a little later on in (d) and then we can refer back to this item or if we do the whole thing now.

MR. WITNEY: There are -- I suppose you'd say there were four. There is the Alcohol Education Society, which was one that we had before. It used to be in the Department of Education. It came over to the Department of Health. We have the Alcoholism Foundation which has always been functioning under the Department of Health. We did have the Manitoba Committee on Alcohol Education which was abandoned and I think it was Professor Halstead -- I think is his name -- was brought over to work with the Director of Health Education for the Department of Health and he has been doing that. Then we have the activities of Health Education itself. All of these four in the Department of Health are functioning under the Director of Rehabilitation. The educational sections, I suppose you could call them the AES and the Health Education Section, and recently on request the Alcoholism Foundation counsellors as I've mentioned have been going into the schools. When you come to the grants there is in here AES at this figure of \$36,000, and then there is the cost of the Alcoholism Foundation of \$86,000, and in addition to that there will be \$75,000 to \$80,000 which will provide for the new facility for women. And then we have an additional grant of \$20,000 for the Salvation Army Harbour Light Centre and then \$40,000 in health education for such things as advertisements, the billboards that you see, radio advertising, television advertising and the other forms of advertising that are done in various media.

MR. MOLGAT: Mr. Chairman, I think we've made some progress over the past

(MR. MOLGAT cont'd).....situation. At least we now have it all in the Department of Health instead of scattered all over. But it doesn't appear to me that the Minister is really putting the emphasis here that is required. After all, when you consider that in the past year, that's just in the estimates, 1966, the increase from the year that we have just finished, March 31st, 1965, we expect that in this coming year the Province of Manitoba will receive 3.1 million dollars more in liquor profits. They're going up from 16.6 million to 19.7 million. We are going to collect from this one source alone an additional 3.1 million dollars. I think that the Bracken report indicated, and I think that most people will agree, that if there was no alcohol at all, if you could get away from the use of it completely, probably mankind would be much better off. It turned out that prohibition didn't work. We are faced with the problem and it will be with us, but I think it behoves the government, when it is receiving such a very large sum of money from this one source alone, to make absolutely certain that it does provide to those for whom alcohol is a problem the assistance that is required, and that we do a real job of education to prevent some who may get into that difficulty, and I'm surprised that there is no increase provided this year for the education end.

Now the Minister says that the Alcohol Foundation is now doing more education. Well then, is there co-ordination between the work of these bodies? Or are we carrying on, having amalgamated this under health, still with a number of different programs which may be competitive and which may not be doing the job? Now I'm in no position to judge the effectiveness of the programs and I don't pose myself as an expert in the field at all, but I do receive a good deal of literature from the various groups and it has appeared to me that the Alcohol Education Service has been doing one specific field of work and I'm surprised that the Minister is not considering an increase there. I think the Alcohol Foundation, while I have been critical in past years about the operation of Nassau House, I think there has been a vast improvement there and that they are doing a good job, but it seems to me that the Minister is not putting here the effort that should be required in this most serious field. I think that in view of the income, and I'll admit it doesn't come directly to his department; his colleague the Attorney-General is the one who collects it -- but the Minister of Health should see to it that he gets a fair share of that to make sure that this problem is corrected insofar as is possible.

MR. WITNEY: I'd just like to make this further comment, that we now have, for instance, co-ordination and co-operation between particularly these rehabilitation areas such as the Salvation Army and the Alcoholism Foundation. At one time they used to operate more or less in separate compartments, but now there is a movement between the two. They work together, and this has been toward the benefit of these people that suffer from alcoholism. And under the Director of Health Education, the advertising and the educational aspects of alcoholism have also been co-ordinated to a greater degree than before. Maybe not enough, but to a greater degree than before, than say a year or so ago. I think a year ago that there was a major change made and I do say very sincerely that we're making progress, and we've got more progress to make, on that point I do agree. We made our decision where we would put this extra money which comes to, well it's about close to \$100,000 I suppose, and we decided to put it into this new facility for women which we have not got at the present time, and the Salvation Harbour Light facility.

MR. MOLGAT: Mr. Chairman, I would like to leave two suggestions with the Minister: one, that while it's excellent to be working on cure, that we mustn't forget during the process the education, so that we don't have to cure people at a later date; secondly, that in view of the tremendous increase in revenue from that source that I don't think that he's getting a fair share of that increased revenue to assist him in the work that must be done in this most important field.

