



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

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**DEBATES**  
and  
**PROCEEDINGS**

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28 Elizabeth II

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**10:00 A.M. Friday, April 6, 1979**

# LEGISLATIVE ASSEMBLY OF MANITOBA

Friday, April 6, 1979

Time: 10:00 a.m.

**OPENING PRAYER** by Mr. Speaker.

**MR. SPEAKER, Hon. Harry E. Graham (Birtle-Russell):** Before we proceed, I should like to draw the honourable members' attention to the gallery on my right, where we have 28 students of Grade 5 Standing from the R. F. Morrison School. This school is in the constituency of the Honourable Member for Seven Oaks. On behalf of all the honourable members, we welcome you here this morning.

Before we proceed I should like to advise you that I have just been advised that there is a technical breakdown in the production of Hansard and we may be two or three days late before we get any further Hansards.

Presenting Petitions . . . Reading and Receiving Petitions . . . Presenting Reports by Standing and Special Committees . . . Ministerial Statements and Tabling of Reports . . . Notices of Motion.

## INTRODUCTION OF BILLS

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

**HON. WARNER H. JORGENSON (Morris)** introduced Bill No. 32, An Act to amend The Hospital Capital Financing Authority Act. (Recommended by the Administrator of the Government of the Province of Manitoba.)

## ORAL QUESTIONS

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

**MR. HOWARD PAWLEY (Selkirk):** Mr. Speaker, my question is to the First Minister. This morning the Federal Minister of Health has indicated that it is, in fact, illegal that any funds directed from Ottawa to the provinces for health care be, in fact, diverted to others uses and thus indicated that the actions on the part of the Manitoba Government were unlawful.

I would like the First Minister to acknowledge or deny whether or not it is illegal for the funds that are being provided from Ottawa to be used for any other purpose but for health.

**MR. SPEAKER:** The Honourable First Minister.

**HON. STERLING R. LYON (Charleswood):** Well, Mr. Speaker, on the two part question that the Honourable Leader of the Opposition has asked; the first part, of course, is a legal opinion which I would not be competent or qualified or permitted to answer in the House in any case. Certainly we can take notice of the allegation that was made by the Minister of Health.

Our understanding of the block grant arrangement from the staff who worked with my honourable friends opposite when they were office was to the contrary of the allegation that is being made in these heated seven weeks leading up to the 22nd of May, while this topic is being discussed.

With respect to the second portion of the question, however, I can set my honourable friend's mind at rest with respect to diversion of funds in any way, shape or form, even though the advice we have from the Finance staff is that the provinces at the time of negotiating the block funding arrangement on Health and Post-Secondary Education, were actually told by the federal authorities that one of the reasons for entering this form of block funding was to enable the provinces to run a more cost-efficient program, because costs in the health field were running out of control. That is the advice we have from our own staff.

They have also compiled, Mr. Speaker, figures based on the costs of health for Manitoba, and if I have my honourable friend's permission, it will take a couple of minutes, Mr. Speaker, but I can answer his question, I think, better by relating these figures to him as compiled by the Department of Finance and comparative for the fiscal year 1978-79 and 1979-80, and —(Interjection)—

**MR. SPEAKER:** Order please.

**MR. LYON:** No, it isn't, Mr. Speaker. I'm merely answering a question. My honourable friend wanted to know about diversion of funds, and I'm quite prepared to tell him that there is no diversion of funds, and to prove it.

**MR. SPEAKER:** Order please. The honourable member asked for leave. Is leave not forthcoming?

**MR. PAWLEY:** Could I simply suggest, Mr. Speaker, that the First Minister table the figures themselves, and deal with the question?

**MR. SPEAKER:** The Honourable First Minister.

**MR. LYON:** I'll be happy to table them.

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

**MR. JORGENSON:** If my honourable friend does not want the answer provided in this House, he has two other courses one is during the Estimates and the second one is to file a Question to the Ministry on the Order Paper, in which case it will be replied to in due course.

**MR. SPEAKER:** The Honourable First Minister.

**MR. LYON:** I will foreshorten the response, and tell my honourable friend that on the basis of comparisons that have been made by the Department of Finance, the provincial share as a percentage of the total health expenditures of Manitoba, for the last fiscal year, was 58-½ percent, and for the present fiscal year estimate it will be 58-½ percent.

**MR. PAWLEY:** Mr. Speaker, I don't believe that the last figures indicated by the First Minister prove or disprove the allegations insofar as whether funds had been diverted that are actually being provided for health care. But I do wish to ask the First Minister whether or not, under the agreement with Ottawa, it is an undertaking or an understanding that Manitoba has with Ottawa, that there will be no decrease, no decrease, in the standard of health care in the Province of Manitoba as a condition to receiving the federal moneys.

**MR. LYON:** Mr. Speaker, I'm happy to take the question as Notice, although I daresay the Minister of Health can answer that question in detail, and probably already has in the course of his Estimates. I'll be quite happy on his behalf, however, to take it as Notice, and if he tells me, as I suspect he will, that he's taken it as Notice or that he has already answered it, then the question is at an end.

But with respect to my honourable friend's preliminary to his question, that he can't understand that my answer answers his question, the previous arrangement prior to block funding was a 50-50 arrangement. What I'm telling my honourable friend now is that on the total health program across the Province of Manitoba, the provincial taxpayer, according to the figures of the Department of Finance, is paying 58-½ percent, not 50 percent.

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

**MR. LAURENT L. DESJARDINS (St. Boniface):** Mr. Chairman, Mr. Speaker, I would ask my honourable friend, doesn't he very conveniently forget that the percentage was on approved programs only as far as the cost-sharing with Ottawa?

**MR. SPEAKER:** The Honourable First Minister.

**MR. LYON:** Mr. Speaker, the only evidence that I have seen of people conveniently forgetting facts, according to the information compiled by our department, is the convenient overlooking by the Federal politicians, former colleagues of my honourable friend when he was a Liberal, who have conveniently overlooked sixty million dollars of costs on nursing homes in Manitoba, in order to come up with their hypothetical, erroneous and politically silly figures.

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

**MR. DESJARDINS:** Mr. Speaker, again to the Premier of the province, isn't it a fact that that was not a recognized program and there was no cost-sharing for personal care homes?

**MR. SPEAKER:** The Honourable First Minister.

**MR. LYON:** Mr. Speaker, if my honourable friend wants to say that personal care homes and nursing homes are not part of the health picture in Manitoba, he's entitled to live in his own private little world.

**MR. DESJARDINS:** Mr. Speaker, I think that you said repeatedly in this House that we can ask questions but nobody has to answer them, but to mislead or answer another question is not right. Would the Minister answer my question?

**MR. SPEAKER:** Orders of the day. The Honourable Member for St. Johns.

**MR. SAUL CHERNIACK (St. Johns):** Mr. Speaker, I wonder if we cannot clarify that when the Minister talks about 58 percent, he is indeed ignoring the fact that the Federal contribution in the past was based on approved programs. For example, when the Conservative government decided to include chiropractors as persons entitled to be paid under the medical care scheme, whatever it was known as, that was not costshared with the Federal government. Is that not correct?

**MR. SPEAKER:** The Honourable First Minister.

**MR. LYON:** Mr. Speaker, my honourable friend, I think, will be well aware that when his government renegotiated this arrangement with respect to health programs in their totality and post-secondary education programs in their totality, the money was block funded to the province of Manitoba by arrangement worked out with his administration, with the idea that the moneys could be applied to the totality of health programs.

**MR. SPEAKER:** The Honourable Member for St. Johns.

**MR. CHERNIACK:** Mr. Speaker, will the Honourable First Minister confirm that the Federal government's contribution was based on a 50 percent of approved programs only and not including those items which the provincial government's, Conservative or NDP, deemed to be advisable over and beyond those approved programs. Will he not agree that that's a fact, and that when he quotes figures, he is using percentages that are not related to approved programs only. Will he not confirm that?

**MR. SPEAKER:** The Honourable First Minister.

**MR. LYON:** Mr. Speaker, if my honourable friend wants to go back to history and to say that his government should not have negotiated this arrangement, that's his problem. What has happened, Mr. Speaker, is that we are and have been for the last number of years operating under a new block funding arrangement that was negotiated by my honourable friends for the totality of health programs. The funding that previously was for approved programs, there's no argument about that at all. But one can't apply the previous formula to the new block funding arrangement.

**MR. SPEAKER:** The Honourable Member for St. Johns.

**MR. CHERNIACK:** Mr. Speaker, you have often told us that our questions must be concise and to the point and the answers the same way. Mr. Speaker, I will try to ask a question as simply as possible, so that the First Minister can reply in the same without bringing in argumentative discussions about what might have been done or what was negotiated.

The question precisely is that when he refers to 50 percent federal government contributions and 58 percent of the cost of a program by the province, will he not admit that he's talking about two different relationships, that the 58 percent goes beyond approved programs and the 50 percent federal contribution is for approved programs only, and that that is why there's a difference. Will he not admit the simple facts regardless of reasons and history or anything else, will he not admit that simple fact?

**MR. SPEAKER:** The Honourable First Minister.

**MR. LYONS:** Mr. Speaker, I have been in this House long enough to observe my honourable friend's attempt to apply courtroom tactics and his bullying tactics to other members of this House. He's not going to apply them to me and he knows that. I say to my honourable friend that he's knows

what the previous arrangement was, that his government renegotiated the new arrangement. And perhaps I can refresh his memory by reading from what his former Premier said at the time of this renegotiation . . . because my honourable friends cannot . . . and I'm answering my honourable friend's question, Mr. Speaker —(Interjection)— well you don't want the answer, I guess. You don't want to hear . . .

**MR. SPEAKER:** The Honourable Member for St. Johns on a point of order.

**MR. CHERNIACK:** Mr. Speaker, the point of order is that I wondered how long it would take for the First Minister to become insulting and abusive as he would do. And the point of order, Mr. Speaker, is that I asked a very specific question relating to percentages paid by the federal government, percentages paid by the provincial government and asked him to confirm that the base is different for the two.

He is now embarking on further argumentation which, you know, Mr. Speaker, is out of order. If he can't answer the question or won't answer the question as you've said before, he's not required to answer the question. So I think he has the choice: answer the question or don't, but don't go into other arguments.

**MR. SPEAKER:** Order please. Order please. It is customary in this Chamber for members to ask questions. I've allowed a great deal of latitude and allowed members to repeat their questions on numerous occasions. It is also customary to allow the person answering the question to answer it in the manner in which he chooses.

The Honourable First Minister.

**MR. LYONS:** Mr. Speaker, I would have thought that anyone with an elementary understanding of the health situation, and that would even include the Member for St. Boniface, anybody with an elementary understanding would have known that the basis for block funding changed the formulae under which grants were received by the Province of Manitoba. But what I was merely trying to point out to my honourable friend and to his colleague, the Leader of the Opposition, earlier, was that they acknowledged this change and that Ottawa is now trying to come along for political purposes, aided and abetted by their new found friends in the NDP, and are trying to make a mountain out of a tiny molehill that they concurred in back in 1976.

And, Mr. Speaker, at the Finance Ministers' Conference in April 1976, the then Premier of Manitoba said as follows and I quote, "I want to make it clear that our government is also willing to consider proposals for basic changes in financing mechanisms. I have long believed that a system of flexible federal block grants to provinces subject to minimal conditions may be preferable in many circumstances to rigid shared cost agreements. Block grants or some type of opting out formula which is supported by adequate equalization could well ensure greater cost control in the long run in that it would require provinces to be extremely prudent in establishing their program priorities and it would ensure greater accountability for the decisions that they make. However if new arrangements such as this were to be proposed they would have to be accompanied by important long term guarantees concerning equalization, as well as the maintenance and hopefully the improvement of existing overall federal financial support levels."

I merely read that to indicate that my honourable friends knew full well that they were getting into a more flexible form of block granting.

