

THE LEGISLATIVE ASSEMBLY OF MANITOBA

8:00 o'clock, Tuesday, March 29th, 1966

MADAM SPEAKER: Before we start our deliberations this evening I would like to recognize in the gallery 15 ladies from the Winnipeg Desk and Derrick Club, an association of women who are employed in the oil industry, and also 33 members of the Progressive Conservative Ladies Association from Portage la Prairie who are seated in the Speaker's Gallery, under the direction of Mrs. Dorren Bagley. On behalf of all members of this Legislative Assembly, we welcome you.

MR. EVANS: Madam Speaker, would you be good enough to call Bill No. 69.

MADAM SPEAKER: The adjourned debate on the second reading of Bill No. 69. The Honourable the Member for St. Boniface.

MR. LAURENT DESJARDINS (St. Boniface): Madam Speaker, when we had second reading of this bill when the bill was introduced for second reading, the Leader of the House, the First Minister, made the following statement, and now I am talking about the item under Health, the hospitalization -- or the Hospital Tax. And I'm quoting from Page 1234 of Hansard:

"Mr. Roblin: This is the big item that makes the difference this year, and what this represents is the following situation. We estimated X million dollars as being the yield from a certain portion of the personal income tax and corporation tax last year which is credited to the Hospital Services account. In actual practice we got \$1,159,000 more than we had estimated. Now in order to have the right to turn that extra money over to the Hospital Commission, the Comptroller-General says we have to vote it in the Estimates as we do now."

Madam Speaker, this represents a sum over what had been estimated by the government. Last year on April 12th I asked a question to the Minister of Health; I wanted to know - this is something that we've asked for a number of years - we wanted to know how much money, what the revenue was, the revenue for the six percent income tax earmarked as a hospital tax, and the one percent corporation tax. Now, after much coaxing we finally got the answer from the Honourable Minister of Health and this was given to us last year on Monday, April 12th, at 8:00 o'clock. This was on Page - I'm quoting from Hansard - Page 1495: "Mr. Chairman, in providing other information that was requested of me, the six points on the individual income were as follows: For 1962-63, \$5,163,000; the corporation income one percent was \$1,435,000, for a total of \$6,598,000. In 1963-64, the six points amounted to \$5,621,000, and the one percent corporation amounted to \$1,659,000 for a total of \$7,280,000. In 1964-65, the six points came to \$6,372,000, the one percent came to \$1,829,000, for a total of \$8,201,000."

That, Madam Speaker, represented an increase on the income tax of, the six percent income tax known as this hospital tax, from 1962 to 1963 an increase of \$458,000; that same year the increase on the one percent, the same period I should say, the increase from one year to the next, under the one percent corporation tax was \$682,000, for a total increase for that period of \$1,140,000. The next jump was from 1963-64 to 1964-65, the last year; the increase on the six percent income tax was \$751,000; the increase on the one percent corporation tax was \$721,000, for a total increase of \$1,472,000. Now, I'm not too bright, as you know, Madam Speaker, and this is something that I don't understand. I would like if the First Minister is not here, maybe the Minister of Health will give us this information, but I say to you, Madam Speaker, that I as one and probably my party will not be ready to let this proceed to third reading if we don't get the answers tonight on these. There's no point in this; this is too important.

Now, the First Minister said that this represented -- \$1,159,000 represented the amount over and above what has been estimated and I can't figure this out at all. The total increase was about a million and a half last year and therefore the government I'm sure must have estimated for approximately the same thing; last year was \$1,472,000; the year before \$1,140,000 increase. Now that would represent, I imagine that they'd estimate it at least a million and a half. That would represent an increase of close to \$3 million. Now if this is the right figure, if this is the jump, fine; but I want to know this, Madam Speaker. I think that we should know this.

Now to complicate things a little more, look in the Public Accounts 1963-64; on Page 27 we have the statement of revenue and expenditure. Now the income tax individual, this is the total, mind you - what is it - I think 28 percent. Well anyway, the total income tax collected by the federal for the province, not only the six percent but the six percent is included in here.

(MR. DESJARDINS, cont'd) It was estimated for the year - this is the 1963-64 - it was estimated that we would collect \$22,804,000 but we received \$21,442,667, for a decrease of \$1,361,000. This is for that period. Now the same thing on the corporation tax was also a decrease over the same period of \$1,971,122.11.

Now the Public Accounts of last year on Page 30, Madam Speaker, the same statement of revenue, the six percent income tax was estimated, the revenue was estimated at \$25,488,000, received \$24,286,678, for a decrease of \$1,201,000. The corporation tax was also a decrease of \$2,783,033.81. The Public Accounts of these last two years tell us that there's a decrease in these taxes. We're told by the Minister of Health last year that the period, the increase of the six percent income tax and the one percent corporation tax was roughly between \$1,100,000 to a million and a half, and now we're told that this is the only way that this could be paid back to the hospital where it was meant to be because, we are told, we estimated "X" million dollars as being the yield from a certain portion of the personal income tax and corporation tax last year, which is credited to the Hospital Services account. In actual practice we got \$1,159,000 more than we had estimated - not more than last year - more than we had estimated, and I imagine that they have had -- they must have estimated for an increase of a million and a half, because this was what we were told. Now, I say I imagine. That, of course, is if we follow the answer of the Honourable Minister of Health. This is a decrease in here so I don't know what the question is.

Now Madam Speaker, why do we have this situation? Maybe there's an easy, a very simple explanation. I hope there is. But if there isn't, why? Because in 1961, when we had the Special Session, the members from this side of the House requested, begged the government to earmark that and to designate this officially as a hospital tax. This should have been designated at the time, Madam Speaker, as the official hospital tax, and this wasn't done.

And another thing, why is it that a tax - and this has been accepted by the First Minister and the members of the government - why is it that this tax, which is supposed to be earmarked for the hospital, why doesn't it go directly in the hospital fund? Why do we have to have this or is this to play politics? Right now this money goes into the Consolidated Fund and then the Consolidated Fund has to go around in turn and give a lift or a donation to the hospital tax. This is what the First Minister tried to have the people of Manitoba believe last year, because he said on the television, if you remember right, Madam Speaker, that well, we spent \$40 million I think last year on health, where a few years back it was only about \$20 million. And he said the premium did not go up; the premium wasn't increased. Why? Because the Government of Manitoba made a substantial contribution from the Consolidated Fund; this was a gift. Madam Speaker, in 1961 we changed all this method of collecting, of financing hospitals. We said then, let's reduce the premium; let's start this - which was a very good idea - let's start this "ability to pay" principle. Let's embark on this program now and let's put in a six percent income tax and a one percent corporation tax that the Federal Government is good enough to collect for us and this will be this hospital tax.

Now this has been mixed up ever since 1961. This year again we were told we're going to get this information but it's always after the Department of Health is finished. This is not good enough. It's not good enough, Madam Speaker. I think that we should be told right now from what we're led to believe, the situation here in this financing of the hospitals in this province. We have a \$3 million plus grant - that was the basic grant - that we received in 1961, and we were promised at the time that this would not be reduced; that it would be increased. I think this should be now at least \$3-1/2 million. We're getting one percent from the corporation tax. What is that one percent? I'd like to know once and for all what we collect, what one percent of all the corporation taxes in this province represents. Then, five percent of personal income tax, which is the hospital tax. Then, as promised by the First Minister last year, the one percent, another one percent of the same amount at which we represent one percent of the personal income tax, because the income tax was reduced by one percent last year and the Minister said that besides the five percent, the one percent corporation tax, the 3-1/2 million from the Fund, Consolidated Fund, we will make up that amount.