MR. PAULLEY: Mr. Chairman, I don't want to delay the estimates. The Minister suggested that he would send me a copy of the minutes. He has explained the general business of the committee verbally, and may I, instead of receiving the copy of the minutes of their deliberations at this time, that instead he consider possibly for next year or before we deal with the estimates of next year, if we're here, that there may be a resume or synopsis of what transpires as a result of the co-ordinating committee. So I say to my honourable friend it's not necessary in view of his explanation that I receive a copy of the minutes of the meeting.

MR. CHAIRMAN:(b) (3) -- passed; 1 (c) (1) -- passed.

MR. FROESE: Mr. Chairman, under (c), just what is all included under Vital Statistics there?

MR. WITNEY: Vital Statistics is the registration of births and of marriages and of

(MR. WITNEY cont'd). deaths and of still births and what they term generally "other vital statistic events."

MR. CHAIRMAN: (c) (1) -- passed; (2) -- passed. 1 (d) (1) (a) -- passed; (b) -- passed; (c) -- passed.

MR. MOLGAT: Mr. Chairman, would it be possible to get from the Minister -- and he doesn't have to give it to me now -- but if he could get a list for us of these grants to the various bodies involved. I note that it appears that we get a recovery from the Federal Government of a good portion of this. I would like to know what grants -- what are the total grants, and which ones do we get a recovery from Ottawa.

MR. PAULLEY: Mr. Chairman, without the Minister answering, I believe the Leader of the Opposition said that he didn't need it now. If this could be made available, I agree with the Leader of the Opposition that if this can be made available it would be satisfactory to me after the Minister's completed his estimates.

MR. WITNEY: I think, Mr. Chairman, that I can give it to the committee now and if there is an error in what I say I can correct it. To the Society for Crippled Children and Adults of Manitoba under this (c) item, it's \$204,070; to the Alcoholism Foundation, it's \$86,024 plus and \$80,000 for the new facility; and to the Salvation Army Harbour Light Centre it's a total of \$40,000 -- it was \$20,000 and then we added another \$20,000 -- and then we do receive some, the vocational rehabilitation grant in the (d) item, approximately half of that comes back to us and this item is the amount of money that we get back in relation to item (c), about 50 percent.

A MEMBER: Crippled Children amount?

MR. WITNEY: Crippled Children is \$204,070.00.

MR. PETERS: Mr. Chairman, I wonder if the Minister of Health could arrange a tour of the Manitoba Rehabilitation Hospital. I've heard a lot about this Rehabilitation Hospital and by having to go there myself for treatment I've found out what a wonderful place we have here in the Province of Manitoba, and I'm sure that if the Minister of Health could arrange a tour that the members of the Legislature would certainly get quite an eye opening going on a tour of the Rehabilitation Hospital.

MR. WITNEY: Mr. Chairman, that can be arranged quite easily and before we wind up the session I will see that the arrangements are made.

MR. MOLGAT: Mr. Chairman, the Minister listed there three different categories of grants, or two different categories, I should say. One was the Crippled Children's and the other was largely dealing with alcohol services -- that's the one to the Alcohol Foundation and the Salvation Army. Does the Federal Government participate in both programs?

MR. WITNEY: This answer will stand to be corrected but I believe it's yes.

MR. CHAIRMAN: (d) (1) (c) -- passed; (d) (1) (d) -- passed. . .

MR. WITNEY: The committee may be interested that the grants there -- there's a grant to the School of Medical Rehabilitation, that is the school that trains occupational therapists and physiotherapists, etcetera, \$71,617; and then the Society for Crippled Children also receives money from this grant, \$189,326, and the Canadian Arthritis and Rheumatism Society receives \$52,060, and the Home Care program of the Winnipeg General Hospital is in here at \$50,000.

MR. MOLGAT: Mr. Chairman, I wonder if I could make a suggestion to the Minister in this regard for next year. If it was possible on these items where there are grants, if simply a mimeographed sheet could be prepared beforehand so that members of the committee could follow it through, I think it would simplify the operation of the estimates and permit us a comparison of the programs from year to year. It's very difficult to make a comparison when we simply get it verbally in the House during the course of estimates.

MR. WITNEY: I think, Mr. Chairman, that we could include that in the new activity this year, the summary -- well I guess we can't because this deals with '64. I'll take that under consideration.

MR. CHAIRMAN: (d) (1) (e) -- passed; (f) -- passed. Resolution No. 54 -- passed. Resolution No. 55, 2(a) (1) (a) -- passed.

MR. MOLGAT: Mr. Chairman, there were indications last spring that our whole program of psychiatric services were being hampered by a shortage of nurses. Apparently this was so in most of the hospitals operated by the Minister, that is the one at Selkirk, the one at Brandon, the Manitoba School for Mentally Defective Persons at Portage, and in fact the Provincial Government at that time issued a bulletin through the National Employment Service

(MR. MOLGAT cont'd).stating that they had an acute shortage of professional staff and that their services would be hindered as a result of this. Has this situation corrected itself since last spring?