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

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

**MR. SAUL A. MILLER:** Mr. Speaker, to the First Minister, does he acknowledge that the funds although no longer narrowed down to the point where it deals only with approved programs — does he not acknowledge that what he just read indicates that the money to be spent from Ottawa was to be spent in the field of health and that the provincial governments through their First Minister at the time indicated that they would participate fully with the federal government in health fields. Not the narrow approved beds in an acute care hospital or Medicare, the treatment in an office but within the field of health that the 50-50 concept would be continued. The only change may I ask the First Minister, if he doesn't acknowledge, is that rather than the narrow approved programs there would be broadening of programs and flexibility within the field of health, itself.

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

**MR. SPEAKER:** The Honourable First Minister.

**MR. LYON:** Mr. Speaker, I couldn't agree more with the Honourable Member for Seven Oaks. The idea was that the block grants would be available for the totality of health and post secondary education because the two were lumped together. And to show my honourable friend and to put my honourable friend's mind at rest, let me tell him that in 1979-80, in the current fiscal year that we are currently discussing according to the computations made by the Department of Finance, the total health expenditures for Manitoba estimated \$535.8 million. The net federal contribution will be \$222.2 million, the provincial share will be \$313.6 million representing 58.5 percent of those total costs. So my honourable friend can go to sleep tonight resting assured that the \$222.2 million coming to us from Ottawa is being put into the health pot even though it comes into general revenue. It only pays 41.5 percent of the total costs that we are paying.

**MR. MILLER:** Mr. Speaker, is the First Minister using the figure of 222, did I hear him correctly or 282 as it actually is?

**MR. LYON:** Mr. Speaker, the figure I am using is 222 because that is the net federal contribution representing a deduction of \$60 million from net revenue guarantee loss which is only a provincial estimate of what the loss is going to be this year. —(Interjection)— That's right.

**MR. SPEAKER:** The Honourable Member for St. Johns.

**MR. CHERNIACK:** Mr. Speaker, now that the First Minister has had his opportunities to both insult and to give information which can be misleading, I would address myself to the Honourable Minister of Finance who has not yet had the same opportunity and ask him if he will confirm that the equalization formula to which the First Minister referred is the formula which relates to income of all the provinces as they relate to the income of the Province of Manitoba and that although it is a complicated formula, it is not related to health care costs directly in any way, actually, but related to the complicated formula of trying to equalize provincial revenues across Canada. Will he agree that that is not directly related to health care costs?

**MR. SPEAKER:** The Honourable Minister of Finance.

**HON. DONALD W. CRAIK (Riel):** Well, Mr. Speaker, let me say in reply that obviously his former First Minister, the Premier, could not separate the two, because in his statement that was made when this was negotiated, he obviously was aware of the fact that other equalization payments had to be taken into account as well, and he did so. And in the statement that the First Minister just read from the conference in 1976, where this was in part negotiated, the former premier of the province recognized that. Now, what you're trying to do is take this one item out of context with the rest and somehow try and paint the picture that something untoward is happening. You know, you negotiated it. This government didn't. Obviously, the intents of the negotiation were to do and were to set the stage for exactly the pattern that's being followed. And I can't help but assume, on the basis of this, that you would be doing exactly the same thing.

**MR. SPEAKER:** The Honourable Member for St. Johns.

**MR. CHERNIACK:** Mr. Speaker, now that we find that the Minister of Finance responds in the same way as would be expected as the First Minister, could I ask the Minister of Finance, who will have an opportunity to speak as soon as I sit down, so he should be patient, could I ask him to answer the question, which he doesn't have to do, which I asked earlier, and that is will he not confirm that the equalization grant from the Federal government is based on a formula not related to health care costs, but based on a formula relating the total provincial revenues across Canada with Manitoba's provincial revenues with an effort to make up a differential in income between the lower income provinces and the average? Will he agree that that is the basis of the equalization formula?

To make it a little easier for him, will he agree that the First Minister, Mr. Schreyer, attempted to get an increased consideration on an equalization basis related to health care costs and that the Federal government refused to do that? But will he not answer the first question which I asked twice, and I know it's repetitive, but he didn't answer it. Is the equalization formula which the First Minister referred to as having dropped by \$60 million, is it not unrelated to health care contributions by the Federal government, but rather to equalization of revenue as between the rich and the poorer provinces?

**MR. SPEAKER:** The Honourable Minister of Finance.

**MR. CRAIK:** Well, Mr. Speaker, now that the member has raised it and specifically narrowed it down to equalization, perhaps I can advise him of another thing that has happened, at the sole discretion of the Federal government late last November, is that the equalization formula was changed. And he knows as well as I know that there are some 20 or 30 components that go into the makeup and the calculation of the equalization formula. I can't list them all for the member.

I do know that the one that was changed, the Crown land leases were taken out, which substantially changed the amount of money that went to the receiving provinces. In addition to that, a clause was added also that if the average income of a province should exceed the average of the equalization formula, that province would not receive any equalization payments. A very very substantive change. The Crown land leases formula change in itself, we were told, would revise the increase in equalization to the receiving provinces down a slight amount. In actual fact, when we received the numbers later, the amount of reduction was very very substantially more than had been indicated. So the member brings out a very very good point.

It also underlines why his former Premier could not look at the moneys received under the health program in exclusion from the equalization formula. And the best proof we have is that already, in spite of the fact that this narrow argument you're trying to mount would indicate that the provincial share in one narrow portion of the health field is not matched 50-50 with the province, also brings up the question of the equalization amount that was received under a different formula and his First Minister noticed that it could go down, I have to tell him it did go down. It went down on the 1st of December. We'll see the results of that in '79-80 and he can put the two of them together then.

**MR. SPEAKER:** The Honourable Member for St. Johns with a final supplementary.

**MR. CHERNIACK:** Thank you, Mr. Speaker. Although the Honourable First Minister did not directly agree with my statement, by his description of the equalization formula, I think he clearly did agree that the equalization formula is not related to the health grants, although Premier Schreyer tried to make it increased because of health grants. The fact is they were not related and therefore that the amount which is being received from the Federal government, related to the health is \$282 million, and the \$60 million being a loss at equalization is not a netting out or a proper reduction of health care costs. Would the honourable member concur that that is a correct statement?

**MR. SPEAKER:** The Honourable Attorney-General.

**HON. GERALD W. J. MERCIER (Osborne):** Mr. Speaker, I would like to answer a question that was placed to me by members opposite, and while doing so, Mr. Speaker, ignore the elimination of funding of the Federal government in the areas of the neighbourhood improvement program, the municipal grants incentive program, water and sewer services, great crossing funds, rail relocation funding, urban transportation funding and highway strengthening. Mr. Speaker, the question that was put was . . .

**MR. SPEAKER:** Order please. The Honourable Leader of the Opposition on a point of order.

**MR. PAWLEY:** Mr. Speaker, the Attorney-General appears to be providing the House with a statement. We do not have copies of the statement, and besides, there's a specific area for ministerial statements.

**MR. SPEAKER:** The Honourable Attorney-General.

**MR. MERCIER:** Mr. Speaker, I was trying to answer a question with respect to an inquiry — I was just prefacing it with respect to the date of the inquest into the death of Malcolm Chenier. Mr. Speaker, the date of the inquest is set for Thursday, May 31st, 1979 at 10:00 a.m. in Portage la Prairie.

**MR. SPEAKER:** The Honourable Member for St. Johns.

**MR. CHERNIACK:** Mr. Speaker, now that the Attorney-General has had his fun and in an attempt to diffuse the issue and he has done so with me for the moment, may I address a question to the Minister of Finance, who on March 16th, when we concluded the Estimates of his department, undertook to answer a list of questions which were left on the basis that he would do so, when he intends to reply and give us the answers.

**MR. SPEAKER:** The Honourable Minister of Finance.

**MR. CRAIK:** Mr. Speaker, I think they're nearly all ready. The list is almost complete. I'll have it for him in a matter of a day or two.

**MR. SPEAKER:** Orders of the day. The Honourable Member for Elmwood.

**MR. RUSSELL DOERN:** Mr. Speaker, I'd like to direct a question to the Minister of Urban Affairs or the Minister of Fitness. Has the provincial government decided to follow the lead of the Honourable Joe Clark, that not a penny of government funds should be provided for the expansion of the Winnipeg Arena?

**MR. SPEAKER:** The Honourable Minister of Fitness and Amateur Sport.

**HON. ROBERT (Bob) BANMAN (La Verendrye):** Thank you, Mr. Speaker. To the Member for Elmwood, I have not had a chance to speak to anybody with that regard, but I do note that one of the statements in dealing with Loto Canada funds, the leader of the Conservative Party did mention that they would possibly look at an arena by arena or a proposal by proposal grant, and when we finish seeing, I guess, what the Winnipeg Enterprises and the city of Winnipeg are looking at in complete unending, and once we receive some written advice from the current government, we'll be able to see exactly what direction we're headed.

**MR. DOERN:** Will the provincial government commit itself prior to the Federal election of May 22nd, since the provincial commitment could be the deciding factor in obtaining Federal moneys?

**MR. BANMAN:** Mr. Speaker, I think it should be made very clear that, as far as I understand, the city of Winnipeg hasn't had any formal response or formal letters from the Federal government dealing with this particular proposal. The provincial government hasn't. The only information that we've had is when the Federal minister breezed in here one day and held a press conference and distributed press releases, and that's the only information we've had from them or only correspondence we've had from the Federal government.

Now the Member for Fort Rouge, or the former Member for Fort Rouge was there, Mr. Speaker, and I don't think he was very happy with the conduct of that particular press conference at that time either. We were just arguing about the type of negotiations between Federal and provincial government, and that that was classic example, let me tell you. I don't think he or his colleagues were too proud of that particular one.

**MR. LLOYD AXWORTHY (Fort Rouge):** Just come on time, that's all.

**MR. BANMAN:** So Mr. Speaker, when we know exactly what kind of expansion the city of Winnipeg is looking at and the type of figures that we're looking at, we'll be able to make a rational decision, and up until that time, we really don't know the kind of money we're talking about.

**MR. SPEAKER:** The Honourable Member for Elmwood with a final supplementary.

**MR. DOERN:** Mr. Speaker, since the city of Winnipeg intends to proceed with an expansion of the arena regardless of Federal participation, does the government intend to make a contribution, whether we're talking about a \$3.5 million go-it-alone proposal or a full-fledged \$15 million proposal?

**MR. BANMAN:** Mr. Speaker, here's the other problem in this particular equation. What has happened is that the city of Winnipeg is guaranteeing a loan that the Winnipeg Enterprises would be making. The proposal of the Federal government is that the province come up with a straight grant which is not repayable, so it has to now be understood whether the input as far as the city is concerned, the guarantee, becomes part of that equation, which has not been clarified to this date either. So until there are some proper figures that come forward that we can look at and know exactly what the different determinations will be in developing a policy, we cannot make a rational decision on that.

**MR. SPEAKER:** The Honourable Member for Flin Flon.

**MR. THOMAS BARROW:** Mr. Speaker, I'd like to get away from the million dollar subject and get back to the nitty gritty, which is the minimum wage. I'd like to address this question to the

First Minister. To use it, I have to have comparisons between the minimum wage or the have-nots and the haves, so we'll take you my friend. I found out that your salary is is \$36,000 and you receive \$36,000 of social allowance or social assistance, which in total is \$72,000, which breaks down to \$36 an hour. I wonder if what you'd do, Mr. Premier, is to take a look at the disparity between the two rates and come up with a reasonable amount for a minimum wage.

**MR. SPEAKER:** The Honourable First Minister.

**MR. LYON:** Mr. Speaker, I realize it's Friday morning and my honourable friend's mathematics is never too good even on Monday mornings, but I would like to say to him — as I have said before in the best of good humour to my honourable friend, we hope his health continues to be in good shape and so on — is that the Government of Manitoba is looking at the question of minimum wage carefully and when there is something to announce, it will be announced.

**MR. SPEAKER:** The Honourable Minister of Tourism.

**HON. NORMA L. PRICE (Assiniboia):** Mr. Speaker, one day last week I handed out the booklets on the fishing in Manitoba and the Member for St. Johns asked me if I would get him the cost of the production etc. I would like to tell him that I haven't got the final invoice yet but the estimate was \$17,000 and we had 25,000 printed.