Why is it so difficult to know what this money is? Why? Why have we got a situation such as we have now? I don't think anybody will deny that this has been promised, and I'll just read two lines of last year; tell you what Mr. Roblin said last year. My leader asked him, and this is Page 1501 of last year's Hansard: "Mr. Chairman, would the First Minister make a commitment that the contribution will be at least the equivalent of the one percentage point in income tax which has been decreased?" Do you follow me, Madam Speaker? I'm talking about

(MR. DESJARDINS, cont'd) . . . now the reduction from six percent to five percent. Now will the government make up that one percent? This is what Mr. Roblin said: "Mr. Chairman, the Government has already in 1962 given its commitment in that respect." So this is clear. This is clear. As far as the situation here, as far as we know, the hospitalization is supposed to be our program; it's supposed to be financed by 3-1/2 million at least directly from the Consolidated Fund - the same amount that would represent the decrease of one percent yield from the income tax - personal income tax; five percent income tax, as we have, and one percent corporation tax, plus premium.

Now last year there was a big thing about the deficit of this hospital. Big thing. It was supposed to be quite a deficit. The Minister of Health and the First Minister went around the province conditioning the people of Manitoba, getting them ready for an increase in premiums. At first it was just - oh, just a rumour. Then it became a little more than a rumour and finally the Minister said, "Yes, if we're going to spend this kind of money, we'll have an increase in premium. We'll have an increase in premium. We're going to forget this ability-to-pay principle that we started." The government has a mandate from the people. They can do what they want. But I think that they should be honest with this House. We should know where this money comes from, what the amount is; and if there's any change in policy, they can bring it through. They have the majority, Madam Speaker. But we're certainly entitled to know and there's no reason in the world why the First Minister of this province should go on television and try to fool the people of Manitoba.

Now I think - I think the Minister is -- if anybody doubts my word, I can start reading from Hansard of 1961. I am all ready for that, Madam Speaker. I don't want to take the time of the committee but if this is the wish, if somebody thinks this is a big joke, I'll read it. Madam Speaker, as I said, there might be a very easy explanation. But we're entitled to it and I think that we should get it now or, as far as I'm concerned, I certainly won't give leave to have third reading here this evening, not before we get these answers.

MR. WITNEY: Madam Speaker, in the absence of the First Minister and trying to deal with all of these money matters that have been raised by the Honourable the Member for St. Boniface, I think perhaps it would help if from the Annual Report of the Manitoba Hospital Commission in 1965, we see there that the revenue that goes to the Manitoba Hospital Commission is -- from the premiums it's roughly \$13 million, and from the government of the Province of Manitoba, it's about \$12,300,000, as printed in the yellow booklet which the honourable member had forwarded to him some time ago; and then from the Government of Canada the amount came to about 25 or \$23 million. We have some third party recoveries and the total amount in 1965 was \$48,900,000 using round figures.

Now, in the amount that was there last year - in the \$12,300,000 - there was \$3 million which had been carried forward for over the period of years and it was referred to by the Honourable the Member for St. Boniface, and I gather that this \$3 million was an amount that was an average of grants that had been made over a period of years in the past - at least prior to 1958 - 3-1/2 million or 3 million. I thought the figure was 3 million but that can be clarified at any rate. The rest of it was made up by an equivalent amount of money, equivalent to six points on the surcharge on income tax and one point corporation. --(Interjection)-- It was six, and then it was reduced to five, the number of points on the income tax, so it was equivalent to six, plus one percent on corporation tax. Now when you find in the estimates that we had for the Department of Health this year, and the vote for the Manitoba Hospital Commission was \$13,400,000, that figure represented this \$3-1/2 million, plus an equivalent of six points on income tax and one point on corporation tax. But apparently that was an underestimate, it is my understanding, and so because of the additional amounts that we received, there is this amount being voted in the manner that it is voted now, of one million and whatever the figure is, \$1,029,000, I think that's the figure, but at any rate, the one that is in this Bill 69; which will mean that the contributions from the Provincial Government to the Manitoba Hospital Commission will be the \$3 million or \$3-1/2 million plus an equivalent of six percent on income tax and one percent on corporation tax. Now in that amount of money -- I regret that I am not able to break down tonight because I haven't got the figures, but I have no doubt that the Provincial Treasurer can provide them, and just how much of that is corporation tax and how much of that is income tax. I trust, Madam Speaker, that that has cleared up the points for the Honourable the Member for St. Boniface.

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

MR. EVANS: Madam Speaker, by leave, I move that Madam Speaker do now leave the Chair and the House resolve itself into a Committee of the Whole to consider the following bill: No. 69 - An Act for granting to Her Majesty certain further sums of money for the Public Service of the Province for the fiscal year ending the 31st day of March 1966.

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

COMMITTEE OF THE WHOLE HOUSE

MR. CHAIRMAN: Bill 69, Section (1) passed --

MR. DESJARDINS: Mr. Chairman, now that it's in committee I think that we'll understand each other a little better. The Minister did not answer my question. I think that he just confirmed the fact that we were financed by this 3, 3-1/2 million dollars, so we won't talk about this any more, then the equivalent of 6 percent -- let's call it 5 percent and . . . the equivalent of 1 percent. The equivalent of it is 6 percent personal income tax, that's fine, and 1 percent corporation tax. But he doesn't explain where this money, why this money is being voted and where this money comes from. I think that this is another thing altogether. He said that this was the money that was needed. But where does this money come from? And why do we have to vote it now?

MR. FROESE: Mr. Chairman, I had some questions on this bill that I put to the First Minister and the Minister of Health yesterday when I debated it on second reading. I'd like to have them answer those questions at this time as well.

MR. WITNEY: I'll try to explain this. This money came into the Consolidated Fund as the result of the fact that the revenues were more buoyant and we got more money than we thought we would have when we put in our estimate for the Manitoba Hospital Commission. So, in order to get that money from the Consolidated Fund over to the Hospital Commission, it is my understanding that we have to do so by this manner, by the bill that we have at the present time, the supplementary estimate - and it's from the Consolidated Fund. It's money that has come to it from the income tax and the corporation tax.

Now in answer to the Honourable the Member for Rhineland. When the Manitoba Hospital Commission started, it began, but it was collecting its premiums during a six-months period that it was operating, and it financed itself on the revenues as it came in. But at the six-months period of time before it got all of its premiums in from the municipalities etc., it had been operating. So it has shown up as a deficit on the books; that's \$5 million. But there were three premiums in effect for a six-months period of time. But it was able to finance itself because money was coming in, and it used that money. So it's just sitting on the books, the \$5 million. It was a free period of premium time and it's been carried forward at - well it's the same amount - since the operation of the fund.

MR. FROESE: Mr. Chairman, if it's just a book entry, why don't you wipe it off? Why not wipe it off? On the other hand, if it isn't, then I would suggest that you budget for it and wipe it off in that way.

MR. DESJARDINS: . . . something else that the Minister forgets. In this grant from the Government of Manitoba, in this little yellow book that he refers to, \$12,315,000 -- I think that the Minister told us that some of this was for capital cost. This is one of the reasons why, during the Estimates, I wanted this broken down, and this was not the idea at all. Capital cost has no business being in here at all. If you remember right -- well, correct me first if there is nothing in there from this 12 million, on Page 30, Statement of Revenue -- that's the Manitoba Hospital Services Fund. I think that I was told during the estimates, Mr. Chairman, that part of that, the million something of that, was for capital cost. Now is that true?

MR. WITNEY: Mr. Chairman, that's true and the honourable member will know that we gave him the figure this year when we were debating the estimates. We gave him the breakdown and I forget exactly what it was at that time.

MR. DESJARDINS: That's my point, Mr. Chairman. So let's start by reducing this. Because the capital cost has no business in that at all. Now this would be less than 11 million, not 12 million, and out of that, let's reduce this by 3-1/2 million -- and of course the premiums aren't in there. I want to know, originally, as of now, before this bill is passed, what amount -- and before you pass a bill, surely Mr. Chairman, somebody here has got this information. They're asking us to pass this bill. Somebody has got this information, or are we just going through a motion? Now I want to know before, as of now, how much money was the Fund given?

(MR. DESJARDINS, cont'd) . . . And how much money represents this 6 percent -- well all right, to make it easier, the 6 percent and the 1 percent corporation tax, not the 3-1/2 million, not the premiums, and not the third party recovery either, and not capital cost.