MR. WITNEY: Mr. Chairman, it has not corrected itself but it has improved.

MR. MOLGAT: Could the Minister indicate whether he is still acutely short of staff in those areas and how many is he short of?

MR. WITNEY: I don't think we are acutely short, but I believe that the figure -- I'll get the figure as to how many we are short. I haven't got it at hand and you can judge from that.

MR. MOLGAT: What corrective measures has the Minister instituted to either train more psychiatric personnel or to obtain them from other sources? I believe that some years ago we got a fair number of them from the Old Country, particularly from Great Britain. Has anything like this been done in the course of the past year? Have we been on an active recruiting program?

MR. WITNEY: We have not been on an active recruiting program overseas last year. One is being contemplated for this year but in the meantime we have active programs of education taking place at the Brandon Hospital, the Selkirk Hospital and at the Portage facility, and in the estimates we are providing in here for twelve new pupil nurse positions in Brandon and twelve new pupil nurse positions at Selkirk.

MR. PAULLEY:on this item, I think that I should say a word or two. I've already talked in the committee of the question of the St. Amant ward in St. Boniface. I want to re-emphasize to the Honourable the Minister of Health the fears of many parents whose children are six years of age or approaching that who have a considerable amount of apprehension as to what is going to happen to their children after they pass the age of six years. There is a fear that they may have to leave, and while they do appreciate the fact that the hospital at St. Amant is going to be extended the extension apparently will not take care of too many more or it might. Now I would ask the Minister if they have under consideration increasing the age limit beyond six years because there is the apprehension, as I say, of many of the parents of their children going to Portage.

When I was speaking the other day, Mr. Chairman, if I may, I meant no reflection on the staff at Portage. I know that they're doing as much of a job as they can, but then again according to the report that we have before us they're understaffed, and in addition to that, according to the report, the numbers at the Portage Hospital are in excess of what is considered the desirable, so we certainly have a grave problem here. Since I last spoke further investigations have been made, and it is appreciated that efforts are being made to improve the appearance and the surroundings in the various wards of the Portage Home, and I could suggest that this be increased as to what is being done out at Portage, but I would like to know of the Minister because in this particular field it seems that we're having ever increasing numbers of retardates of children, mongoloids and the likes of that, and it doesn't appear to me that the extension of the facilities at St. Amant and the St. Boniface Sanatorium are going to be sufficient to take care of them, and in view of the fact this report as I mentioned states that the facilities at Portage la Prairie are not only overcrowded but they're understaffed, I wonder if the Minister might be able to indicate plans for the future apart from the anticipated extension at the St. Amant Ward.

MR. HILLHOUSE: Mr. Chairman, regarding the remarks passed by my Leader respecting psychiatric nurses, you can correct me if I'm wrong but does not the Psychiatric Nurses Association Act provide that a psychiatric nurse in order to obtain a certificate must have practiced within the last five years, and that if they have been inactive for a period in excess of five years they have to take a course in retraining? Could you advise me whether that is true, and as to whether or no the department has given any consideration at all to some relaxation of that rule in order to encourage people who were psychiatric nurses and who perhaps have not been practicing for more than five years in inducing them to come back into the profession?

MR. WITNEY: Mr. Chairman, I'll have to obtain the answer for the Honourable Member from Selkirk because I don't know it offhand, the terms of The Psychiatric Nurses Act, but it can be obtained and I'll give it to you the next time we're in committee dealing with these estimates.

The Honourable Member for Transcona, he has mentioned that we are increasing the St. Amant facility. It's going to go up to about 174 during this period 1965, and then as we

(MR. WITNEY cont'd). are able to develop the extended treatment care facilities at the St. Boniface General Hospital, the extended treatment care patients that are at the present time in the St. Boniface Sanatorium will come from there over into St. Boniface and the full facility of St. Boniface Sanatorium will be turned over for severely retarded children. That will then take us up, I think the figures are about 300 to 350 beds. But we are being able to ease some of our problems at Portage la Prairie. The three cottages, as the member knows, are now in operation; the renovations are taking place; but also apart from that we have the increased activity through the Broadway Home. We are being able to take more of the people coming from Portage la Prairie through the Broadway Home and out into the community either self-sustaining into the community or partially self-sustaining, and our aim now is to bring the Portage la Prairie facilities more and more into the training facility to intensify the training activity which is really its purpose, and to provide in the St. Amant Ward the facilities for the severely retarded children. The other comment I was going to make I've lost.

MR. PAULLEY: about the age.