**MR. CHERNIACK:** Mr. Speaker, I want to thank the honourable minister for these two answers, the other question that I asked was the method and cost of distribution of the pamphlet.

**MRS. PRICE:** Mr. Speaker, we have approximately 20,000 inquiries per year on the wonderful fishing that we have in Manitoba and that goes into the inquiries that people send in. It's automatically sent back with it to people wanting to know about fishing. It's also put at the different trade shows, so there really isn't any extra other than postage for the weight of the book in answering the inquiries.

**MR. CHERNIACK:** Another supplementary, Mr. Speaker. What was the charge made to the various private enterprise camps, which are being advertised, as to the nature of their accommodation in that pamphlet. What did they pay?

**MRS. PRICE:** We seem to be damned if we do and be damned if we don't with the members of the opposition, Mr. Speaker. In my estimates, the same member was chastising this government for working with the horse racing industry of which this province receives some \$3 million back by helping it and certainly by helping and working with the people in the fishing lodges. We are encouraging people to come and frequent our province and therefore, have a great spinoff for the tourism which we need.

**MR. SPEAKER:** The Honourable Member for St. Johns with a final supplementary.

**MR. CHERNIACK:** Mr. Speaker, I just wanted to know if the minister was stating that there was nothing paid by the private camp owners for this pamphlet. Is that what she was saying?

**MRS. PRICE:** Mr. Speaker, the format that this government is using is certainly different from what the opposition has. We are here to work with the people that are trying to make livings in this way.

**MR. SPEAKER:** The Honourable Member for Wellington.

**MR. BRIAN CORRIN:** Yes, Mr. Speaker, my question is for the First Minister.

**MR. SPEAKER:** Order, order please. Order please. May we have one at a time please. The Honourable Member for Wellington.

**MR. CORRIN:** Thank you, Mr. Speaker. Mr. Speaker, my question is for the First Minister. A few moments ago, my colleague from Fliin Flon stood up and made what frankly I consider to be an allegation of some substance, however, it may well be refutable. The First Minister in giving his response failed to address himself to the question and my question is very directly and quite succinctly, will the First Minister refute the allegation made by the Member for Fliin Flon respecting additional supplies and sources of income supplementing his salary from his position as First Minister

of this province? Will he refute that categorically and put that matter to rest this morning?

**MR. SPEAKER:** The Honourable First Minister.

**MR. LYON:** Mr. Speaker, I can only presume that my honourable friend is also suffering from Friday morning disease. Facetiousness is not unknown in this House. If my honourable friend is even pretending to be serious, I can certainly refute the facetious allegation. I chose not to treat it as serious, because my honourable friend should have more of a sense of humour, and may I say more of a sense of propriety than he displays on many occasions in this House.

**MR. SPEAKER:** The Honourable Minister of Highways.

**HON. HARRY J. ENNS (Lakeside):** The other day the honourable, the Member for Ste. Rose asked me about the actual numbers of dollars involved in the federal government's withdrawal from the Highway Strengthening Program. I can indicate to him now that the actual amount of reduction in this year's highways program is \$6 million.

**MR. SPEAKER:** The Honourable Member for Lac du Bonnet.

**MR. SAMUEL USKIW:** Yes, Mr. Speaker, I would like to ask the Minister of Finance whether he has an interest, a personal interest, in the Jarmoc Properties in the Whiteshell.

**MR. SPEAKER:** The Honourable Minister of Finance.

**MR. CRAIK:** Mr. Speaker, the answer to the question is no.

**MR. SPEAKER:** The Honourable Member for Churchill.

**MR. JAY COWAN:** Thank you, Mr. Speaker. On a more serious matter, my question is to the Attorney-General, can the Attorney-General confirm that his department has cancelled the previously scheduled inquest into the mining fatality that occurred in Leaf Rapids in January of this year.

**MR. MERCIER:** No, I cannot, Mr. Speaker. I'll inquire into it and advise the member.

### STATEMENT

**MR. SPEAKER:** Orders of the Day. Before we proceed with orders of the Day, the Honourable Member for Fort Rouge.

**MR. LLOYD AXWORTHY:** Mr. Speaker, I'd like to beg the indulgence of the House before we go into Orders of the Day just to make a short statement, which I expect to come as no great surprise, but to tell members of the House that I intend to submit to the Speaker of the House my resignation as the sitting member for the constituency of Fort Rouge today.

As members would understand, I do that with some great degree of mixed feelings, especially after hearing Question Period this morning and it just may be though, it gives me greater incentive perhaps to add my voice in another forum on the same subject in the same way.

I would simply like to say, Mr. Speaker, that I would like to thank the members of this House for a highly stimulating and interesting six years, perhaps the most important and significant six years of my life so far. It's oftentimes difficult to be a politician. I'm reminded of the lament of the old politician which goes something like, "Among life's dying embers, these are my only regrets, when I'm right, no one remembers; when I'm wrong, no one forgets." But I would have to say, Mr. Speaker, that that has not been totally my experience here during the course of the six years that I've had an opportunity to participate in many important events in this province and in the life of this House, and I'm very thankful for it.

I would like to offer my special thanks to the officers of this House, the Clerk and his staff who have been extremely helpful during my time here. I guess I was one of those members who was always a little casual with the rules and I appreciated very much their support and advice along the way.

I would also be remiss if I didn't add a special word of thanks to those unsung heroes and heroines, who must transcribe Hansard. With my own inclination for rapid fire delivery, I think that their efforts went far above and beyond the call of duty, and I would like to give them my personal thanks.

I would also like to thank the members of the gallery who have displayed great patience and fairness in their dealings with me. I think they would be unquestionably, if they were giving a word

of thanks, that perhaps my departure may have a significant effect upon the duration of the session, if they uttered just perhaps a small "amen," but I still would like to thank them for their participation.

And I also would like to thank members of this House, many of us have spent time together and it's been a time of great interest to me and I'm also pleased that during that time I was able to form many friendships with people in this House and I will not forget that. When I first came to this place, Mr. Speaker, I came with a sense of awe and trepidation and bewilderment. I think that I've lost some sense of bewilderment and my awe has perhaps turned more to admiration for what takes place here.

As one who has commented on housing quality questions for many years, I would have to say that in my respectful opinion, the value the consumer of Manitoba gets for what takes place in this House, is probably the best buy he can have, and I would wish all members well for the duration of the Session and the deliberations thus far.

Thank you, Mr. Speaker.

**MR. SPEAKER:** The Honourable First Minister.

**MR. LYON:** Mr. Speaker, I think this is one of those occasions when although technically we should apply for leave, I am sure all members would agree that the Leader of the House and the Leader of the Opposition would like to make some response to the remarks that have just been made by our colleague, the Member for Fort Rouge, who will no longer be with us after today, or Monday, or whatever date his resignation takes effect.

May I be the first to say, Mr. Speaker, that notwithstanding some of the confrontations, and some of the ad hominem things that take place from time to time in this House and in the best of Parliaments, in the British Parliament, from which we should all take lessons from time to time, notwithstanding the fractiousness of debate and notwithstanding the sparks and bad feelings from time to time that emanate, this is one of those occasions when, as demonstrated by the Honourable Member this morning, one can speak from one's heart and from one's mind and say what he feels as the honourable member has so eloquently this morning, as he takes leave of those who have been his colleagues, his friends, and co-legislators for some six years.

He has made a contribution to this House, which will be recorded in time, and I think that without in any way trying to pay excessive or exaggerated compliment to my honourable friend, the Member for Fort Rouge, one could say that his contribution to the House in the various debates in which he has participated over the years has always tended to favour the positive side, with ideas that were sometimes new, sometimes a bit out of the regular, but with ideas that he conceived and according to the best lights that he had, would be in the public interest, and I am sure that that is what motivated some of the long, some of the rapid fire, and some of the other speeches that he has made in this House.

It is a matter of regret, I suppose, particularly for the Honourable Member for Fort Rouge, that he alone in this House has remained on the opposition side. The rest of us in this House, or most of us, have had the opportunity to serve in opposition and then in government. It has fallen to his lot to be the last of a valiant but decreasing number in western Canada, but may I say that he has always with distinction, carried out his role in this House. So we too are going to miss the Member for Fort Rouge.

It is with those usual legal and parliamentary caveats that he will completely understand, that I can say that he has the unbounded good personal wishes of all members on this side of the House. No restrictions whatsoever with respect to the personal wishes.

With respect to his future political career, well now, who knows? The Honourable Member may well be merely spring-boarding himself into another arena, where his talents will be equally recognized or indeed he may well be taking another course altogether which will see both this Legislature and the Parliament of Canada deprived of his services.

But my honourable friend I think understands the parliamentary system extremely well. He understands the rhythms of the parliamentary system, that winning is the great part of it; losing is also an important and a great part. And my honourable friend has displayed that he is able to do both. He has won with distinction, and he has lost with distinction, and that to me, Mr. Speaker, is the essence of a good parliamentarian, which my honourable friend is. We will miss him. We wish him the best of personal luck, good health and happiness in his future career, whatever it may be, we shall always look forward to his visits back to this, his first parliamentary home.

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

**MR. PAWLEY:** Mr. Speaker, I would also like to add a few words to those just now offered by the First Minister, as to the earlier statement by the Member for Fort Rouge.

Mr. Speaker, I believe that certainly idealism has sparked again and again the expressions in this House by the Member for Fort Rouge. It was only two or three weeks ago that I heard the Member for Fort Rouge speak to a graduating student body, and I believed, and I advised him afterwards, that I felt that was one of his best speeches. It was a speech, Mr. Speaker, which called upon the students who were graduating, to share in the adventure of joining together to build a better society for the future and not to crawl back into the area of cynicism; not to simply withdraw, but in fact to move out and to share in the adventure of working together, in whatever area it was, whether it be in their own community, whether it be provincial, whether it be federal, to build and to construct.

Certainly the Member for Fort Rouge repeatedly, in this Legislature, has demonstrated, as the First Minister mentioned, a positive approach, that positive approach very well expressed particularly in the fields of Housing, Urban Affairs. Though we have had our political differences, no one, no one in this House can say for a moment that the Member for Fort Rouge did not offer to this House challenges; that he did not propose to members in the House that we look forward to the adventure of developing new policies, new programs, in order to better serve those who we represent.

So, Mr. Speaker, I believe that we will all miss the Member for Fort Rouge because his role was a positive one, it was a constructive one, and mind you, Mr. Speaker, I suppose he has had in some respects, a little easier task than the First Minister or I, in that he is his caucus, and he is his leader. In some respects, he has a certain advantage over some of us.

However, Mr. Speaker, I wish to wish the Member for Fort Rouge well. We'll be watching with interest the progress of his campaign. Needless to say, we can't wish the Member for Fort Rouge political success on May 22nd, but we do certainly wish him well in a personal way. I'm sure he understands very well what we mean, and wherever he proceeds in the future, wherever destiny should direct him, wherever the will of the people should direct him, then we would certainly wish him well to continue in the task which I believe he has set upon himself to do, which he has done for the last number of years which he has displayed in this House in working towards that adventure, that spirit of constructing which the member so eloquently presented to the students that I made reference to, a few weeks ago.

### ORDERS OF THE DAY

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

**MR. JORGENSEN:** Mr. Speaker, will you please call Second Reading of Bill No. 27?

### GOVERNMENT BILLS — SECOND READING

#### BILL NO. 27 — AN ACT TO AMEND THE LIQUOR CONTROL ACT

**MR. MERCIER** presented Bill No. 27, An Act to amend The Liquor Control Act, for second reading.

**MOTION presented.**

**MR. SPEAKER:** The Honourable Attorney-General.

**MR. MERCIER:** Mr. Speaker, the amendments to The Liquor Control Act introduce a new licence; a hunting or fishing lodge licence, which will allow the operator of any hunting or fishing lodge who is licensed as an outfitter under The Tourism and Recreation Act to sell liquor by the bottle to his guests. This licence will not apply where there is a licensed restaurant or dining room operated on the lodge premises.