MR. WITNEY: Well, Mr. Chairman, if you want to do some subtraction then, we'll do a little arithmetic. We take the 13,400,000 that we had in the estimate book for this year. Now I think, if I recall correctly, the capital cost was a million -- we can knock that off; and you come down then to \$12,400,000. And let's say for round figures then you knock off \$3,400,000 as the grant that has been carried through for a period of years, and you get down to \$9 million.

MR. DESJARDINS: Mr. Chairman, . . . this thing started. What are we starting from? The Minister refers to this Manitoba Hospital Commission and I'm talking about the grants for insured services and other hospital costs from the government of the Province of Manitoba, on Page 30. This is the amount. It's not 15 million, it's \$12,315,000. This is the one we're starting with. This is the one he chose just a little while ago, Mr. Chairman.

MR. WITNEY: The amount of money that we have got in this bill before the committee, Mr. Chairman, refers to not last year but this year, and we had in our estimates for the forthcoming period, \$13,400,000 that was being given under grant to the Manitoba Hospital Commission. --(Interjection)-- Well, last year -- the bill is dealing with the current situation. The Government of the Province of Manitoba, on Page 30, \$12,315,000. This year that figure is \$13,400,000.

MR. DESJARDINS: Yes, but this was last year, not this year. This Bill that you're talking about is last year, not this year -- (Interjection)-- No, I'm not in the wrong year, you are.

MR. WITNEY: So I'll carry on with my arithmetic. We have \$9 million then and that represents the income tax and the one percent of the corporation tax.

MR. DESJARDINS: . . . wrong year, this is what the First Minister said on this amount here. "We estimated X million dollars as being the yield from a certain portion of the personal income tax and corporation tax last year which is credited to the Hospital Services Account. In actual practice we got" -- not we're going to get -- "we got \$1,159,000. So who is on the wrong year?"

MR. EVANS: . . . information on that. The amount is increased by reason of a revised federal estimate of the amount that we are going to get in the current year which ends the day after tomorrow.

MR. DESJARDINS: . . . last year.

MR. EVANS: I think I can explain to my honourable friend that the estimate was in fact made last year looking forward to this year, so the estimate was in fact made last year.

MR. DESJARDINS: . . . got the money already for next year? You can't have it both ways, Mr. Chairman, was it last year or is it this year? We're talking about the Minister said that in actual practice we got one million something, and then he told me -- all right, let's read -- this is the question I asked him. "This has nothing to do then with the hospital deficit or the deficit of the MHC at all." "Mr. Roblin: Well it decreases it by that amount. It's the deficit." So the point -- well anyway the point is I asked for last year's amount, and according to this year, the grant from the Government of Manitoba was \$12,315,000. All right. Well let's go to last year. This is what we're -- the Minister referred to this book. I didn't, I didn't even have it with me. Then he admitted or he said that there was over a million dollars in capital costs that should come off this, and I'm asking him: last year, what amount did you put in representing the six percent personal income tax and one percent corporation tax last year.

MR. WITNEY: Mr. Chairman, I had trouble with my bank manager today and I didn't really anticipate to have some difficulty with the Honourable Member for St. Boniface in the same field, but last year it was \$12,315,000, and take off a million for construction grants from that it comes to \$11,315,000; take off \$3,500,000 and you've got what you're looking for; and I believe that last year, I think that we broke that down further.

MR. DESJARDINS: That's what I'm looking for. All right. This is it. So then we received about \$11 million and take 3-1/2 million from that -- 7-1/2, and last year the Minister told us that we received -- 1964-65 we received a total of 8 million, 201. This wasn't the yield from the 1964-65 six percent corporation tax and one percent tax. Now this is the same thing, pretty well the same thing as last year, and last year was an increase of \$1-1/2 million. Now we are told that, "well we have to bring this in because we made a mistake when we estimated. This is another million," So what did we estimate it?

(MR. DESJARDINS, cont'd) . . .

Mr. Chairman, it's exactly the point that I suspected. Last year we challenged the government, we forced the government, we forced the government to put this money in. This wasn't done and now the government is trying to do that now. There's only one way of putting this straight, and a little more honest with the people of Manitoba and the people of this House, is to earmark this -- change the policy and that money should go directly to the - if it's a hospital tax, it should go directly to the hospital fund because this was not a mistake.

The government didn't make that much of a mistake, that all of a sudden we received close to \$1-1/2 million more, because if they estimated -- every year we receive these figures from the Minister and it was an increase, as I said before, from \$1,140,000 and then last year \$1,472,000. There's not that much more of an increase this year, so I submit, Mr. Chairman, that the government - exactly what we said in 1961 - the government is saying that this is a tax - they brought it in in 1961 - this is a tax for the hospital. But we will not say, not officially - it's all over here that this is what it's for, but they didn't want this amendment of my honourable friend from Selkirk at the time. Why? Because they are playing around with this money in the Consolidated Fund and I think that, once and for all, if we are going to have an honest deal on this, the government will have to change its policy and that this money will have to be earmarked officially as a hospital tax and will have to go directly to the fund.

I think that while we're on this subject - well, maybe my honourable friend or myself won't be here next year - but for the other people I think we should break down these things. This again is false representation when you are talking about a grant for \$12 million and there's capital costs. Why do we have to ask this? There should be two statements with this hospital, capital costs and then the expense of the hospital plan. What we want, Mr. Chairman, is to know exactly where these things are going. As I said, if the government want to change their policy, that's fine, but let's not fool the people of Manitoba.

MR. WITNEY: Mr. Chairman, I can't accept the fact that the government has been dishonest with the people of Manitoba, and particularly as the Minister of Health I can't accept that because we have done exactly what we said we would do. We have put in this equivalent amount of money. Now it was under-estimated when we put our money in the estimate book. We are dealing in many millions of dollars in the Province of Manitoba. So we've got a million more than we expected we had and we are putting it into the Manitoba Hospital Commission as we said we would, via this manner.

MR. DESJARDINS: Mr. Chairman, talking about there has been an estimated . . . very simple. We have got \$1-1/2 million more so now we are giving it. They estimated and they told us last year that this was going up all the time. We are talking about six percent and one percent corporation tax, and every year there was a jump of between - since we have had it, we have had a period of 1962-63, 1963-64, and 1964-65, and the increase in the first period, that is from the year 1962-63 to 1963-64, was \$1,140,000. This is the extra money that the government received in the Consolidated Fund - just for this six percent and one percent corporation tax, that's all. Let's not cloud up this issue. The following period was from 1963-64 to 1964-65, a total increase of \$1,472,000.

Now there was an increase every year. There was an increase every year. Now from this period, 1964-65, if you were going to estimate there should be another increase of \$1-1/2 million or close to \$1-1/2 million, and we are talking about estimated amount now and they say, well we didn't know we were going to get this. This would only represent the normal increase. I think that this is what I'm saying, that this money should have been put in there last year, the full six percent, and I'm suggesting this, Mr. Chairman, when I said that the government was misrepresenting and it was, and the First Minister on TV certainly did last year on the television program, because the people - nobody else is paying for this but the people of Manitoba. They are paying for this. We've changed our method of financing this plan.

Now I think there's only one solution, Mr. Chairman, and we won't have this trouble any more. That hospital tax should be earmarked as a hospital tax, or if they don't want to change this, at least that money should go to the hospital fund then we won't have any trouble at all.

MR. EVANS: My honourable friend has one point and that is that he seems to attach the blame to us for under-estimating the yields of these taxes, but these are estimated for us by the federal authorities who notify us in advance of how much they expect the tax to yield, and then part way through the season they send us another notice to the effect that there's an additional \$1,159,000, and that is where this figure arises, which it then becomes our

(MR. EVANS, cont'd) . . . responsibility to transfer to the Hospital Commission.