MR. WITNEY: Oh, the age limit. There has been no change at present with respect to the age limit, but as we are able to move further into the St. Amant Ward, and as we are able to turn the training facility at Portage, the facility at Portage more into training, then I think we will be able to get away from the age limit and we will be able to take into consideration what each of the individual children who suffer from retardation can do, and bring them up to the maximum of their potential, and if for instance we can do very little with them, well then they will probably not go to Portage. If we can do something with them at Portage, they'll go from Portage out to the Broadway Home and we hope, at any rate, back into the community in some form of keeping themselves self-sustaining.

MR. CHAIRMAN: . . . (b) pass; (c) pass. (2) (a) pass; (b) pass; (c) pass; (d) pass; (e) pass; (f) pass. (3) (a) pass; (b) pass; (c) pass; (d) pass; (e) pass; (f) pass. (4) (a) pass; (b) pass; (c) pass; (d) pass; (e) pass; (f) pass. (5) (a) pass; (b) pass. (6) (a) pass; (b) pass; (c) pass; (d) pass; (e) pass. (b) (1) (a) pass; (b) pass; (c) pass; (d) pass. (2) (a) pass; (b) pass; (c) pass. 3 (a) pass; (b) pass; (c) pass; (d) pass. (e) (1) pass; (2) pass; (3) pass; (4) pass; (5) pass. (f) (1) pass; (2) pass; (3) pass. (g) (1) pass.

MR. PAULLEY: if the Minister would mind just explaining for our benefit the figure that's under (f) (1) and (2). I notice for the corresponding period of last year there was no figures there at all. I wonder if very briefly the Minister might indicate the significance of this item under Cancer Treatment and Research Foundation.

MR. WITNEY: The one figure is a figure that's used for monitoring of X-ray equipment outside of the hospitals. We have a system of monitoring the X-ray equipment to make sure that it is within safe standards. If you don't mind, I'll just read this small note that I have here with respect to the (2) figure. This is comprised of the normal \$163,000 allotted to us by Canada for purposes of cancer control, and the remaining \$350,000 represents a grant that will be made to the National Cancer Institute to finance the cost of fundamental and clinical research being conducted at universities, hospitals and cancer institutes. This \$350,000 was deducted on a pro rata basis from the national health grant allotments for the ten provinces, and Manitoba's share of that was \$17,633 and will be turned over by the National Cancer Institute to research bodies in the province. Now what we are really doing in this grant is acting as an agent for the Federal Government. The Federal Government have made this \$350,000 available pretty well on a pro rata basis for other provinces, and we are more or less acting as an agent for them. We do have in here our normal cancer control grant of \$163,000 but of the rest of that the allocations are made to other provinces and they come through the Province of Manitoba. We are an agent, and while our share is normally \$17,633 we have been able to obtain \$25,000 for the University of Manitoba for research, and this figure of \$513,000 is fully recoverable from Canada.

MR. MOLGAT: this is a new grant from the Federal Government of a little over half a million dollars which is administered completely by the province in the field of cancer?

MR. WITNEY: Yes, the amount that we get is our normal \$163,000 and then from the rest of the figure \$350,000 we obtain \$25,000 of that and the rest of it is disbursed across the ten provinces of Canada.

MR. MOLGAT: We are going to get \$513,000 directly from Ottawa?

MR. WITNEY: Yes, but not for all the use in this province.

MR. MOLGAT: I don't quite understand this, Mr. Chairman, because the Minister shows under Item (2) Expenditures under Cancer Control 606-10, \$513,000. Is this not all to be expended by this government?

MR. WITNEY: Yes, but not all of it goes into the Province of Manitoba. We get -- take the figure, we get \$163,000 which is our normal allotment, and then you have approximately \$350,000 left. We are acting as an agent for the Federal Government for that and we disburse that on a pro rata basis to other provinces on projects that are decided by the Federal Government, and out of it we get \$25,000. Just why it is being done that way I don't know, but apparently there was some problem with respect to this and Manitoba was asked if they would be the agents for it. We said yes, and that's why it's there.

MR. MOLGAT: cancer research throughout Canada is funnelled through this source, and we apportion it to other areas as laid down by the Federal Government?

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

..... continued on next page.

MR. CHAIRMAN: (f) (2) pass. (3) pass. (g) (1) pass. (2) pass. (3) pass. (4) (a) pass.

MR. MOLGAT: Mr. Chairman, under this item I believe that in the past year we have closed down the hospital at Clearwater Lake near The Pas which was the other tuberculosis hospital in addition to the one at Ninette. Could the Minister indicate what are the intentions for the facility at The Pas. What is it presently being used for and what are the plans for it?