Inquiries by the Commission have indicated that most operators of hunting and fishing lodges in isolated areas are not interested in serving liquor by the glass, and yet there's been considerable demand from guests to provide liquor. The operators are not interested in providing liquor for the public in surrounding communities, and therefore have shied away from applying for a licence as liquor vendors.

The amendments to Section 71 of the Act, will repeal the present provision, which forbids persons from bringing into Manitoba more than one quart of spirits, one quart of wine, and two gallons of beer legally purchased in any other part of Canada.

In this regard during the brewery strike last summer, many citizens were charged under the present Clause 71(b) of The Liquor Control Act for bringing in more than one 24-bottle case of beer. I instructed that all charges laid under this Section be stayed, and we remitted all fines and

forfeitures to all persons who had pleaded guilty to charges under Clause 71(b) of the Act. Later at the time of the strike, I requested the police not to lay any charges under this Section as it was my intention to consider introduction of this legislation to repeal that provision.

The amendment to Section 93 of the Act would permit a beer vendor depot to remain open during the hours that the beverage room on the premises is open. Presently a beverage room may operate for no more than 13 hours in any single day; the beverage room sets the opening and closing hours between 9:00 to 11:00, 10:00 to 12 midnight, or 11:00 a.m. to 1:00 a.m. The beer vendor depot will be restricted to operation of fourteen and one-half hours; that is it may be open for the 13 hours that the beverage room is open, the one hour supper closing, and one-half hour after the beverage room closes.

The amendment to Section 125(2) will permit cabarets to sell liquor with meals between 5:00 p.m. and 10:00 p.m. on Sundays, as is now the case with restaurants.

The new Sub-Sections 133(4) and 133(5) will permit service of liquor in a beverage room and in a cocktail room on a Sunday or holiday as specifically authorized by the Commission, and only in conjunction with consumption of meals. In effect, premises may use beverage rooms and/or cocktail rooms in special circumstances on Sundays as a licensed dining room.

The new Sub-Section 165(3.1) of the Act, authorizes the Commission to issue a cocktail room liquor licence to an air-carrier, in respect of a hospitality room in an international airport. In those circumstances, the cocktail room need not be connected to a dining room.

The amendment to Sub-Section 176(5) of the Act, has regard to the fact that The Juvenile Delinquency Act restricts any fine to \$25.00.

We've also simplified the penalty provisions of The Liquor Control Act. For the most serious offences, unlawful sale of liquor, for example, bootlegging, possession of liquor not lawfully purchased and brought into the province, i.e. possession of home brew and the sale, purchase or consumption of non-potable intoxicating substances, for example, vanilla extract, rubbing alcohol, hair lotion, shoe polish, etc., the Act presently requires that in addition to a fine, a convicted accused be sentenced to imprisonment, unless the court having regard to the age, character and antecedence of the offender, and to any extenuating circumstances under which the offence was committed, directs the accused to enter into a recognizance to appear and receive sentence when called upon, and in the meantime to observe this Act, and to keep the peace, and be of good behaviour. In practice, the court very rarely imposes imprisonment for a first offence. The proposed new provisions will give the court wide discretion in determining the appropriate penalty on these serious charges.

The purpose of the amendments to the penalty provisions of The Liquor Control Act is to give the court wide discretion in determining the appropriate penalty, having regard to all the circumstances of the offence and the background of the offender.

The amendment to Sub-Section 214(2) of the Act, will eliminate the necessity of having liquor analyzed in every case to prove that the contents of a liquor bottle, wine bottle or beer bottle is liquor. In every contested case the Crown has been required to transport the particular exhibit to a chemist for analysis and report. This has been a costly procedure which has served little purpose in that the defense in virtually all cases has nothing at all to do with whether or not the contents of a particular bottle is liquor. That is rarely, if ever, an issue. The new provision will permit the court to make a finding that the contents of a container is liquor in reasonable circumstances. Thank you, Mr. Speaker.

**MR. CHERNIACK:** Mr. Speaker, I'd like to address a question to the Honourable Minister. I'd like to know whether the introduction of this bill, dealing as it does with matters such as hours of operation by beer depots and of various retail outlets, whether this is an indication that for this Session the government does not intend to bring in legislation dealing with the permission to sell liquor through outlets other than that of the Liquor Commission.

**MR. DEPUTY SPEAKER:** The Honourable Attorney-General.

**MR. MERCIER:** That is correct, Mr. Speaker, that if that is to be done, it would only be done after a review is completed.

**MR. DEPUTY SPEAKER:** The Member for Kildonan.

**MR. Peter FOX:** Thank you, Mr. Speaker. I beg to move, seconded by our Member for Lac du Bonnet, debate be adjourned.

**MOTION presented and carried**

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

**MR. JORGENSON:** I move, seconded by the Minister of Agriculture, that Mr. 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.

**MOTION presented and carried** and the House resolved itself into a Committee of Supply with the Honourable Member for Radisson in the Chair for the Department of Health and Community Services and the Honourable Member for Emerson in the Chair for the Department of Agriculture.

## CONCURRENT COMMITTEES OF SUPPLY

### SUPPLY — AGRICULTURE

**MR. CHAIRMAN, Mr. Albert Driedger (Emerson):** Committee come to order, please. I would like to refer the members of the committee to page 8, Resolution 8, Item 3—pass — the Honourable Member for St. George.

**MR. BILLIE URUSKI:** I gathrr, Mr. Chairman, that yeseerday, the discussions were centered around the Manitoba Agricultural Credit Corporation. I would like to ask the Minister, if it hasn't already been asked, as to how many parcels of land that were purchased under the land lease program that had not been leased, have been sold, by the province? I gather there have been one or two O/C's. Could the Minister indicate how many parcels there are that have not been leased, and will they be leased, or will they all be put to tender?

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

**HON. JAMES DOWNEY (Arthur):** Mr. Chairman, the member is referring to lands that are not under lease or will they be sold; anything that has not been sold, will be leased on a short-term lease basis.

**MR. URUSKI:** Have any notices been issued that lands are up for lease, lands that were purchased under the land lease program?

**MR. DOWNEY:** Not at this point, Mr. Chairman.

**MR. URUSKI:** When will those notices be issued?

**MR. DOWNEY:** I'm getting that information, Mr. Chairman.

**MR. URUSKI:** While the Minister is getting that information, Mr. Chairman, could he indicate the number of acres and/or parcels of land that are still not under lease under that program? Is that information available?

**MR. DOWNEY:** What was the question, Mr. Chairman, I was. . .

**MR. URUSKI:** The number of parcels of land and/or acres that were not leased that were purchased under the land lease program? Is there a record of that number of acres and/or number of parcels?

**MR. DOWNEY:** Mr. Chairman, if the member is referring to the number of parcels of land that have not been sold that haven't been under long-term leases, there are a few that will be advertised shortly, for short-term leases.

**MR. URUSKI:** Yes. When you say, a few, a number of them have been sold, do you have the figures as to the number of parcels and/or acreages that have been sold? Do you have that information?

**MR. DOWNEY:** The figure I gave yesterday, Mr. Chairman, was in the neighbourhood of 15, I believe. Mr. Chairman, there are a total of eight that are sold, and I think approximately seven in the process

of being advertised. Those are properties that were not under long-term lease.

**MR. URUSKI:** Of the eight parcels that were sold, what would be the total of the acreages involved? Approximately.

**MR. DOWNEY:** It would take a few minutes to figure that out, Mr. Chairman.

**MR. URUSKI:** And also while they're checking on it, is it possible to ascertain what the total amount received by the province for the sale of that land, those 8 parcels?

**MR. DOWNEY:** That figure I'll get available too, Mr. Chairman.

**MR. URUSKI:** As well if the Minister could bring in the amount of money that the province paid for those lands initially when they purchased them.

**MR. DOWNEY:** I'll make that available. I'll get those figures prepared here, Mr. Chairman.

**MR. URUSKI:** In the sale of these lands, I gather, Mr. Chairman, the province has tendered these lands for sale by tender.

**MR. DOWNEY:** That's right. The Board of Directors have instructed the administration of the MACC to tender the properties. That's right.

**MR. URUSKI:** Have there been any occasions where the tenders were not accepted?

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

**MR. URUSKI:** Could the Minister indicate under what conditions that tenders would not be accepted?

**MR. DOWNEY:** Mr. Chairman, it's my understanding, as far as the Board of Directors is concerned that they did not reach the reserve bid that was applied to the properties being sold.

**MR. URUSKI:** If the reserve bid had been reached and the tender was accepted, would there any other criteria whereby the tender would be rejected?

**MR. DOWNEY:** I would have to check that with the Board of Directors, Mr. Chairman.

**MR. URUSKI:** I asked the Minister specifically whether he or Cabinet have not allowed any of the tenders that were accepted by the corporation to go through.

**MR. DOWNEY:** Mr. Chairman, as the member is aware, it has to be an Order-in-Council to approve the sale of the properties that have been tendered, and be acted upon by the recommendation of the Board.

**MR. URUSKI:** Well, Mr. Chairman, I may as well be quite specific in what I'm getting at. The MACC offered for tender, for sale, a parcel, a quarter section of land, namely the southeast of 21-24-2 east for tender. The tenderer put in his bid, and he was notified last November, specifically November 10th, 1978, that his tender was accepted by the corporation, of course, subject to Cabinet approval in the letter that he had received. He gave in his deposit; he indicated that he complied with the instructions of the corporation indicating whether or not funds, sufficient funds were available to cover the total bid. He complied with that with a letter indicating that funds were sufficient in his local banking institution and that was the last he heard of it.

On March 13th, of 1979, some five months later, he has received advice from the corporation indicating that Cabinet had rejected his tender on the property that was initially accepted by the corporation after a time that he not only purchased fertilizer, purchased grass seed from the Department of Agriculture, Province of Manitoba and paid for it, five months had transpired before he was notified that Cabinet did not accept the tender. I am advised by the individual that his tender was exceeded — I don't know by how much, but he indicated that he recalled that the Province purchased the land from the local farmer, but that he indicated that his tender exceeded the purchase price initially by the Province. Now, by how much, I don't know, but the fact is, the tender was accepted and yet it was rejected by you, Mr. Minister, or in terms, your government. Could the

minister indicate what the reasons were for the rejection, the tender having been accepted by MACC.

**MR. DOWNEY:** Mr. Chairman, I would take this specific parcel and look at it, but I would assume that the costs in which the Manitoba Agricultural Credit Corporation had in the particular piece of land, the tender did not exceed the amount that was tied up by the corporation.

**MR. URUSKI:** Well, Mr. Chairman, that may very well be. Should that process take five months from the date of accepting the tender? If that is the case, and I'm not challenging that it may very well be the case that the corporation, if in terms of financing you include the interest from the time that the Province purchased the land to the time of tender, may have exceeded in straight dollar terms, exceeded the amount that the Province had invested in it. However, the minister originally said that they really went by the advice of the Board of Directors of MACC, and by the letter that was sent to him to the tenderer, the tender was accepted subject to Cabinet approval and Cabinet took five months to process this and rejected it after the period in time that the farmer made all his arrangements to seed this land this coming spring, purchased fertilizer, purchased seed from the department, from the province and now is caught in the middle with having all this fertilizer on hand, having this feed on hand and no land, that his tender was rejected by Cabinet.

I'd like to know what was the delay, and what is the intention of the government with respect to parcels like this, now having been rejected, what is the intent of the government?

**MR. DOWNEY:** Mr. Chairman, the intent is to lease them on a short-term basis.

**MR. URUSKI:** Will these prospective buyers be given the first opportunity to lease from the Province now that they, you know, that it took five months before they heard from your office whether or not the tender was accepted.

**MR. DOWNEY:** I could discuss that with the Board of Directors, Mr. Chairman. I would think that to lease the property on a short-term basis would be the best land management, and then the properties, I would think the Board would make the decision to retender the land.