MR. FROESE: Mr. Chairman, this vote then, the \$1,159,000 is not covering the deficit that is noted in here as the deficit of 1965 of \$1,138,000. The amount that we have presently before us is not to cover this deficit. Am I correct?

MR. WITNEY: Mr. Chairman, on the basis of the deficit that the honourable the member is speaking about, it is difficult for me to answer that question because the Hospital Commission operates on a calendar year up to December 31, 1965, whereas the province is operating on a fiscal period. I would have to check with the Manitoba Hospital Commission to give a more definitive answer to the member's question.

MR. FROESE: Mr. Chairman, I realize that this is a statement ending December 31. Now if the Minister will tell me that the difference between the two figures, the \$1,159,000 and the \$1,138,000, is because of the difference in time, the additional three months, if that is it, it's all right with me. If not, if that's not the case, if you are not allocating the new amount to cover deficits of the Hospital Commission, then I would like to know why we are allocating an additional amount at this time.

MR. CHAIRMAN: 4 -- passed.

MR. FROESE: No, Mr. Chairman, I want an answer on this.

MR. WITNEY: Mr. Chairman, this is a grant being made by the Province of Manitoba to the Manitoba Hospital Commission, a grant of money being made to them, and it's based on those points that I mentioned to you before. It's based on the \$3-1/2 million and the percentage of income tax and corporation tax. That's what it's based on. Now the Hospital Commission gets the money; the Hospital Commission operates. During the year they might have a surplus; during the year they might have a deficit. This is revenue to them. It doesn't really work on -- this amount of money isn't put there to deliberately cover a deficit or not.

MR. FROESE: I had this - the answer I wanted, but . . .

MR. WITNEY: It's revenue to the Commission.

MR. SHOEMAKER: About a half an hour ago my honourable friend said, or I understood him to say, that when the plan first went into effect in July 1, 1958, that they were operating without really any money. That is, to encourage people to enroll in the plan, as I recall it, they were given up to May 31 or something of this kind to pay their premium and they were to be premiums for the next year. Am I right or am I wrong? --(Interjection)-- The next six months. Now is my honourable friend saying that we are gradually getting a little bit farther behind in this or are we, as the First Minister said the other day, are we able to have our cake, eat part of it and give part of it away; or in this case, have we given it all away or eaten it all up?

I wonder if my honourable friend can tell us how are the finances now as compared to the first year's operation. Are we getting farther behind every year, and if so, when are we going to have an increase in premiums? I saw an article in the paper about six months ago suggesting that one of two things would have to happen. They would have to have more revenue than they expected from other sources or increase the premiums. One or the two happened, and I haven't got the article here but I think it said that it looked like there would be a deficit of something like 4 to 5 million in 1966, so perhaps this would be a good time for my honourable friend to let us know whether we can look forward to an increase in premium, or where are we going to look to for additional monies in the ensuing year.

MR. DESJARDINS: Mr. Chairman, from this amount in this book of \$12,315,790, the capital cost, the exact amount given to me a few days ago or a few weeks ago by the Minister was \$1,110,963. That left \$11,204,827. The grant, \$3-1/2 million, left \$7,704,827. That represents what we received from the six percent and one percent as of now, I bet. I don't even know if this amount here is included in there. But anyway last year - we are left with the sum of 7 million, seven hundred and something thousand dollars, and last year, 1964-65, the six percent income tax and the one percent corporation tax as given to us by the Minister represented 8 million 201, and that was an increase of \$1-1/2 million over the previous year. This is my point. How can we come in and have less money and say we estimated. Are we estimated less - estimating less? Normally we received last year 8 million 201, and put in another million and a half increase if we're going to follow the other period, you'd have close to \$10 million, and I think that's what the First Minister said last year.

So how can we make this mistake? There's only one way again, as I say to the Minister and to the members of the Cabinet, there's only one way - that money should go directly to the hospital fund. There's no business -- what is the reason why it has to go to the Consolidated

(MR. DESJARDINS, cont'd) Fund? What is the reason? If we have a good reason, well that's a different story.

MR. EVANS: I'm speaking now without reference to any particular agreement, but I would assume that in the agreement between the Federal Government and the Provincial Government to collect these points on the income tax and the corporation tax and remit them to us, it's normal for them to remit from the Federal Treasury to the Consolidated Fund of Manitoba, and then an undertaking was given by the province to transfer those sums to the Hospital Commission. This is nothing more than a bookkeeping entry to enable that to be done, simply because when the federal people estimated in advance for the current year, the year not closed until the day after tomorrow, they under-estimated it by \$1,159,000.

They told us about the increase and it's required - some action is required to transfer it from the Consolidated Fund to the Hospital Commission. It can't just be done by telephone. Some action must be done, some voucher must be provided, some Act of the Legislature to dispose of funds out of the Consolidated Revenue Fund. You can't do it in any other way. It has to be an Act of the Legislature, and so for a pure routine operation we provided in the Supplementary Estimates this sum of 1.1 million to transfer to the Hospital Commission where we promised to send it. I can't help thinking it's a very straightforward thing and has nothing to do with the deficits of previous years. My honourable friend is dealing in that yellow book with a completed fiscal year of a completely separate body, and not the current fiscal year of the government.

MR. SHOEMAKER: Was the same procedure followed last year and the year before and the year before - exactly the same procedure? I don't recall that it was - or for the same amount?

MR. EVANS: If my honourable friend is asking me to recall it from memory, obviously I don't at the moment. I can only say I know of no change in the procedure.

MR. SHOEMAKER: Well, Mr. Chairman, I can't recall - perhaps you can, Mr. Chairman - but I can't recall ever having this situation having arrived at in the past. I can't recall that it was ever done before. Perhaps the Minister of Health could let us know on this.

Now there's another point that has to do with hospital premiums that I'm not clear on and I'm asked this nearly every day, and I'm sure my honourable friend the Minister of Health knows. When you enter the hospital, any hospital in Winnipeg, this does not apply in Neepawa or other places

MR. CHAIRMAN: Is the honourable member speaking on this Bill?

MR. SHOEMAKER: I'm speaking on the revenue for the Hospital Commission and it has to do with voting sums of money. They say when you go to the hospital here, "We have not got an ordinary ward bed for you but for 10 bucks a day you can have a private one." Who gets the \$10.00? Where does it go to, or what portion of it goes to where, and what revenue does it bring in?

MR. WITNEY: Mr. Chairman, I couldn't give you what the revenue is but 20 percent I believe goes to the hospital. I think it's more than that - a percentage of it goes to the hospital.

MR. EVANS: On this point, Mr. Chairman, I think it's been right to allow a wide-ranging discussion, but the only matter that has really been before the committee is this matter of \$1,159,000 for transfer from the Consolidated Fund to the Hospital Commission's Fund. In the interval during the time the discussion has gone on, we have consulted the Comptroller-General who, I tell you now, confirms completely that the purpose of this item in the Supplementary Estimates is solely as I stated it a moment ago, that the sum having been received and placed in the Consolidated Fund - whether my honourable friend thinks that is either the right way or the only way to do it I don't know, I'm not arguing with him about that - but the money arrived and went in the Consolidated Fund. He confirms now that the only action proposed here is to transfer it from the Consolidated Fund to the Hospital Commission and it can't be done unless this Act is passed.

I do suggest, Mr. Chairman, that the only thing under discussion here at the moment is the transfer of this particular sum by way of Bill No. 69 - if that's the right number - and if my honourable friends are able to now proceed, we would -- I suggest, Mr. Chairman, that it might be acceptable to go back to the first item of the bill and start to call it.

MR. CAMPBELL: Mr. Chairman, I had not intended to get into this discussion but I must say with all respect to the Leader of the House that I can't agree with him on the statement that he's just made because the estimate that we have before us is a supplementary for this fiscal

(MR. CAMPBELL, cont'd) . . . year that we are in and that supplementary is a - I haven't the bill before me at the moment - but it is bringing before this Committee of Supply a vote of a hundred and some thousand dollars to apply on this year's expenditures which will end, as somebody said a few minutes ago, in a couple of days. Well now, when this vote comes before us, inasmuch as it is dealing with a grant to the Manitoba Hospital Commission, I must say that I think we have the right to discuss the Hospital Commission if we wish to do so.