MR. WITNEY: The facilities at The Pas were rented by the Federal Government. They are Federal Government facilities and they were rented to the Manitoba Sanatorium Board, and now that the hospital has closed up there the Federal Government is responsible for the facilities and what they will be used for I don't know.

MR. PAULLEY: I just want to ask one question under Tuberculosis Service. There was a report some time back as to ceasing the automatic X-rays, chest X-rays, on admission to hospital. I wonder if the Minister could indicate what the situation is at the present time and whether the service has been continued and whether or not there is some indication that it may cease.

MR. WITNEY: The service has been continued since that time and there have been a series of meetings with the hospitals, the Manitoba Hospital Commission, and I believe the Manitoba Sanatorium Board, to make satisfactory arrangements for the service to be continued through the hospitals.

MR. CHAIRMAN: (4) (a) pass, (b) pass, (c) pass, (d) pass, (5) (a) pass, (b) pass, (6) (a) pass, (b) pass, (7) (a) pass.....

MR. MOLGAT: Mr. Chairman, under this item, Hospital Services, we're back to the Hospital Commission, and I had some specific questions there that I would like to ask the Minister. First of all, what are the arrangements insofar as treatment outside of the Province of Manitoba by people who are residents in Manitoba. Someone who goes out of the province, who is a paid-up member here of the Manitoba Hospital Services Plan and is either away on a holiday or temporarily away and they fall sick. What exactly are the arrangements insofar as payment of their hospital services elsewhere?

MR. WITNEY: Their bills are paid in hospitals that are approved, and these hospitals are generally recognized hospitals by the administration, say the province, whichever province that the illness might have occurred in or the state that the illness might have occurred in, and the Hospital Commission will pay for the services. There's a reciprocal arrangement between the provinces, and while there may not be reciprocal arrangements between Canada and--or Manitoba and certain states, there certainly is between the provinces, and if it is --takes place, say, in the United States, a serious illness where the patient--where the person has to go to hospital, the arrangements are made for payment of the bill. I think it's all contained here in the report of the Manitoba Hospital Commission, but just for the moment I can't find it. Yes, it's on page 13 of the report. It's "benefits available for insured in-patient services provided in approved hospitals outside Manitoba" on the following basis: In Canada, at the same rate as is paid to the hospital by its own provincial hospital insurance plan and this usually means full coverage at the standard ward level. Outside of Canada, benefits are provided as follows: 75 percent of the hospital's charges for insured services where the care and treatment is required because of an accident or sudden attack of illness in the opinion of the Commission could not have been provided adequately in Manitoba is provided to a person named in an out-of-province certificate or a dependent out-of-province certificate or is provided to a person temporarily employed outside of Canada.

MR. PAULLEY: Mr. Chairman,.....ask a question dealing with the balance sheets of the Hospital Services Fund. I note on page 29, dealing with the assets, and a deficit of some almost four millions of dollars, the balance is as of December 31, 1963 --I believe this is a carryover of previous deficits insofar as the bookkeeping is concerned of the Province of Manitoba directly originating back when the Manitoba Hospital Services was first set up. I'd like to know from the Honourable the Minister how long this is going to be carried as a deficit insofar as the Hospital Commission, if he's in a position to answer this. And then also one further comment dealing with the fund itself, Mr. Chairman. I note that in the year under review in the report, there was an excess of expenditure over revenue of some \$318,000, and it's my understanding from reading the budget of the Provincial Treasurer that there's going to be a one percent, or one point less being collected insofar as income tax is concerned for hospital purposes. Will this mean a greater deficit for the ensuing year or how is the Commission going to overcome this and can we anticipate as a result of the deficit of last year, coupled with the reduction in the amount of income tax allocated for this purpose, a future increase in premiums.

(MR. PAULLEY cont'd).....insofar as the hospital premiums are concerned?

MR. DESJARDINS: Mr. Chairman, on this point here, thequestion that I have asked before and the Minister had promised to answer. Now this is some of the question that I want. I have page 30 of the report of the Manitoba Hospital Commission, the statement of revenue and expenditure. First of all there's the amount, grant of the Government of the Province of Manitoba for \$10, 834, 943. Now, out of this we have a third-party recovery --no this is the --third party recovery is not included in that. I should say, what I would like to know out of this amount, what is derived from the six percent income tax, what amount comes from that, and the one percent corporation tax, and the out-and-out grant as we had prior to this reduction of the premium, this new set-up. The grant at the time was three million one hundred and something thousand dollars and it was stated that that would still remain. I wonder if we can have a breakdown of this to know exactly where this amount is coming.

Then, I would like to have the full amount that was collected by the province under this six percent tax, income tax, and the one percent corporation tax.