**MR. URUSKI:** What kind of short-term basis is the Minister talking about?

**MR. DOWNEY:** I would think a reasonable term would be one to three years, probably a three-year lease, Mr. Chairman.

**MR. URUSKI:** Mr. Chairman, if, and the operators indicated to me that they had purchased grass seed to be seeded for commercial seed purposes on this land, the Minister indicates that three years, three years in terms of a commercial grass crop, doesn't even nearly come to the point in time that one would want to invest his time and effort in leasing on a grass crop. I believe that the delay caused in this case by Cabinet in terms of dealing with this tender, has certainly put this operator in a very unfavourable position. I believe there is some moral obligation on behalf of the province to indicate whether they are, in fact, going to tender immediately, or whether he will have some opportunity as to having a chance to lease this land.

**MR. DOWNEY:** Mr. Chairman, I'm sure that that will be taken into consideration when the land is being leased out. I feel that the member has a good point, and it is well taken.

**MR. URUSKI:** If I have that assurance that these people will be contacted and offered a lease in terms of their intended operations, what they had originally intended to utilize the land, the way they intended to manage it, then I'm sure that they will be certainly willing to look at the proposition that your department may have — if that's the assurance that I have from you.

**MR. DOWNEY:** Mr. Chairman, I cannot give the member the assurance that I will get involved and direct how a lease should be given, but, in tendering it, and looking at the leasing of the land, I'm sure the individuals in the Corporation, the Board of Directors and the Administration, can give consideration to the individuals, who, in fact, he has referred to.

**MR. URUSKI:** Thank you, Mr. Chairman, that they will look at it. The fact of the matter is the department has, I believe, been placed by the Minister and Cabinet in a very difficult position, by your actions in terms of the delay of five months. It puts the staff in the field in a very difficult position in terms of trying to negotiate some terms of a lease after the producer has made certain

commitments; the Corporation had made certain commitments indicating they accepted his tender, now the Minister says he will not get involved in the tendering or leasing arrangements, yet it was his offices that really caused this five month delay. Surely there should be more to it than him just sitting back and saying, I'm not going to get involved in something that he and his colleagues caused.

Mr. Chairman, could the Minister indicate since he does not wish to answer my comments, whether he has the number of parcels of land that were sold, the acreages, and the amount of money that the province paid, and my questions on the amount of money that the province received from the tendering process?

**MR. DOWNEY:** Yes, Mr. Chairman, the number of parcels that are sold are 8; purchase price \$303,177; sales \$517,132; 2,886 acres.

**MR. URUSKI:** Mr. Chairman, could the Minister indicate, because it was he and his colleagues — I don't think he was here, but if I recall correctly, his colleagues criticized the previous administration for raising the price of land. By being involved in the marketplace and raising the price of land, how could it be now that the Corporation has almost or had a 60 percent profit on a \$300,000 investment? Could the Minister indicate and tell us and his colleagues how this involvement in land purchases by the province in previous years jacked up the price of land that now, the Minister and his government, then are holding inflation. They are charging exorbitant prices for the land that was purchased by the previous administration. They have virtually doubled their investment inside of a couple of years. I would like to hear the Minister's comments as to how his actions here have held down the price of land in this province.

**MR. DOWNEY:** Mr. Chairman, the member brings up a good point, the point, in fact, that they bought land and they were in the land speculation business. That profit, if allowed to have been bought by the private individuals if they had been lending money to people, that would have been money that people would have had as an investment in their business, and they themselves would have been able to enjoy those profits. —(Interjection)— That's a good question, why did the province buy it in the first place. —(Interjection)—

**MR. CHAIRMAN:** Order please.

**MR. DOWNEY:** Mr. Chairman, to carry on just a little more briefly, I could also refer the member to all the sales or all the land offered for sale, as he has indicated to this Committee this morning, were not sold because the cost to the Corporation was not recovered, and I think to take a look at the picture in total, we would have to see how much land, for example, I could refer to one piece of property that was — if the approximate figures that I have had made available to me — the land is now estimated or bid at approximately half of what the last government paid for. And here they call for the looking at tenders, which I'm prepared to discuss with them from a question from last night on one particular case, to clear the air, Mr. Chairman. I think to enter into all of them would be irrelevant, but, Mr. Chairman, I would also like to know why they tender on the leases, why they weren't tendering leases over the past eight years, Mr. Chairman? Here we are having great questions today about why we weren't having open tenders for this and that, and they've operated their land lease program for many years without a tender, Mr. Chairman; a direct leasing of property by that government. And now they've got great problems with open tenders. Well, Mr. Chairman, I'm quite prepared —(Interjection)— well, Mr. Chairman, the other is a leasing of assets of government property, and nobody knew about it. They were also purchasing land, and one particular piece of property they paid double the price that it's worth today; and now, Mr. Chairman, I think those figures have to be brought forward —(Interjection)— Well, would you admit that? The Member for Lac du Bonnet does admit that there were some bad purchases made by his government, and they weren't responsible for them.

So, Mr. Chairman, I'm indicating that the land that was sold has recovered somewhat of a profit, but we have not sold land, and the member has brought it to the attention of the Committee, land that had not recovered the cost. And that, of course, is the Board of Directors that have made the recommendation, and as I've indicated they know that it's an Order-in-Council, so as far as one particular question that was asked last night about an individual case, I don't think it is fair to delve into it, but for the Committee's benefit — and I don't want it to be precedent setting or anything else — but I have looked at the particular case; it was broadly advertised in the Winnipeg paper, the Tribune, the Manitoba Co-operator, the local paper, the Free Press, advertised in the local agricultural credit offices, the local municipal offices, bulletined in those offices, and the ag rep office. Mr. Chairman, I can assure the members of this Committee that it was in excess of

the reserve price on the property. There was only one tender — I have no hang-up about telling him that — it was a Board of Directors' recommendation, Mr. Chairman, but it was quite open; it was advertised widely on an open tender basis. And that is the question they were asking and they have the answer.

**MR. URUSKI:** Mr. Chairman, I wasn't here last night. Could the Minister tell me whether on any of the lands that he sold, of those 8 parcels, that the province sold the land without recovering its cost? Were any of those lands sold where the province did not recover its cost?

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

**MR. URUSKI:** In all those 8 parcels of land, the Minister has indicated that were tendered, all the provincial costs were recouped

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

**MR. URUSKI:** Mr. Chairman, the Minister makes reference of no tendering of leases by the previous government in terms of leasing of Crown lands.

**MR. DOWNEY:** No, not of Crown lands.

**MR. URUSKI:** What are talking about then?

**MR. DOWNEY:** MACC land lease property.

**MR. URUSKI:** Could the Minister tell me, then . . . he is offering those lands for sale, the lands that were not leased . . .

**MR. DOWNEY:** They'll go for public tender.

**MR. URUSKI:** . . . leased out. Could the Minister tell me, what stopped the individuals who are now buying the land from the province from purchasing the land initially from the people who were either retiring or who were selling. Could the Minister tell me that?

**MR. DOWNEY:** Mr. Chairman, if he's referring to why the individuals did not buy the land at that time. . .

**MR. URUSKI:** No. The Minister made a comment here . . .

**MR. DOWNEY:** I'm not going to sit here and assume why they did or they didn't do something, that is not my job. I'm here to debate the Estimates, and really to assume why a farmer didn't buy a piece of property X number of years ago and he does today, that is . . . I don't think I have to sit here and explain that. He knows very well himself.

**MR. URUSKI:** Mr. Chairman, it's very interesting now, we have the Minister two minutes ago indicating to this committee that he found it very strange that the previous government did not tender leases under the Land Lease Program, and did involve itself in land purchases, and did not . . .

**MR. DOWNEY:** Advertise what. . .

**MR. URUSKI:** . . . advertise the land leases, and the people that have bought it in this case. . . in one case he indicates only one tenderer, and now the province has increased its investment by \$186,000 by the sale of those Crown lands, and the Minister indicates that those lands should have been tendered out initially under the Land Lease rather than finding a lessee to farm it.

In most cases, the Minister should remember, that it was either young families, initially the program was designed that it was either young families who could not initially afford the capital investment to try and get into farming; they might be able to borrow and receive enough funds in order to have operating capital in terms of their operations. And this was the nature of the program.

Secondly, the program was intended to, in many instances, to take people who wanted to retire, and who could not sell their land, and give an opportunity to either the son of the family to take

over the farm, because there was not enough capital there to . . . he could not borrow the money. Can the Minister tell me that?

If it is his policy now that they are selling this land, whether that will be the policy of the government in terms of dealing with all Crown lands, since he is favouring the tendering process?

**MR. DOWNEY:** Mr. Chairman, it is Crown Corporation owned land that we are referring to in the Land Lease Program, and as far as the leasing of the land to farmers that I referred to by not having an open tender business, that's his word. How do we know, how do the public know, where was the public open tender on the leasing of land? We're sitting here, and we had to take their word . . . we're supposed to take their word that everything . . . well, Mr. Chairman, he says "tendering on leasing land". It is Corporation-owned property. —(Interjection)— Oh, it's bothering him somewhat. It seems to bother him somewhat, that it's . . .

**MR. CHAIRMAN:** Order please.

**MR. DOWNEY:** All right, on one hand you asked the question on the handling of Corporation funds, it has to be all open and public, which in fact I've said it is. I've made it very plain. And now when we refer back to the initiation of the program, that it was handled somewhat different when you're using the same Corporation funds, there's a great hang-up about it.

Well, Mr. Chairman, it is the control of that asset that we're talking about, whether it be sale or lease, it is a contractual agreement and I see no difference.

**MR. URUSKI:** Lifetime control of that asset.

**MR. DOWNEY:** That is correct, it's a lifetime control which is a . . . So, Mr. Chairman, let the record show that there is quite a nervousness by the Member for Lac du Bonnet, and he's really saying some pretty strong words here.

And, Mr. Chairman, as far as the Land Lease Program is concerned, it is the intent of the Corporation and the government to, in fact, give the tenants an opportunity to purchase, as they change the program too, that the individuals who are leasing the land, they have a contractual agreement with them that they'll be allowed to operate that land, rent it or to purchase it. Now, we haven't changed it in that manner, and don't intend to.

**MR. URUSKI:** Will the Minister tell me whether under the agreements under the Land Lease Program with individuals, was there an option to purchase in those agreements by those individuals? Was that part of the agreement that was signed with the people who wanted to lease the land from the province? Was it part of the contract, within the contract, that there was an option to purchase.

**MR. DOWNEY:** Mr. Chairman, it is my understanding that not initially there was. There was no agreement in there for the individual to purchase that land. But there was a change made after there was a certain amount of pressure applied to that government.

**MR. URUSKI:** Can the Minister tell me, is there that provision now in that contract?

**MR. DOWNEY:** Mr. Chairman, that contract has not changed.

**MR. URUSKI:** Well, if the contract hasn't changed, then what is the change in policy in terms of selling or leasing that land?

**MR. DOWNEY:** Mr. Chairman, I indicated that the individual would be allowed to continue leasing it, or to purchase it.

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

**MR. SAMUEL USKIW:** Mr. Chairman, we find the Conservative government on the horns of a dilemma here. Yes, yes, because they have eliminated a program that they are now admitting, Mr. Chairman, that would have been extremely beneficial to the participant, to the lessee. We have here an example of a whole host of tender sales, a copy of an Order-in-Council — a very recent one, Mr. Chairman, it's dated in 1979 — and I just want to illustrate how this government has destroyed the opportunity for our young people to establish themselves in agriculture, Mr.

I have before me, here, an Appendix I. of this particular Order-in-Council, a sale price on a parcel of land of \$141,000 — \$141,000.00. Mr. Chairman, the cost of this property to the Crown was roughly \$80,000 — a fantastic capital gain.

Mr. Chairman, for every lessee who has the option to purchase, this puts that person in the business of farming without a cost, without a cost to himself. This is the true way in which the Land Lease Program is helping the lessees establish themselves as farmers in Manitoba. The Minister and his colleagues cannot deny that, Mr. Chairman. This is his own Order-in-Council. His own Order-in-Council. That's one example.