It's true that we have only one item in the vote here - well, I'd better get the bill just so as to be sure of what I'm saying. I didn't intend to take part in this discussion but I've been having such a difficult time lately to get my points across with regard to order, and being rather conscious of the position of the minorities in this House, I don't want to sit calmly by and hear something stated as a matter of fact without a protest on it, and I maintain that we have a right

MR. EVANS: . . . my honourable friend and say that he may recall that I did say that it was right to have a wide-ranging debate on this and that I raised no objection to the way the debate has ranged, either at the time nor do I complain about it now. Then I was suggesting that perhaps the time had arrived when we might confine our attention to the one item, but I raised no objection to the breadth of the debate.

MR. CAMPBELL: I understood my honourable friend to say that there was only the one matter before this committee and that was the question of whether this \$150,000-odd should or should not be voted --(Interjection)--Well, I must confess that I hadn't noticed that part. If my honourable friend says he did, then I certainly take his word for it. But we have a sum in here -- we have this whole bill before us, Mr. Chairman, the whole bill, it's not just this item. We can talk about the Comptroller-General's office; we can talk about group life insurance for the civil servants; we can talk about education; all about the Teachers Retirement Fund; we can talk about the educational grants, and that's a pretty large subject if we ever get into that one; and I must say I'm not attempting to hold the matter up. Some people may think that it looks that way but I'm not attempting to do that, I'm simply stating that we are within our rights in doing this.

However, if I have made that point sufficiently clear, then the one thing that I would like to say with regard to the discussion that's been going on is that the point that I think the committee should pay some attention to, regardless of what the intricacies of this particular subject that's under debate as far as the financing is concerned, what I think we should pay some attention to is the fact that last year the total that my honourable friend the Minister of Health was asking for was \$47 million-odd, and when I say last I'm meaning last estimates, which means the year that we are just now finishing. According to these estimates he was asking for \$47,156,000 for this year that we are just now completing. And this year, Mr. Chairman, the Honourable the Minister - and I have no doubt at all that in this regard his figures are right, regardless of the other discussion - this year he's saying that the best estimate that they can give is that we're going to require \$51 million-odd.

In other words, there is more than a \$4 million jump in hospitalization costs in Manitoba anticipated in the space of one year. I think that's correct. I think that's the thing that really does have a great deal of interest to everybody in the Province of Manitoba. It's too long ago and I've been too far away from it to speak with any certainty on the subject, but it seems to me that when this program was first proposed to the Province of Manitoba that the Federal Government gave us an estimate that it would cost \$24 million, or something in that area, and some of us said at that time, based on the experience of what had happened in so many other fields, well it'll cost more than that likely right from the start and as time goes on it will cost a great deal more. I think the thing that some of us should point out is that in the space of eight short years - not quite eight years - that it has much more than doubled.

Now to get to the point that was under discussion a little while ago, I am afraid - and I didn't intend to take any part in it at all - but I'm afraid that as I listened to the Honourable the Minister of Health that he started off - in his justification of these figures, he started out with the item over on the right hand side of the page, \$13,400,000. Am I correct in that? Because with all respect, I'm sure that isn't the figure we should be talking about. The one we should be talking about and should be starting our figuring with is the item over on the left hand side of the page because that was the one that was in the year that we're dealing with now.

Now whether that just complicates the matter a little more or whether it's a clarification, I do not know, but I would suggest that it's the correct one because this vote applies to this fiscal year that we're just finishing now. It's a tendency to refer to it as last year because of

(MR. CAMPBELL, cont'd) . . . the fact that it's over on the left hand side of the page, but this is the one I think over here, the \$11,426,000, that we should be talking about.

MR. SHOEMAKER: Mr. Chairman, I did ask the question - and I think this is an important one to you and I and about a million people in Manitoba - are we going to have an increase in premiums or not this coming year, because this has quite an effect on the revenue. While some of the others were talking I sneaked out and got a 1959 report and that's after the first full year of operation I guess; it was known then as the Manitoba Hospital Services Plan and it's interesting to note that the total expenditure for that year was \$26 million odd, and for last year it was \$50 million, so it has doubled. --(Interjection)-- Yes I know, and last year. My honourable friend the Member for Lakeside suggested that we had quite a bit of latitude here in speaking on some of these things. But is it not an important question to have answered, whether or not we are going to have a premium increase in light of the fact that the Commission expenditure has doubled from 1959 to 1965 and the premiums collected are the same. As a matter of fact, this same book tells you that the premiums collected were a little less last year than they were in 1959. What does my honourable friend have to say?

..... continued on next page

MR. CHAIRMAN: 2--passed; 3--passed.

MR. FROESE: Mr. Chairman, I'm not willing to let this item pass as yet. As the Honourable Member for Lakeside said, by discussing the bill before us we are opening up discussion on last year's estimates. This is part of last year's estimates. Well the year we are in now, but last year's estimates that were dealt with a year ago, and now we are voting an additional item of \$1,159,000 towards the Manitoba Hospital Commission. Now I thought before when we were discussing I had it straight, but now I'm not so sure whether I did get it straight or not, because it really is confusing the way it is. The money that we are now voting, are we voting it because the Manitoba Hospital Commission is going to have a deficit at March 31 this year? There is no connection between the deficits and the money that we are presently voting. The money that we are presently voting -- why are we voting these monies then? This is what I want to know.

MR. EVANS: I wonder if I can explain it. As I understand it, it is a very simple matter, that the government undertook to transfer to the Hospital Commission the yield of these taxes, the income tax and the corporation income tax, and they estimated a sum in advance that they thought would be adequate, would be as much as the taxes amounted to. It wasn't enough. The taxes turned out to be more; so we are giving them the balance we owe them, that's all.

MR. CHAIRMAN: 4--passed; 5--passed; preamble passed; title passed; bill be reported. Call in the Speaker. Madam Speaker, the Committee has adopted Bill No. 69 without amendments and requests 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, by leave, presented Bill No. 69 for third reading.

MADAM SPEAKER presented the motion.

MR. DESJARDINS: Madam Speaker, we are not completely satisfied but it is not our intention of delaying the House and the Lieutenant-Governor I understand is in this building, so we are ready to proceed.

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

MR. EVANS: Madam Speaker I think it's now my obligation to ask you to call the resolution on the Committee of Ways and Means.

MADAM SPEAKER: The adjourned debate on the proposed motion of the Honourable the First Minister. The Honourable the Leader of the Opposition.

MR. GUTTORMSON: Madam Speaker, could we have this matter stand please?

MR. EVANS: Madam Speaker, I beg to move, seconded by the Honourable the Minister of Mines and Natural Resources, 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 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

MR. CHAIRMAN: Resolution No. 67 (a)--passed; (b)--passed;

MR. SHOEMAKER: Mr. Chairman, I thought my honourable friend was going to make a statement - we're on Fisheries are we not? Does my honourable friend intend to tell us about the suckers and saugers et al? I thought he had a big speech and an announcement that he was going to make on this. --(Interjection)-- Potholes, and we haven't come to them yet. Well, I have before me the Annual Report for 1964 and the Annual Report for 1965 and it looks to me, if I analyse them correctly, that the fishing division and the receipts for fish are down at least 10% over 1964. I'm referring to Page 58 of the 1965 report, then to Page 18 of the previous year, where you give the market value, the production and value of fish taken from the Northern Lakes, Lake Winnipeg, Lake Manitoba, Lake Winnipegosis, and so on, and I think that it's exactly the same table as you used the year before and it appears that it's down quite substantially. I wonder; is there an explanation for this or not?