Now, there is on the same page, expenditures, insured services and other hospital costs, hospitals within the provinces, 43 million 332. Now, the Honourable Minister told me that the capital cost for construction and renovation was included in there, and I would like to have a breakdown on that. What is the operating costs of the Hospital Commission and what is the capital cost out of this 43 million. And we were told that there was quite an increase in this expenditure from '58 when it was 25 1/2 million approximately, but since then many new services were brought under The Manitoba Hospital Commission, such as Cancer Foundation, Home Care and so on. I wonder if the Minister can give us what portion related to each of these new services that came in under this plan since 1958 --what amount, and this would be included of course in this \$43 million. I think this is something that we'd like to get at this time, that we'll need. And also, on page 32, the statement of administrative expenses, I asked two questions a few days ago. I received the information on this item for publicity, and professional services of \$55, 429.00. I would like to know what this is all about.

MR. FROESE: Mr. Chairman, before the Minister gets up --in past years we received statements, comparative statements of past years of the operation of the Manitoba Hospital Commission, and at the same time there was a listing of the budgetary amounts required for the coming year, for the ensuing year. I wonder if we could have a similar statement this year.

MR. WITNEY: I'm sorry, Mr. Chairman, I didn't get the last question.

MR. FROESE: I wonder if we could have a similar statement this year of the budgetary requirements for the ensuing year, or the coming year.

MR. WITNEY:a breakdown of monies for the professional fees, this \$55, 000; I think these are for the consultants to the Commission which are listed on page 8, and the Dental Review Committee, but I feel possibly I had better get some information for the honourable member on that point. The deficits that are referred to by the Honourable the Member for Radisson, they --I couldn't answer that question as to how far they will be continued. The question of increase in hospital premiums, we do not anticipate an increase at the present time. Now there are other figures and other questions that have been asked here, Mr. Chairman, and right at the moment I'm sorry I can't lay my finger on them as well as I should be able to. Perhaps I could give them to the honourable member when we next meet in the committee.

MR. DESJARDINS: This is satisfactory if we could leave this, allow this number to stand then. Like, this was on Hospital Services and I think we should, if we can't get the answer right now, we should allow this item to stand, because there's quite a bit that we want on that, if you don't mind.

MR. WITNEY: I'd have to get a breakdown separately for the honourable member about the breakdown that he's referred to. I gather he wants a breakdown of the grant from the Province of Manitoba. I do know that there is a \$3 million grant in there and the rest of it in the present estimates, the \$11 million is equivalent to a six percent on the income tax and a one percent on the corporation tax. As for the breakdown of that figure of six and one for 1963, I'd have to get that separately.

MR. DESJARDINS: I don't need that, Mr. Chairman. If this grant has a round figure of three million --in '58 it was three million a hundred and something. Now could I have the amount of that then and I'll be satisfied with letting the rest be lumped together, the six percent and the corporation tax.

MR. MOLGAT:disagree with my colleague on that one, Mr. Chairman. I would like to have it broken down, because the important point here is that the government this year

(MR. MOLGAT cont'd). is reducing the personal income tax from six to five. Now when this tax was instituted, as I recall it at a special session in the fall of 1962, this was labelled as a Hospital Services Tax, and the bill that was passed in this House clearly specifies that. There's a heading in the bill to that effect. The preamble to the bill, if I recall correctly, also states that this is the purpose of the tax. Now if there is a drop in the tax this year, then the obvious question is where is the Hospital Plan to get that money from? Is it going to be for the deficit, and if so how is the Hospital Services Plan going to cover that deficit? What exactly are the intentions of the government in this regard? So I think it's essential to a discussion of this item that we have the exact breakdown of the figures. Now I would ask the Minister, if he's unable to give them to us at this time, I'm quite prepared to let the item stand and go on to other things but I think it's essential that we have this answer before we can fully discuss this item.

MR. WITNEY: The item contains the \$3 million which has been --I don't know whether it's an exact round figure, whether it's \$3, 100, 000, but it's approximately \$3 million at any rate, that has been there since 1958. The rest of it --(Interjection)-- The same amount as we have been putting through since 1958. The rest of it, we are providing to the hospital the equivalent of 6 percent and 1 percent while we are only charging 5 percent on income tax this year and the difference between that will come from other revenues that are obtained in the province, revenues such as the mining royalty tax, and some of it will come also from the increased income tax that we will get even at the 5 percent figure.