We have another one here, Mr. Chairman. This is a small example, but a good one. The original cost of this parcel was \$8,500, and the sale price is \$12,600. That's another example — a small fortune. Here you have an equity that would have been built up for the lessee if this person had continued in the Lease Program, and of course we had many that have . . .

**MR. DOWNEY:** Nobody forced him out of it.

**MR. USKIW:** Mr. Chairman, I am not saying that. I am only demonstrating that we have, Mr. Chairman, over 400 lessees which the Minister is trying to get out of the program. No. 1, and that's fine, they will use their option.

**MR. DOWNEY:** That's not right.

**MR. USKIW:** That's fine. But the fact is that we have stopped at 437, and I am saying that this opportunity could have been available and should be available to thousands of young people out there, Mr. Chairman.

Now we have another example, Mr. Chairman. We have another example. The purchase price of this piece of property was \$47,500, and the sale price was \$80,000.00. Now wouldn't that make a beautiful option to purchase for the lessee, Mr. Chairman? Wouldn't that put him in the business of farming better than any minute interest subsidy that this government has introduced under the new Credit Program? This applies in spades, Mr. Chairman, to all of the lessees; all of the lessees, Mr. Chairman.

Now, Mr. Chairman, I would like to know how the Minister is going to argue against the fact that the next example cost the province \$40,000, and the province sold it for \$92,000.00. Yes. Now how does that put young people out of agriculture. If they were the lessee that exercised the option to purchase, how would that put them out of agriculture, Mr. Chairman? It obviously puts them in. All they have to do is exercise their option to purchase with substantial windfall benefits, Mr. Chairman.

We have another example here, all in the Minister's Order-in-Council, this piece of property cost \$52,875; the Minister sold it for \$76,500.00. The previous government was obviously very hard on the lessee, Mr. Chairman, because inside of five years, he realized over a 100 percent gain. Terrible thing to do to the farmers of Manitoba, Mr. Chairman.

We have here another example. This particular piece of property was bought for \$22,200, and the Minister sold it for \$51,116.70; a gain of \$28,916 on an initial cost of \$22,000, more than 100 percent, Mr. Chairman. How did that program hurt our young people? Mr. Chairman, how did that program hurt our young farmers? I ask this Minister who has disbanded a program that was designed to substantially assist our young people to get into agriculture, Mr. Chairman.

Every example in this O/C indicates that the lessees are in a very very strong position relative to the contract with the Province of Manitoba, a stronger position than any mortgage contract that any person that has a mortgage with this same corporation, Mr. Chairman, a stronger position by far than any person who has a mortgage with this Minister under a purchase of property.

So, Mr. Chairman, it doesn't wash. We have five years of history in this program, which has proven to us that this was the most effective way of assisting young people, getting them into agriculture, Mr. Chairman. It has nothing to do with state farm; it has to do with providing decent opportunities for young farmers, or would-be farmers to get into the industry. And all of the Minister's documents prove my case, Mr. Chairman, every one. He may find one example where he has taken a loss out of his 400.

**A MEMBER:** Ransom's. Ransom's farm.

**MR. USKIW:** Yes, and on that one, he had one bid, Mr. Chairman. On that one, he had one bid, Mr. Chairman, and you would think, Mr. Chairman, that if a person receives one tender, that a prudent government interested in the protection of the public purse, would have said: "Wait a minute now, there's something wrong. Let's tender this one over again. You would think, Mr. Chairman,

that if there is only one bid on a public asset, that there would be some feeling for reviewing that particular asset as to its value and in determining whether or not it wouldn't be in the public interest to give it a second time around; yes, that would be a prudent government approach to the sale of public assets, Mr. Chairman.

But that wasn't the approach of this government, no, Mr. Chairman, and I don't know, Mr. Chairman, why. I know, I know that in this example that the person who purchased the property happens to have as a relative, a brother, a Minister of the Crown. That's what I happen to know. And I would like to know how much bearing that had on the Minister's decision not to re-tender and ask for new bids on that piece of property.

**MR. DOWNEY:** No bearing at all.

**MR. USKIW:** Well, the Minister says no bearing, Mr. Chairman. Could the Minister explain to me why he had not rejected the single bid and gone out and asked for new tenders? That would be of interest to me, Mr. Chairman.

**A MEMBER:** Well, they did it in other cases.

**MR. USKIW:** Yes, it has been done in other cases, but in this one; no.

**MR. ADAM:** Hanky-panky, it's all hanky-panky.\$

**MR. CHAIRMAN:** Order please. Might I suggest to all members that if they do not wish to be interrupted when having the floor, that they do not initiate it. Could we have one speaker at a time?

The Honourable Minister.

**MR. DOWNEY:** Mr. Chairman, the Member for Lac du Bonnet is trying to paint the picture that the land that was sold is in fact land that a person who is leasing that, could have bought. They had the option to buy that. Well, he was painting that picture and I just want to put it on the record that those lands that were sold, the tenants were no longer farming them, they decided not to continue farming, and for what reasons I would not know and they were Corporation property. Decision was made to put them out for public tender. I have given them the information they wanted, and he says the bearing that a member of the Crown was involved in it; that, Mr. Chairman, was a Board recommendation, it was the corporation where . . . in excess of the cost of what they had in it, or the reserve bid, and it was advertised broadly, the same as the other properties that reached the reserve bid or higher, were sold. The individuals are trying to paint some kind of a picture of a witchhunt, and I've given the information, and I think the point as far as the Member for Lac du Bonnet is trying to still go along and peddle a state farm program, saying that we were irresponsible by selling land at more than what was paid for it.

I referred, Mr. Chairman, earlier in the committee meeting —(Interjection)— Well, that's what he said. And I refer, Mr. Chairman, to a parcel of land in fact that cost twice the price to the province, or the Crown Corporation, that in fact there was an offer made on it.

Mr. Chairman, if he is talking about irresponsibility of government to the people of Manitoba, he led the parade, Mr. Chairman, he led the parade without any public tendering of the leases, completely the responsibility of Order-in-Council. By that, the Minister of the Day, to authorize who could lease the land or who couldn't, without any public scrutiny of what was taking place. He could direct the land to who he wanted. Mr. Chairman, who is he trying to kid, when this government has done everything on the open tender basis through the Board of Directors of the operation consistent. . . But, Mr. Chairman, the question really is how was it handled to this point, and I think that that pretty well speaks for itself, when they did not have an open public tender on a lease or any of the operations.

**MR. USKIW:** : Well, Mr. Chairman, the Minister obviously doesn't know the intent of the land lease program when he talks about tendering. Who would you tender to; why would you tender in a land lease program? Because the Minister assumes, Mr. Chairman, that the highest offer in terms of the lease rate should get the land. Well, the whole program was designed to give the land at a reasonable price equal to all; nothing to do with one's ability to pay, nothing to do with one's ability to pay, Mr. Chairman.

That was the whole purpose of the program; was to give equality of opportunity to young people who wanted to get into agriculture. Now, Mr. Chairman, the Minister has not answered why he did not re-tender the specific piece of property, since there was only bid received. Is it board policy

that you don't re-tender? I would like to know. Is it new board policy that you would not re-tender a parcel if you were not satisfied with the offers received? Is it the government's policy that you would not do that, and if so, then I would like to ask him to explain to me, why in other circumstances they have not accepted bids and have re-tendered. I would like to know why the distinction in this particular parcel, Mr. Chairman.

**MR. DOWNEY:** Well, Mr. Chairman, I made it very plain that the ones that were refused did not reach the reserve bid and the ones that were accepted, were in excess of the reserve bid that was presented to us and again, it was open public tender, a wide coverage of advertising which I have stated and, Mr. Chairman, I go back again to the point which I've made and here is an opposition sitting here, criticizing for no openness. —(Interjection)— Oh, Mr. Chairman, but it's a fact, Mr. Chairman, we have been a total open public bidding system, when in fact, they did not.

**MR. CHAIRMAN:** The Member for St. George on a Point of Order.

**MR. URUSKI:** The minister indicates that he would not accept the tender; the tender was not accepted if it did not meet the corporation's reserve bid. The fact of the matter is, the instance that I gave the minister was accepted by the corporation, the farmer was notified on November 10th, subject to Cabinet approval. —(Interjection)— And Cabinet did not accept this, but the corporation did accept this tender. Not what the minister has said.

**MR. CHAIRMAN:** Order please. The Member for St. George does not have a Point of Order. . The Member for Lac du Bonnet.

**MR. USKIW:** It was a Point of Order that interrupted my comments. Well, Mr. Chairman, the minister tried to suggest that my argument with respect to these Orders-in-Council, for example, was to the effect that these people, the original owners should have had an opportunity to lease or purchase or whatever. That was not the substance of my argument, Mr. Chairman. My argument was that we had had for five years a land lease program which was designed to give young people an opportunity and all I was using the example of his own Orders-in-Council on the sale of these assets for was to demonstrate to him that for the remaining leasees, they have a field day, Mr. Chairman. They have 100 percent capital gains if they exercise their option to purchase. They can purchase their properties without paying a penny for them after five years, even less than five years of a lease arrangement. Now, tell me Mr. Minister, how you're 4 percent kickback on the interest rate to young people under 39 years of age, is going to compare with a program that puts a farm in the lap of a young farmer for nothing, at no cost to the state, Mr. Chairman. Tell me how you will do that under your program, at no cost to the state and every one of these examples proves my case, every one and it's the minister's Order-in-Council dated this year, where he has doubled the value of those lands in the sale of these properties. Imagine, the windfall benefits to a young 25-year old who leased property that was bought for \$50,000 only three years ago and today he can exercise the option to purchase and sell it for \$100,000.00. That's fantastic in terms of its assistance to the young people who want to get into agriculture, but who have no opportunity financially, Mr. Chairman.

The minister is going to say here and tell the people of Manitoba that he has a grand program for helping young farmers get into agriculture. He's going to give them a 4 percent cut on the interest rate, on their mortgages, that's what he's saying. So what is he doing? He is asking the people of Manitoba, Mr. Chairman, to finance, to subsidize the mortgage by 4 percent — yes, that's what he is doing, he is asking the people of Manitoba to pick up the costs of those 4 percent which is a burden on the taxpayers of this province, but which he had an opportunity to do something for these farmers, to continue doing it at no cost to the Province of Manitoba, Mr. Chairman, at no cost. And all of these examples prove my case. The minister's own records prove what I am saying, Mr. Chairman.

Now, Mr. Chairman, we come down to why. Why would the government not rationize their position, approach it from the point of view of common sense, why? Because they are ideologically hung up. Yes, that's all it is, when you talk about being hung up ideologically, Mr. Chairman, you know, the members opposite would argue that these Communists or Socialists on this side would want it all under public ownership, but at no time in our eight years of government did we display it. No time. We provided for mortgage capital, Mr. Chairman; we provided a lease program; we provided a whole host of options, so that if a person preferred to own his property, he went out and bought it and drew up a mortgage. If he didn't prefer it, he had no choice, he had a lease option. That is what you would call the greatest opportunity for our young people, Mr. Chairman. All of the options

were open.

Now we have one option foreclosed. And who are we foreclosing? We're foreclosing people who happen to be in a position of not having financial assets of their own or of not having parents or relatives that would be in a position to help them along. That's who this minister is against, Mr. Chairman. He feels that it's not important to provide for an opportunity to those people who already don't have a substantial amount of assets in their own right. Yes, he feels that we should only build for those that already have, in some cases, too much, Mr. Chairman. That is his philosophy, yes, that is his philosophy. If you listen to your government's speeches, if you look at the agricultural program, it goes throughout the whole gamut of the department, Mr. Chairman. We are back into the position of catering to the elite of the rural people. Yes, we are back to the position of catering to the elite. Those who have plenty, Mr. Chairman, are going to get grants, assistance from the technicians of the department in spades, yes, and we are not going to worry about those that are not there, Mr. Chairman, because we really want to get rid of them. We really want to force them out of the industry. We don't really want to give them an opportunity. This is really what it's all about, Mr. Chairman.