HON. STERLING R. LYON, Q.C. (Min. of Mines & Natural Resources)(Fort Garry): Mr. Chairman, there is a drop-off to some extent in licensing in the commercial area, and

(MR. LYON cont'd).....then of course, referring to the value of production, we have experienced over the last two years a considerable drop-off in production in Lake Winnipegosis about which my honourable friend from Ethelbert Plains was speaking last evening. I don't know of any other significant factors that are involved.

MR. GUTTORMSON: Mr. Chairman, I am informed that the Director of Fisheries, Mr. Bert Kooyman has indicated his intention to leave the Department. When does he leave and who is replacing him?

MR. LYON: Mr. Chairman, I'm happy that the honourable member asked that question because it does give me the opportunity to pay a small word of tribute to Bert Kooyman, who has been the Director of Fisheries of this province for the past number of years and who now regrettably is going on to the pure research field attached to the Canadian Wildlife Service, a branch of the Federal Department of Northern Affairs and National Resources. We are indeed sorry to see Mr. Kooyman leaving government service of the province, but we are happy, of course, that his expert knowledge will still be, we hope, available in the new field in which he enters in the Federal service. I believe advertisements are out at the present time. Because Mr. Kooyman has just recently, or is just in the course of terminating his employment with the provincial department, advertisements will be out shortly for a replacement for Mr. Kooyman.

MR. GUTTORMSON: not be promoting someone up from the department?

MR. LYON: These matters are governed, Mr. Chairman, by civil service regulations, competition, health.

MR. GUTTORMSON: Mr. Chairman, how many licences are you going to permit on Lake Manitoba -- did you permit on Lake Manitoba last year?

MR. LYON: I don't have the figure in front of me but I can get it for my honourable friend.

MR. WRIGHT: Mr. Chairman, at the terminal hour last night the Minister made some mention of the policy in regard to angling licences. Well this is no small amount, this \$254,800, and last year I asked the Minister for a statement of policy on how these outlets were allocated. I want to again rise and tell him that at Lockport there are five outlets and yet the gentleman who has the general store on the main highway at the junction of No. 4 and 9 is still unable to get the concession to sell them. Now he is a busy fellow and he doesn't particularly want this, but he is selling minnows and fishing tackle and the people are calling there wanting to know why he can't sell a licence. I suggest that this is the busiest place there, and in view of the fact that he is a mile from the other five outlets, and people are continuing, they are going north and west, he is at a loss to understand why he is denied the right to sell them. He has tried. I think last year you asked me to have him re-submit an application. He has a very modern store which is a general store, the only general store there practically. We are talking about service to the public and the public can't understand why this store at such a strategic place is not given the right to sell them, and I think that the Minister should look into this.

MR. LYON: Mr. Chairman, I'm familiar because of the representations that have been made by the honourable member with the particular case, and as I mentioned last night I believe to the Member for St. Boniface, we have this matter currently under review. There is, of course, the administrative desire to keep the number of licencing outlets limited as much as possible, and at the same time consistent with good service to the public for understandable accounting reasons, because if you have 500 issuing licences you have a certain problem; if you have 1000 issuing them; you may have more than twice the problem in terms of accounting. But we are looking at it right now and I hope that the results of that review will be satisfactory to my honourable friend.

MR. SHOEMAKER: Mr. Chairman, on Page 53 of the current report, first paragraph, it says that commercial fishermen produce fish valued at almost \$6-1/2 million and that the anglers spent over \$10 million in pursuit of their sport. Above that, it says that there were in fact 100,000 anglers so it would appear then that each one of them spent about \$100.00 in pursuit of their sport. A hundred times 100,000 is \$10,000,000, I think. How is that arrived at? Last evening it was suggested, I think by myself, that a wild duck to the province was worth around \$20.00 in consideration of the fact that it was worth \$9.85 according to my honourable friend --(Interjection)-- I know, I'm comparing the value of the fish to the value of a duck and which one we should pursue with more vigor than the other. It's reported in the -- we're on Fisheries, and I'm reading from the Fisheries Branch, here, where my honourable friend has

(MR. SHOEMAKER cont'd).....said that a hundred thousand anglers spent over \$10 million in pursuit of their sport. Well, how was it arrived at? How do you arrive at this kind of a figure, because they're nice round figures. A hundred times a hundred thousand is a nice round ten million. But how do you arrive at that? That's the question. How do you arrive at that? Is this included, I suppose, when the Minister of Industry and Commerce gets up and he will say that this ten million is included in his 45 million that the tourists spent. --(Interjection)-- Pardon me? What was the answer?

MR. JOHNSON: Combinations and permutations.

MR. SHOEMAKER: Well, that's what we get when we have computers. But I wonder if there is a way of determining how this is arrived at, because it would be interesting, and if a fish is worth a hundred dollars, they're worth 10 times as much as a wild duck. So I would suggest to my honourable friend that he should tell the House how he does arrive at this nice round figure here.

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

MR. CAMPBELL: Mr. Chairman, I'm sorry that I wasn't in my seat, and I was not away much of the time, but apparently I missed the remarks on the Fisheries item of my honourable friend and colleague from Ethelbert Plains. If I duplicate some of the things that he said I apologize for it, but I don't very often miss much time in the House.

Now, I listened with interest to my honourable friend the Minister give his introductory statement. It was very brief but quite comprehensive, and actually I wondered if I was hearing properly when I heard one of the statements of my honourable friend. I made it a point to check it up in Hansard, and I find that it's just as remarkable as I had esteemed it to be on first hearing it. Here is what my honourable friend says on Page 1341 of Hansard: "In two areas, that is forestry and mining, very important steps have been made, and in the third area, the commercial fishery, a bold new approach to a perennial problem has been forcefully presented to the Federal Government." Well now really, Mr. Chairman, for my dynamic friend, the Honourable Minister of Mines and Resources, to consider a representation to the Federal Government and, of all things, this Federal Government, to be a bold new approach, why this is the government that was going to do things themselves. They weren't going to ask any other government to do things for them, they were going to do them. And when they came in here in the early days, and I recall that my honourable friend the present Minister of Industry and Commerce was in the heydays of this government the Minister of Mines and Natural Resources; and with that unbounded optimism and enthusiasm that he has, I can recall hearing the great things that were going to happen in the fishing industry. Now, true, it had been terribly neglected, just before -- oh well, that goes without saying. There had been a woeful neglect. The Honourable Member for Gimli who usually is more kind to some of us on this side than some of his colleagues, but even he got into the act, that it had been so neglected. But here we have, after eight years of the bold new approach, and of all the experiments, we have the admission from my honourable friend the Minister of Mines and Natural Resources - and it's contained in the next page from the one that I was reading - who says, "We explained . . ." -- and this wasn't when they were talking to the senior government as well; no, this was when they were talking to the expert, Mr. George H. McIvor, who has been designated to conduct a study. Well that certainly figures - to conduct a study. "But we explained," says the Minister, "we explained that a strong export marketing board could provide the base for rationalization of this perpetually ailing industry." So it's still ailing; after all the bold new approaches that my honourable friend had and after eight years of putting those programs into effect, it's perpetually ailing. Well I am disappointed in my honourable friend the Minister of Industry and Commerce because he was going to fix it; then we had another bright young man over here, the present Minister of Health, and he was going to fix it; and -- did we have another one in the meantime? Anyway, the heyday arrived and we got my honourable friend the present Minister. I certainly thought it would pick up then. So, perpetually ailing. Well we'll hope that it does better from now on.

But what I wanted to ask my honourable friend the Minister, has he really gone all out, so far as the fishing industry is concerned, for a marketing board? I would think that Mr. George H. McIvor would be an excellent man to conduct a study. I happen to know Mr. McIvor very well and very favourably, and I would think you couldn't get better to conduct a study. It's true he was, as the Honourable the Minister mentioned, he was for many years the head of the Canadian Wheat Board. If I wanted to follow the path of my honourable friend the Member for Gladstone I could draw a parallel between ducks and wheat or fish and wheat, but whether

(MR. CAMPBELL cont'd).....that's a good training for conducting a study into the fishing industry or not, I certainly agree that Mr. George H. McIvor would be an excellent man to conduct such an investigation. But have we gone all out, the Department, for a marketing board? And what about the recommendation of a short time ago, when the people in the fishing industry themselves seemed to be swinging toward the advocacy of co-operatives in the fishing industry? Have we changed our minds on that? And instead of looking to co-operatives, have we decided to go for a marketing board? Has the benign influence of my honourable friend the Minister of Agriculture been operating in this sphere? Has he extended himself over to influence the fishing industry as well as vegetables and other things that are under his control now?