MR. DESJARDINS: this was supposed to all stay in there, this increased income tax; there was no set figure. It was stated that the whole amount would stay there, the six percent plus the one percent corporation tax. This is our point. Now the grant was three, we'll say three million round figure, I think it was three million one hundred and something, but it was clearly stated on a number of occasions that the six percent --this was the reason for this tax, the six percent extra tax, income tax, was to replace the premiums, and we reduced the premiums, and the one percent corporation tax also. So I can't see that the Minister can say, well we have more money now. Surely there's more money, there's more revenue, but there's more expenses and they'll be more. The First Minister himself said this on a television show not too long ago and I wouldn't want to see in a year or two that the premiums will be increased and say, well we need more because we're spending more money. This is the point. I'd forgot --I was wrong in not-- in saying that I would accept a lump sum; I'd forgotten to find out about the one percent we'd need; the six percent apart from this corporation tax. But our point is just this, that it was stated on a number of occasions that everything would be in there. So what we want, there's another question that we want, I want to make this real clear. What is the revenue derived by the province from this total six percent and this one percent corporation tax? This is what we want. And then I'd want further breakdown if this item is allowed to stand; I'd want a further breakdown of this 43 million also because I think this --in other words what I'm trying to do is get the true picture. There's capital cost in there and there wasn't any on this 25, 000 of 1958. So could this item stand then?

MR. WITNEY: Mr. Chairman, it's obvious I can't give some of the breakdowns that are requested so I'm agreeable to let it stand.

MR. FROESE: Mr. Chairman, --(Interjection)-- yes, but before we leave the item stood over, I wonder if the Minister could bring in a budget of the Hospital Commission, the requirements for next year, I think we need that. We've a lump sum here for 11 million and surely there must be an overall budget for the Hospital Commission and I'd like to see that budget.

MR. DESJARDINS: A correction here --it's just for the information of the Minister and for ourselves before we leave this. The third party recovery here is listed at 192, 576 and the Minister told us that this 8, 000 there was an \$8, 000 charge to this, so this should be corrected if this is the case. There's an error in this report then in the statement of revenue and expenditure. Unless this eight thousand something is charged somewhere else and maybe the information that we received tonight wasn't quite right. Maybe those people are doing something else besides; I would hope that they are doing, because \$8, 000 to collect this sixty-three is quite a bit. I'm talking about third party recovery now.

MR. MOLGAT: Mr. Chairman, I wonder if, when he's getting the figure, that the Minister could give us a breakdown of it since the Act was passed. I'm referring to The Income Tax Act which was passed, assented to on October 20th, 1961, which I presume took effect as of the 1962 taxation year. If he could provide the committee with the revenues from the two special taxes that were set up as hospital services taxes, that is the personal income tax and

(MR. MOLGAT cont'd).....the special one percent tax on corporations. If he could indicate to the committee what these taxes produce in each year, that is in '62, in '63, in '64 and the projection for 1965. If he could bring that in then I think we would be in a position to properly assess this item.

MR. CHAIRMAN: 8 (a) passed.

MR. SMERCHANSKI: Mr. Chairman, I'd like to ask a further question with reference to item 7. Pardon? It's allowed to stand, but I could speak to it now, if it....Am I?

MR. CHAIRMAN: We're coming back to it and if you could leave it till we come back to it it would be better.

MR. SMERCHANSKI: All right, I'll have the opportunity then to bring anything I want under 7 at a later date?

MR. CHAIRMAN: Yes. 8 (a) pass, (b) pass, (c) pass, 9 (a) pass, (b) pass.

MR. SMERCHANSKI: Mr. Chairman, under 9 is this in connection with diagnostic service? And I'd like to find out from the Minister just under what conditions are the X-ray service and laboratory service provided under the different health units in the rural parts of Manitoba. What is the cost-sharing program?

MR. WITNEY: In the cost-sharing program, the municipalities pay one-third and the province pays two-thirds.

MR. SMERCHANSKI:assistance from the Federal Government in connection with our rural diagnostic service at the present time.

MR. WITNEY: Yes, there is a grant for some of the personnel; for instance, lab and X-ray technicians that are provided under one of the grants and I think it is the general public health grant that is allotted to the Province of Manitoba.

MR. SMERCHANSKI: ..under this item the two-thirds that the province is paying now, you're not crediting any of the grant that comes out from the Federal Government in terms of diagnostic service in rural Manitoba.

MR. WITNEY: This is our cost for the operating --the province's cost for operating the laboratory or the diagnostic services in the province, this figure here.

MR. SMERCHANSKI: Is this same service extended to the diagnostic services in Metropolitan Winnipeg?

MR. WITNEY: No.

MR. SMERCHANSKI: Is there any reason why this service is not extended to the entire province and only in rural Manitoba?

MR. WITNEY: I think it was begun --historically I believe it was begun because in the rural areas there was no provision for the people outside in the rural areas to have a lab and diagnostic services and so when the health units were set up, they set up the lab and x-ray services for the areas outside in the rural parts of the province.