Mr. Chairman, this government fails to recognize that we have a bit of a dual situation in rural Manitoba in our agricultural community. This government fails to recognize that, Mr. Chairman. We have a situation where in part of the province which has been established much earlier in our history, that yes, that there is more affluence and more stability, people are into their fifth generation or sixth on same farm. We recognize that they are there, but this government doesn't recognize, Mr. Chairman, that there is the other group. The other group that are second or third generation farms, not fifth and sixth.

Therefore, you need to have flexibility in terms of government programs. You have to recognize, Mr. Chairman that what is reasonable to a sixth generation farm is not acceptable to the second or third generation farm. And therefore, you have to have options within your programs because one group has yet to catch up, the other group has already plenty in many instances. Yes. And they don't need the support and the further coddling of the state in order to survive. They don't need that, Mr. Chairman; anything they get from the state is a bonus. They can do very well without it.

And yes, Mr. Chairman, you can go through all of the programs in this department and you will find that there is no policy direction to the staff that will indicate that there is extra attention needed in certain areas of the province with respect to certain clients within the agricultural community. We will find that as we move along into the next couple of years and hopefully not more than that, Mr. Chairman, — yes, that we are going to be well on the path of massive rural depopulation because this government doesn't recognize that there is a need for two sets of programs. One, which should be a general program, informational in its nature and not much more than that to those who are well established in our industry but we need a lot of attention yet to those that are yet climbing the ladder, Mr. Chairman.

And you know I don't have to go very far, Mr. Chairman to prove my point. The Province of Ontario which is a Conservative government is trying to deal with that very problem of those people who are either undersized or undercapitalized and still have some way to go to get up to the point of reasonable viability. And they have programs, yes, to deal with that. This government has chosen not to. And I think it's a reflection on themselves, Mr. Chairman. It will reflect on them negatively and I suppose in the political context that's fine. But I suggest to this Minister that he cannot go to the people of Manitoba and talk to them about what he is doing to help young people establish themselves in agriculture, because he has taken away from them the best tool that they had. Yes, he has taken away from them and all of his information that is supplied here backs up that position, Mr. Chairman, in dollars and cents because that's the only language he understands. He doesn't understand anything else but he does understand dollars and cents. In dollars and cents, Mr. Chairman, my position is backed up in spades but this Order-in-Council.

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

**MR. DOWNEY:** Well, Mr. Chairman, I think he likes to refer to the people of the province and to the support that his great program had, The Land Lease Program. I think it should be put on the record that the individuals who have been involved in the Land Lease Program, that over a third, Mr. Chairman, or approximately a third of those numbers of farmers who were on the land lease have taken up the option to buy their farm. —(Interjection)— They were desirous of buying their land and not having government and state ownership.

Mr. Chairman: Let us also look at the . . .

**MR. CHAIRMAN:** To the Members of the Committee, could we have one speaker at a time. The

Honourable Minister.

**MR. DOWNEY:** Mr. Chairman, you also have to look at the . . . that's the main point I wanted to make that in fact that really that that took place after the change of government and there wasn't any competition by government to go out and . purchase the land that in fact there is a desire by the people to go ahead and purchase and own their own land and be a part of the total investment of their farm operations. That, Mr. Chairman, which the members opposite never did understand. They felt that it was complete state government ownership and you can go right through every program, the indicators in every program that was introduced to the farm people.

**MR. USKIW:** The Minister in his comments has just confirmed what I have been arguing, the point I have been making all morning. And that is that these young people have exercised their option to purchase. And I venture to say, Mr. Chairman, that in every one of those options there's a huge capital gain, in every one of those options I venture to say, that have already been exercised, there's a huge capital gain which builds those people into a strong agricultural unit. So the Minister has merely confirmed what I have said but he has a problem because in confirming what I have said he can't explain to me then why he shouldn't continue with the program since it has worked. In the words of this Minister he just said that a third of our lessees have exercised their option to purchase.

**MR. DOWNEY:** Because they would sooner buy the land than they would lease it.

**MR. USKIW:** But they always had that opportunity, Mr. Chairman.

**MR. DOWNEY:** No, they did not, Mr. Chairman.

**MR. USKIW:** Oh yes they did, Mr. Chairman.

**MR. DOWNEY:** No, they did not. That is a false statement.

**MR. USKIW:** Mr. Chairman, the records speak for itself. The first . . . —(Interjections)— Mr. Chairman, Mr. Chairman, no, no, that is not correct . . .

**A MEMBER:** Why didn't they go and buy it themselves?

**MR. CHAIRMAN:** Order please. Order. Order please. Can we have one speaker at a time, please. The Honourable Member for Lac du Bonnet.

**MR. USKIW:** For the benefit of members who weren't here, including the Minister, and don't know and haven't bothered to do the research, for the benefit of those people the option to purchase provision was in the first agreement entered into.

**A MEMBER:** That was five years . . .

**MR. USKIW:** Yes, that's right. That is correct. Well because —(Interjection)— no, no, no. It's irrelevant. That point is irrelevant. That is totally irrelevant. The major change that was made to that, Mr. Chairman, was in the change that allowed for the capital gains to be passed on to the lessee. That was the major change. But, Mr. Chairman, that could be looked upon as a massive subsidy. Yes, that is the major change even though it did not actually cost the Crown any money, it could be looked upon as a massive subsidy on the basis that the Crown was giving up an asset that was worth twice the original purchase price. So, Mr. Chairman —(Interjection)— that's right the program was made more liberal, not more conservative. It was more conservative initially, it was made more liberal. That's right, in that the capital gains were passed on to the lessees. And that's the only change that was made, Mr. Chairman, and that they would exercise that option at any time they wished. But I mean, common sense will tell you in perusing all of those contracts that in 99 percent of them the option to purchase was not all that real in the sense that they were not in a financial position to take on a mortgage at that stage. With the escalation of land values, the option to purchase becomes very attractive. The more the land values go up the more attractive the option is. And that is really what we are witnessing.

**A MEMBER:** What about the one that went down.

**MR. USKIW:** That's right that could be a problem. Now the program was established on the basis that the province should not lose any money or at least not more than a marginal amount in the program and that is prudent on the part of the government to operate in that way. There's nothing wrong with that. But we do have here before us a success story which respect to, I would venture to say, 95 percent to 99 percent of the lessees who are in a position to opt to purchase at high capital gains and in many instances which results in them not paying a penny for the lands that they now own, due to land lease. Yes.

Now if the Minister can tell me what other program that he has announced or has yet to announce that is going to do that, I'm prepared to listen, Mr. Chairman. But he has not been able to illustrate for me —(Interjection)— no he has not, he has indicated to us that he is drawing up mortgages and that there will be a 4 percent interest subsidy on the mortgages if the person is under 39 years of age. That's is what he's telling us. And that doesn't touch, Mr. Chairman, the magnitude that the lease program was with respect to incentives to get people into agriculture or to give them an opportunity to get into agriculture. It's so pale by comparison, Mr. Chairman, it isn't worth mentioning. Side by side, it's an irrelevant thing, what the Minister is doing in his program under MACC at this point in time.

Now, Mr. Chairman, I would like the Minister, again, for clarification. Did he say that he was not prepared to table before this Committee all of those transactions that were sales of property by tender?

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

**MR. DOWNEY:** Mr. Chairman, I indicated to the member the information that was required last night. As far as the specific details are concerned I suppose I could consider that, item by item, but, Mr. Chairman, again I have told him what has happened. I can table the information, I'm sure. If it's a specific one he's referring to, I've told him the information on it. As far as the specifics, of all the ones that have been tendered I don't really think that it's important to do so, when in fact over the past 8 years here's the opposition sitting there now saying that everything has to be totally tabled. Mr. Chairman, they operated for 7 or 5 years of the Land Lease Program, totally responsible or irresponsible for funds and who know at that time what they were doing. And, Mr. Chairman, I have totally stated here, this has been an open public tender that everybody had the opportunity, it is available. I've indicated to them the specific case they referred to and I am quite prepared to provide that for them.

**MR. USKIW:** For clarification: Did the Minister just say that he is prepared to table with this Committee all of the transactions that were subject to the tender process?

**MR. DOWNEY:** Mr. Chairman, again I said I would give consideration to it. The one that was asked about specifically, I've indicated to him the content of it and I really would say I would consider tabling that information.

**MR. ADAM:** Mr. Chairman, what was the cost of that property?

**MR. DOWNEY:** Mr. Chairman, the Member for Ste. Rose is asking the cost of the property. Mr. Chairman, the reserved bid was something like the purchase price or the sale price was something in the neighbourhood of \$10,000 more than the reserve bid.

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

**MR. USKIW:** What was the cost of the property?

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

**MR. DOWNEY:** Mr. Chairman, the original purchase was in the neighbourhood of \$26,000 and the sale price was \$37,500, as the members know it. It's on the Order-in-Council.

**MR. USKIW:** The Minister refuses to give us the documentation that we are asking for, notwithstanding the fact that this was property sold by public tender. And that is fine, that is this government's approach. That's right. That is fine. We will deal with it, if not in this arena in another one, Mr. Chairman. It doesn't have to stop in this Committee. It can go beyond this Committee and if that's the way this Minister wants us to function, that's fine. The information will be received in due course. It will take a little longer. He knows it, or he should know it if he doesn't know

that there are ways and means of doing that but he prefers to get his Estimates by. And I don't know why, whether he has something to hide or what it is, he prefers not give us the information . . .

**MR. DOWNEY:** I've given you the information.

**MR. USKIW:** ... during the time of his Estimates consideration. He may have his reasons for that. I don't know what they are but I can tell him that this information we will have.

**MR. DOWNEY:** Mr. Chairman, if the member has other specific cases he's referring to, I can provide that information to him. I provided it to him this morning . . . Mr. Chairman, he's referring to everyone and, Mr. hairman, I said I'm prepared to discuss it with him in Committee.

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

**MR. USKIW:** Mr. Chairman, let's deal with this O/C then and we'll go one by one. I would like to know what the reserve bid was with respect to the properties that were sold for \$141,000 in Benito, Manitoba.

**MR. ADAM:** Read it out.

**MR. USKIW:** Well it's too much to read. I'm sure there's only one there.

**MR. DOWNEY:** The reserve bid that the member's asking for was \$105,000 — a little over \$105,000.00.

**MR. USKIW:** Can the Minister tell us how many bids he received?

**MR. DOWNEY:** Mr. Chairman, there were eight tenders received.

**MR. USKIW:** Yes, Mr. Chairman. There were eight tenders received. Can the Minister tell us that the highest tender was the tender that was accepted?

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

**MR. USKIW:** What was the capital gain on that particular property, Mr. Chairman?

**MR. DOWNEY:** Well, Mr. Chairman, does the member want to know the lowest tender, also?

**MR. USKIW:** I'm not really interested, as long as the highest one was acceptable, that's fine. I would like to know what the capital gain was on that piece of property?

**MR. DOWNEY:** In the neighbourhood of \$34,000 approximately. That's the difference between the reserve bid to the Corporation and the . . .

**MR. USKIW:** No, no, Mr. Chairman. I wanted to know the difference between the purchase price and the sale price?

**MR. DOWNEY:** Mr. Chairman, I don't have the purchase price by the Corporation.

**MR. USKIW:** Would the Minister agree to furnish that information for us?

**MR. DOWNEY:** Well, Mr. Chairman, he was the minister of the day when it was purchased, he should be able to remember.

**MR. USKIW:** Mr. Chairman, we are getting fed up with this Minister telling us that we should look back into our records of two or three years ago, or five years ago, to dig up information. He is uhe Minister who is answerable to this committee, and I am not interested in listening to that kind of nonsense. Is he prepared to supply us with that information?

**MR. DOWNEY:** Mr. Chairman, I would consider thtt.

**MR. USKIW:** Mr. Chairman, I want a yes or no. Are we going to receive that information, or are we not. Or do we have to file an Order for Return.

**MR. DOWNEY:** Mr. Chairman, seeing that it was the time in which he was involved in running the government, I would assume there should be no problem in providing that information. —(Interjection)—

**MR. USKIW:** The Member for St. Johns makes a good point. The Minister has suggested that because it was during the time of our government, he would furnish that information, but he would imply that if it was a time that his government was involved that he would not.