Well this is an interesting development. I agree that this is a difficult industry and I hope that something will be done to help it, and if the only thing that will bring some advantage to this industry that my honourable friend pessimistically characterizes as a perennially ailing industry, then let's try something to help. In the meantime, Mr. Chairman, I'd like to make my usual remarks which will fall, I suppose, on the usual deaf ears, as to what should be done for the fishing industry in the north end of the constituency that I have the honour to represent. We have had our difficulties out there too and I have year after year after year made certain suggestions - usually the same one. You'd expect me to try and be consistent. And I still think it's a sound one.

My honourable friend the Minister says on the page that I quoted last, 1344, "No easy solution is visible and no easy solution has been found, but at least we think the right approach has been recommended to the Federal Government, which as you know is responsible under the law for the administration of the fishery." (In this text it's singular; I presume my honourable friend likely said "fisheries".) Well, the Federal Government is not responsible under the law for all the administration of fisheries surely. We have control of a lot of very important matters, it seems to me, and I would like to know from my honourable friend what has been accomplished in the line of the research program that they've been carrying on. I think it's generally conceded that we could benefit by a sound research program and my honourable friend did report that a new institution is to be established at the University of Manitoba. But what has happened up to date, because they've been going to concentrate on research for a long time? And one thing that we have in our control, as I understand it, Mr. Chairman, is the matter of the size of nets, and it seems to me that that is one of the things that still needs to be administered by the Department, where they have the authority, with a firm yet enlightened approach, because I think there is nothing -- I should say, I think there is no other single thing that will do as much toward rehabilitating the industry and the lake that I have some slight acquaintance with, as an enlightened approach to the question of the size of the nets. And combined with that, because I think that we have to recognize that the same thing is happening in fishing as is happening in farming, that the numbers are growing less; they will likely continue to grow less; and I think that it's nothing but a sound policy for the Department to take the position that those people who are already established and who have been depending on that industry should be - I don't like to use the word "protected" or "protection" in general - but in this case I think that the local residents and those of them particularly who have been operating in those fields should be protected as the number of licences is decreased. And I think if you would do that, keep increasing the size of the mesh that's allowed to the full size that the particular fish that you're wanting to propagate will gill in, and at the same time have a reasonable restriction of licences with the protection of the local fishermen, that you will do more than any other single innovation that you could make.

Now Mr. Chairman, I realize that the committee has had a long day and they're not interested in listening to me expound my theories at any greater length, and I'll gladly give way to the Honourable the Minister or someone else and withhold any further remarks, unless of course I am encouraged by something the Honourable the Minister says or my friend from the constituency of Gimli, who is not too difficult to coax into a discussion of the fishing industry.

MR. JOHNSON: Mr. Chairman, I am very very pleased to hear the Honourable Member from Lakeside mention me in connection with fishing, because in all my time in that area in following the vocation of medical practice, if one thing motivated me into public life it was the state of the fishermen in the spring of '58 when they came in from the lake and said they were throwing up the ghost. The whitefishermen at the north end of the lake were trying to fish with five inch mesh, as you recall, and the pockets which had developed since 1942 or 3 up until that time, meant a flood of small fishermen out of these so-called pockets with their

(MR. JOHNSON cont'd).....wives' hairnets, and these gentlemen had to compete and they threw up their hands on that July day and came into port. And there had to be some rationalization on the lake.

I'm the first to admit, as the Member from Lakeside has said, that I don't think in all the matters that I have had to deal with as the member for the constituency, that anything has been as difficult a question to tackle as the fishing industry, and I think a great deal has been done. I think the decision to close those pockets, to protect Sturgeon Bay and the mouth of the Dauphine River where the hatchery is, I think the measures in the pockets, the enforcement on mesh size, the involvement of the fishermen themselves in the Federation of Fishermen which came into being -- and its greatest value I think has been as an educational tool where once a year the Federation can -- and quite often more than that -- meet with the members of the administration and meet with one another from the different lakes, from Winnipegosis and Lake Winnipeg, and share problems, there have been some excellent things come out of that. The fishermen are aware of methods and means of forming co-operatives and helping themselves. There's been a tremendous amount done in concert with the Health Department in upgrading those stations. I've had the pleasure of going around Lake Winnipeg to these whitefish stations and comparing them with a few years back where industry over a period of time was encouraged by the government and the Health Department to bring their stations up to a standard to produce a better quality fish, and I think -- many fishermen have reported how much happier a vocation fishing is now that there are decent living conditions, efficient freezers and so on. I think that once you close pockets and try to cut down the number of people around the lake, (which is a thousand miles long around its periphery, here to Minneapolis and back) with increasing numbers of people living around that lake, all wanting to follow their natural desire of fishing, and they feel they have the right to fish, this presented a number of problems to government and welfare and in community development projects and what have you. I think all this activity and examination has all been to the good. I think it's been wonderful.

The ARDA studies are showing other problems. The fishermen themselves are coming to realize that with technology and . . . increasing so rapidly, and with the increasing numbers of people around the lake and all these factors, that on the lake itself more and more restricted licencing is coming before them and X number of men are going to be able to make a living on that lake. But I think it is a bold new step to approach the Federal Government concerning regional marketing. Unless one organization, in my opinion, and I'm speaking just as the member for the area, certainly supported the brief presented by the Minister of Mines and Resources at Gimli last summer, where the western provinces can aid and control all the fish in the west and the northern lakes, they can break the monopoly that exists in the United States market, where it enjoys the protection of the United States government. And I think the fishermen more and more realize that until marketing is rationalized there is really no secret; this is number one. And certainly I think that I'm looking forward to Mr. McIvor, who I was most impressed with at those hearings. I look forward to some rationalization in that regard, because the other day I noticed in Eatons that pickerel fillets were \$2.20 a pound. I will admit that the fishermen have been getting 65 cents latterly for saugers, but in this day and age where a quart of milk is 26 cents, they need a few pounds of fish to get along.

But I think that the interesting thing is, I think a great deal has happened. I was sort of looking forward to the new Federal Government in Ottawa when they announced, I think it was before one election, that they would extend all the benefits to the fisherman enjoyed by the farmer -- crop insurance and everything else; all those same type of loan policies and what have you. The fishermen are anxiously looking forward to a carrying out of those pledges which are recorded for all to see. But I do think that if we can look -- I hope the honourable gentlemen investigating the fishing industry will look at the problem presented by the three western provinces and our northern lakes and in fact recommend a marketing board which will allow the people, certainly on the lake that I'm familiar with, allow these gentlemen to present to them an orderly marketing system which I think the rest will almost look after itself, because they are producing quality fish; they are coming to realize that there's a limitation on the numbers that can be around that great lake with modern techniques and what have you.

I couldn't resist getting up when the Honourable Member for Lakeside said, "What's happening?" I think the Department of Fisheries have been doing an excellent job in the last couple of years, especially in trying to impress upon the fishermen the need for mesh, but all people around the lake are worried about the possible mutation of fish in that lake, what the future will bring. I don't want to delay the Minister's Estimates but it's always a challenge to

(MR. JOHNSON cont'd).....follow the Honourable Member from Lakeside and bring him up-to-date on the sovereign constituency of Gimli and the lake that adjoins it.

MR. CAMPBELL: Mr. Chairman, I was going to ask if I could direct a question to the Honourable the Minister who has just spoken. I understood my honourable friend the Minister to endorse quite definitely a marketing board for fish?