MR. SMERCHANSKI: Is there any relationship with the present diagnostic service in rural Manitoba in terms of what can be accomplished under Bill 320?

MR. WITNEY: Not really.

MR. SMERCHANSKI: In other words then, what we have got is that we have got some sort of government participation, the provincial government participation in terms of rural diagnostic service but when we get into Metropolitan Winnipeg we do not have any sharing of the cost of the diagnostic service in the City of Winnipeg by the provincial government. Is this correct?

MR. WITNEY: With the exception of in-patient hospital care, and in-patient hospital care is an insured service.

MR. SMERCHANSKI:those that are not covered by in-patient hospital care, they do not get any contribution from the provincial government. Is this correct?

MR. WITNEY: In the Metropolitan area, yes.

MR. CHAIRMAN: 9 pass, 9 (a) pass, 9 (b) pass, 10 pass.

MR. SCHREYER: Mr. Chairman, I take it that the medical care appropriation is for the most part under the Department of Welfare. There is an item here of some \$4,000. I would ask the Minister to explain why it's here and also why it's been reduced from last year.

MR. WITNEY: Mr. Chairman, may I just make a correction too and I'm sorry to have to go back, but the lab and X-ray services are provided to such areas as St. James and East Kildonan, Fort Garry. It's the City of Winnipeg, the City of Winnipeg; I said the Metropolitan area but I'm sorry, it's the City of Winnipeg that is not carried by a diagnostic service, but we pay a grant to the City of Winnipeg. It works out to just about 40 cents per capita for health services.

(MR. WITNEY cont'd).....

Now, I'm sorry, on the other item that was asked by the Honourable Member for Broken-head. This is our payment to the municipal doctors. Some communities they do have municipal doctors where they have arranged for a service with a municipal doctor and if they do have in that area a health unit, then the province pays 50 cents per capita in those particular units. I think the reason for the decrease is that we have recently established a new health unit in the south-west corner of the province.

MR. SMERCHANSKI: Mr. Chairman I'd like to ask another question. Would the Minister feel that because of the fact that the provincial government sees fit not to extend the same proportional sharing of the diagnostic service in Winnipeg that this is probably why we have the higher costs under the Manitoba Medical Service?

MR. WITNEY: It is one of the reasons but not the only one.

MR. SMERCHANSKI: The Minister does admit that this is part of the reason for the higher cost of the Manitoba Medical Service. Then under the special plan this undoubtedly does contribute to part of the monthly loss of the special plan. Does he agree with that?

MR. WITNEY: Would you say that again before I answer?

MR. SMERCHANSKI: Mr. Chairman, the three plans we have under the Manitoba Medical Service, the first two plans are subscribed to by the poor people in the district. These are not the wealthy people. And the third plan which is subscribed by the people that can better afford to pay it are really the people who are getting the benefit of the diagnostic service at the expense of the poorer people in the area, and my contention is that I cannot see why there isn't some good reason why the provincial government should not share or cover part of the cost of these diagnostic services in the City of Winnipeg in the same manner that it does in rural Manitoba. Now if it did I think that the Manitoba Medical Service would be a less costly proposition to the subscribers and I think that it would function in a far better situation than it is functioning at the present time. So that my question is this; surely, surely if the province feels that it should contribute to the diagnostic service in rural Manitoba and give certain grants to certain municipalities, that this is not a standard uniform assistance to diagnostic service in the province. So that it seems it's a hodge-podge and something should be done to make it a uniform system, and if it is made a uniform system, I think that a good percentage of the losses that the Manitoba Medical Service is incurring today, and for which the doctors get only 70 cents on a dollar, would not exist. Is this a fair statement?

MR. WITNEY: Mr. Chairman, I might say that I don't agree on the poor people, because I'm one person who has an H plan and there are a lot of other people who through various group plans are benefitting from either HC or HCX --labourers, workers and quite a wide number of people in the Province of Manitoba.

MR. EVANS: Mr. Chairman, I move the committee rise.

MR. CHAIRMAN: Call in the Speaker. Madam Speaker, the Committee has adopted a certain resolution and asks leave to sit again.

IN SESSION

MR. COWAN: Madam Speaker, I move, seconded by the Honourable Member for Pembina, that the report of the Committee be received.

MADAM SPEAKER presented the motion and after a voice vote declared the motion carried.

MR. EVANS: Madam Speaker, I beg to move, seconded by the Honourable the Minister of Health, that the House do now adjourn.

MADAM SPEAKER presented the motion and after a voice vote declared the motion carried and the House adjourned until 2:30 Monday afternoon.