MR. JOHNSON: You're darn tootin' !

MR. CAMPBELL: I didn't get the answer. What was the answer, Mr. Chairman? Good. I understand now. Would my honourable friend the Minister say a compulsory marketing board?

MR. JOHNSON: Personally, I think yes. All fish would go through one board from all the western provinces and the northern territories. Only that way will you break the monopoly.

MR. CAMPBELL: my honourable friend suggest that it be put into effect without a vote by those concerned?

MR. JOHNSON: I don't even think -- you could put it to a vote if you wanted to. It would be probably 98 percent.

MR. CAMPBELL: I'm sorry. I again didn't get my honourable friend's answer. Did he say he would want a 98 percent vote on ---

MR. JOHNSON: Yes.

MR. CAMPBELL: Pardon?

MR. JOHNSON: Yes.

MR. CAMPBELL: That he'd get a 98 percent? Even after several elections my honourable friend remains pretty sanguine about how people vote.

MR. JOHNSON: I'll go to the people on that policy.

MR. T. P. HILLHOUSE, Q.C. (Selkirk): Mr. Chairman, I hesitate to interject into this discussion any matter which was raised during the last federal election, but I believe that this is a matter which is of interest to the fishermen of Lake Winnipeg and to the Town of Selkirk, and I hope the Committee will have no objection to my reading a submission which was made to the Honourable J. Pickersgill, Minister of Transport, regarding the formation of a School of Fishing in the Town of Selkirk.

Now this submission reads as follows: "Lake Winnipeg is now classified as a minor water, the re-classification being from an inland water some time ago. Therefore on this lake, which is one of the largest" - this is your point - "Therefore on this lake which is one of the largest fresh water inland fishing grounds in the world, the captains of the various fishing tugs do not require a captain's certificate. It is necessary, however, to have a Department of Transport permit to operate a craft over a certain horsepower. It is also required that captain's papers be held for a boat over 150 tons. Evidence, however, shows that the majority of fishing craft on Lake Winnipeg do not have permits for the specified horsepower ratings, nor are they over this 150 ton requirement. Fishermen wanting to obtain classification and permits are required to appear at the Lakehead for tests. Evidence is available that there are no standard examinations for fishermen and there are no courses available to the men for preparing for the tests. As a result of this situation many fishermen are unable, due to financial problems, to take any course which would increase their safety factor, provide training to increase their productivity, and benefit the fishing industry as a whole in Manitoba. Increased technological changes, such as the use of sonar, automatic netting procedures, etc., are unknown for the most part to these fishermen. Training in the use of these advanced technological machines would increase the fishing industry in Manitoba as a whole.

"The safety factor is another consideration. It is reported that there were approximately 20 deaths on Lake Winnipeg in the last few months, for the most part resulting from accidents that could have, in some cases, been avoided with properly trained crews. A further result of the situation is reflected in the insurance rates charged inland water craft by the marine insurance companies. Investigation has shown that, should the safety factor be increased, the insurance rates in all probability would lower considerably.

"The proposal that was made was to establish a school to train fishermen in the following subjects: 1) Navigation; 2) Seamanship; 3) Operation of inland vessels; 4) Meteorology; 5) Instruction in Preliminary and Advanced Fishing Procedures; 6) Recent developments in the fishing industry which could be adopted to Lake Winnipeg; 7) Such other and further courses which would, in the opinion of the Department, benefit fishermen. The school should be established in the Town of Selkirk for three reasons." And I'm sure the Honourable Member for Gimli will agree with me. "(a) Selkirk is the largest community on Lake Winnipeg. (b) The

(MR. HILLHOUSE cont'd)..... major fisheries have their head offices in Selkirk and for the most part the majority of the instructors would be drawn from the town. (c) The all-weather road leading both north and south from Selkirk makes the location readily accessible to travel." And that doesn't take into consideration that diadem of the north known as Arborg.

MR. JOHNSON: Jewel.

MR. HILLHOUSE: Oh, jewel. I'm sorry. "Financial assistance would be required by the Federal Government in the following areas: (i) The cost of establishing the school and hiring the staff; (ii) The cost of providing free instruction to fishermen; (iii) The cost of providing a subsidy for the maintenance of students attending and their families during the duration of the course; (iv) The cost of administering the program.

"It must be emphasized that this school must be on a voluntary basis and that the school will operate only during the winter months when the bulk of the fishermen are unemployed. The effects would be: (a) This would create an additional federal school in Manitoba which would constitute a small secondary industry. (b) The results will show a possible better training and re-training in this particular industry which would tie in with the government policy respecting education. (c) This would create an additional safety factor and in the long run decrease the cost of the fishing industry in Manitoba. (d) This would provide an incentive for young men considering entering the fishing industry, as they would be able to further their technological training in that particular industry."

Now that memorandum was submitted to the Honourable J. W. Pickersgill and

MR. LYON: Who submitted it?

MR. HILLHOUSE: Beg pardon - didn't I tell you? It was Graeme Garson who submitted it. Yes, a federal candidate. That was the reason why I said that I didn't want to inject a political aspect or note to this, but at the same time I think the proposal itself, and I think that this proposal should be taken up by this government with the Minister of Transport. Evidently it's the Minister of Transport from the Department of Labour in Ottawa who handles these vocational training school matters.

MR. JOHNSON: I thought he contacted

MR. HILLHOUSE: The letter's getting contact with them. Let us do something about it. Let's see if we can't establish this school in Manitoba and let's see if we can't do something for the fishing industry which would be worthwhile.

MR. SHOEMAKER: Mr. Chairman, on this same subject, letter, this famous

MR. LYON: I was wondering if I might suggest, because of other matters that have to be proceeded with tonight, that I move the Committee rise.

MR. CHAIRMAN: Call in the speaker. Madam Speaker I wish to report progress and ask leave for the Committee 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.

His Honour the Lieutenant-Governor, having entered the House, and being seated on the Throne, MADAM SPEAKER addressed His Honour in the following words:

May it please Your Honour, the Legislative Assembly, at its present Session, passed several Bills which, in the name of the Assembly, I present to Your Honour and to which Bills I respectfully request your Honour's assent.

MR. DEPUTY CLERK:

- No. 6 - An Act to amend The Queen's Bench Act.
- No. 8 - An Act to amend The Gas Pipe Line Act.
- No. 11 - An Act to amend The Health Services Act.
- No. 12 - An Act to amend The Jury Act.
- No. 13 - An Act to amend The Interpretation Act.
- No. 20 - An Act to amend The Public Libraries Act.
- No. 29 - An Act to amend The School Attendance Act.

- No. 30 - An Act to amend The Manitoba Evidence Act.
- No. 35 - An Act to amend The Elderly and Infirm Persons' Housing Act.
- No. 48 - An Act respecting the Boundary between the Provinces of Manitoba and Saskatchewan.
- No. 49 - An Act respecting the Boundary between the Province of Manitoba and the Northwest Territories.

MR. CLERK: In Her Majesty's name, His Honour the Lieutenant-Governor doth assent to these Bills.

MADAM SPEAKER: We, Her Majesty's most dutiful and faithful subjects, the Legislative Assembly of Manitoba in Session assembled, approach Your Honour with sentiments of unfeigned devotion and loyalty to Her Majesty's person and Government, and beg for Your Honour the acceptance of these Bills:

- No. 69 - An Act for granting to Her Majesty Certain Further Sums of Money for the Public Service of the Province for the Fiscal Year ending the 31st day of March, 1966.
- No. 70 - An Act for granting to Her Majesty Certain Sums of Money for the Public Service of the Province for the Fiscal year ending the 31st day of March 1967.

MR. CLERK: His Honour the Lieutenant-Governor doth thank Her Majesty's dutiful and loyal subjects, accepts their benevolence, and assents to these bills in Her Majesty's name.

MR. EVANS: Madam Speaker I would like to move, seconded by the Honourable the Minister of Mines and Natural Resources, 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 o'clock Wednesday afternoon.