**MR. DOWNEY:** We didn't have the program.

**MR. USKIW:** Mr. Chairman, the next parcel that was sold on this O/C was a parcel in Fisher Branch for \$12,600.00. I would like to know what the reserve bid was on that one.

**MR. DOWNEY:** Just under \$11,000, Mr. Chairman.

**MR. USKIW:** What was the purchase price of that parcel, Mr. Chairman.

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

**MR. USKIW:** Would the Minister agree to furnish that information?

**MR. DOWNEY:** It's been brought to my attention that he has just indicated to the committee the purchase price of these properties a few minutes ago, so he has that information already. Well, I will check and see if it is specific. If it is, then I'll indicate to the committee.

**MR. USKIW:** I couldn't hear what the Minister was saying.

**MR. DOWNEY:** Well, the member a few minutes ago referred to some numbers of a capital gain made by the Corporation from the sale of the land, and I will . . .

**MR. USKIW:** That was eight properties, combined, that we were asking about then. I'm talking about specific parcels now. We have the combined figure. I'm asking now for a specific.

**MR. URUSKI:** And what the reserve bids are.

**MR. USKIW:** Yes, Mr. Chairman. How many bids were received on this parcel?

**MR. DOWNEY:** There was one tender received.

**MR. USKIW:** Would the Minister explain why the Corporation chose not to re-tender.

**MR. DOWNEY:** Mr. Chairman, it was open tendered in the Winnipeg Free Press, the Winnipeg Tribune, the Manitoba Co-operator, the Dauphin Herald, in the Ag-Rep Offices, in the Municipal Offices' in the MACC Offices — total open public bid, and the Board of Directors recommended sale of it. And it exceeded the reserve bid.

**MR. USKIW:** I simply ask the question that where there is only one bid, would it not be prudent to ask for a second round, for re-tendering?

**MR. DOWNEY:** That's a question that, so far as the Board of Directors were concerned, the government agreed to it, and proceeded to sell.

**MR. USKIW:** Whose decision was it not to re-tender?

**MR. DOWNEY:** Mr. Chairman, the recommendation came from the Board to sell the property, and it was their re-tender it. decision not to

**MR. USKIW:** Is the Minister saying that that is where the decisions are made, finally?

**MR. DOWNEY:** No, Mr. Chairman, it has been indicated earlier the final authority is with Order-in-Council.

**MR. USKIW:** The Minister is confirming, then, that he made the decision not to re-tender?

**MR. DOWNEY:** No, Mr. Chairman, the Board of Directors recommended that that property be sold.

**MR. USKIW:** Mr. Chairman, the Minister is saying that the Directors are recommending to him that the offer be accepted. Therefore, the Minister has decided that he did not want to re-ender.

**MR. DOWNEY:** The recommendation of the Board of Directors was accepted.

**MR. USKIW:** Well, Mr. Chairman, we just had an example here a few moments ago, where the recommendation of the Board was to go ahead with a piece of property — the property that was introduced to this committee by the Member for St. George — and the Minister overruled the Board. Now he keeps saying, "Well, the Board recommended it."

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

**MR. USKIW:** So, Mr. Chairman, who is making the decision.

**MR. DOWNEY:** There was not an agreement where the land had not reached the reserve bid.

**MR. USKIW:** Let me clarify then or let him clarify it. The Minister did indicate that he had a recommendation from the Board of Directors on that particular parcel, which he overruled. Am I correct?

**MR. DOWNEY:** Yes.

**MR. USKIW:** All right. In this example, he had a recommendation from the Board of Directors, which he chose not to overrule, despite the fact that there was only one bid.

**MR. DOWNEY:** On an open public tender, Mr. Chairman, everything was above-board and in the public. Far greater than it ever was in any other part of the program when he was administering it.

**MR. USKIW:** Is it the policy of the government, as a whole, in all departments, to accept any tender, one tender, on the sale of public assets, or do other departments, as far as the Minister is aware, reserve for themselves the right to re-tender from time to time? Is this an order of the Premier that we mustn't re-tender, or what is the reason that the Minister refuses to retender?

**MR. DOWNEY:** Mr. Chairman, the Board of Directors recommended it in this case, from the Corporation, the decision was made to accept it because of the open and the opportunity that everyone had to, it was in excess of the reserve bid, and it requires no other explanation.

**MR. USKIW:** Mr. Chairman, the other example was an open and advertised situation as well, but the Minister chose not to accept the recommendations of the Board. In one instance he said "no", in the second instance he said "Well, the Board makes the decision."

**MR. DOWNEY:** It's very straightforward. It's very straightforward. Where the reserve bid was not reached, it was not accepted.

**MR. USKIW:** Obviously, we can't expect consistency from this Minister. I uld then like to follow up on the next Order-in-Council, Mr. Chairman, having to do with a parcel of property in Cartwright, Manitoba, which was sold for \$80,088.88, and I would like the Minister to tell me what the reserve bid was.

**MR. DOWNEY:** Just over \$54,000, Mr. Chairman.

**MR. USKIW:** Would the Minister tell me why the reserve bid was so low?

**MR. DOWNEY:** I don't know, Mr. Chairman. I don't have the answer to that.

**MR. USKIW:** Well you know, in all of them — well not all of them, but I notice in the partial ones that have been sold at a fairly substantial amount, that the reserve bids were relatively low — \$50,000 short of the sale price, in that neighbourhood. Here we have an example of the reserve bid being roughly \$30,000 below the market. Doesn't that seem illogical, that the reserve bid should be that far below the market?

**MR. DOWNEY:** That's his opinion of it, I guess, Mr. Chairman.

**MR. USKIW:** Well, Mr. Chairman, that's not an opinion. We have a fact before us here. We have the knowledge that the reserve bid on this parcel was \$54,000 and this parcel sold for over \$80,000.00. So somewhere along the line, whoever is establishing the reserve bid, is underpricing.

**A MEMBER:** Well, of course.

**MR. USKIW:** Substantially so, Mr. Chairman. And so, the Minister would say if a person came in with \$55,000, that well, it was the only bid and it was above the reserve, so we sold it. That's what he would say, Mr. Chairman, as he has already done here this morning.

So, Mr. Chairman, I find this terribly unacceptable. What was the cost of this parcel, Mr. Chairman?

**MR. DOWNEY:** I can provide it, Mr. Chairman. I don't have it.

**MR. USKIW:** How many bids were received?

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

**MR. USKIW:** Was the highest bid accepted?

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

**MR. USKIW:** Yes, Mr. Chairman. The next Order-in-Council is in the Boissevain area, a parcel of land sold for \$26,326.00. I would like to know what the reserve bid was on that one?

**MR. DOWNEY:** Mr. Chairman, the reserve bid was just over \$20,000.00. The property was advertised again — all these properties, for the record's sake, were advertised in the local papers, the Winnipeg Free Press, the Winnipeg Tribune, the Manitoba Co-operator, and this one, and all of them advertised in the Ag-Rep Offices, MACC Offices and Municipal Offices. So there was good public knowledge of the properties being offered for sale.

**MR. USKIW:** Mr. Chairman, what was the purchase price of this parcel?

**MR. DOWNEY:** Mr. Chairman, the member has that on the Order-in-Council.

**MR. USKIW:** No, no, I have the sale price. I have the sale price. I want to know what the property cost.

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

**MR. USKIW:** Could the Minister tell us how many bids were received on this one?

**MR. DOWNEY:** Mr. Chairman, there was one tender received.

**MR. USKIW:** One tender again, Mr. Chairman. This Minister is the "one tender Minister", Mr. Chairman.

The Minister said that the reserve bid was the higher of either the cost plus accrued interest or appraised value. I would like to know, what is the basis of the appraisal?

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

**MR. USKIW:** Mr. Chairman, would the Minister agree to furnish that information.

**MR. DOWNEY:** I could consider it, Mr. Chairman. I really . . .

**MR. USKIW:** Mr. Problem . . . Mr. Chairman, we have a problem. I say Mr. roblem — we have a problem.

**A MEMBER:** He is Mr. Problem.

**MR. USKIW:** The Minister's going to consider, and he is going to accept single tenders on public assets, on the disposal of public assets. This is what we have before us here this morning, Mr. Chairman.

On the next property — it's in Boissevain again, Mr. Chairman, and this is the Ransom property which was purchased for \$37,500 — could the Minister tell us what the reserve was on that?

**MR. DOWNEY:** \$27,791.00.

**MR. USKIW:** And how many tenders on this one?

**MR. DOWNEY:** Again, Mr. Chairman, it was advertised in the Winnipeg Free Press, the Winnipeg Tribune, the Manitoba Co-operator, the Boissevain Recorder, Municipal Offices, Ag-Rep Offices and MACC Offices, and there was one tender received.

**MR. USKIW:** And this is the property that was purchased by a relative of a Minister of the Crown.

**MR. DOWNEY:** Mr. Chairman, it was purchased by a Mr. Ransom. It's in the Order-in-Council.

**MR. USKIW:** And who is Mr. Ransom, Mr. Chairman, relative to the Minister of the Crown?

**MR. DOWNEY:** Mr. Chairman, I know the individuals, and it is a brother.

**MR. USKIW:** A brother. What was the purchase price of this piece of property?

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

**MR. USKIW:** Will the Minister agree to furnish such information?

**MR. DOWNEY:** It can be provided.

**MR. USKIW:** Yes. The next parcel, Mr. Chairman, is Winnipeg, well no; the address of the person is Winnipeg: Mr. Neil Froese, \$92,122.99. I would like to know what the reserve was on that one.

**MR. DOWNEY:** In excess of \$50,000, Mr. Chairman.

**MR. USKIW:** How much in excess of \$50,000.00?

**MR. DOWNEY:** \$533.00.

**MR. URUSKI:** So it's \$50,000.00. Yes. Here we have another example of a reserve bid at about 50 percent of the true value of the property, Mr. Chairman; terrible example. We're talking about a prudent careful Conservative administration that is protecting the public purse and they were prepared to sell \$100,000 piece of property for \$50,000, Mr. Chairman. Yes, that's what we have here, a willingness on the part of this government to sell a \$92,000 asset for \$50,000.00.

**MR. ADAM:** They have been doing it with everything else.

**MR. CHAIRMAN:** Gentlemen, the hour of 12:30 having arrived, I am leaving the Chair to return at 2:30 this afternoon.

**SUPPLY — HEALTH AND COMMUNITY SERVICES**

**MR. CHAIRMAN, Mr. Abe Kovnats (Radisson):** I would draw the honourable members' attention to page 51 of the Main Estimates, Health and Community Services, Resolution 65, Clause 4. Institutional Services, (b) Psychiatric Services, (1) Salaries—pass. The Honourable Member for St. Boniface.

**MR. DESJARDINS:** Mr. Chairman, there's a reduction from last year of staff man years from 18 to 15. There's a reduction of 3, and there was also the year previous, from our last year in office, we had 36 staff man years, and that went down to, as I stated, to 18 and now 15. Could the Minister explain if that is just lost staff man years or are they transferred somewhere else? That's the first question, and then this year, why, in this reorganization if any, why a further reduction of 3 at this time, Mr. Chairman?

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

**HON. L. R. (Bud) SHERMAN (Fort Garry):** Mr. Chairman, these were three former employees of the Winnipeg Psychiatric Institute, who resigned, and their positions were abolished. They are now with the Health Sciences Centre.

With reference to the earlier point raised by the honourable member, that change is explained by the fact that Community Chivices for Idren is now transferred out into a different appropriation, one that we've already dealt with. I think that was, is it 3.(h)? Yes, 3.(h), Community Psychiatric Services for Children. There was a reduction of one, but the member was asking me about the discrepancy between last year and this year. There was a reduction of one, but that service is transferred over into that other appropriation. —(Interjection)— No, (h) — 3.(h). In this one, Psychiatric Services, independent of Community Psychiatric Services for Children, those were three former employees of the Winnipeg Psychiatric Institute. They resigned; those positions were abolished; they are now with the Health Sciences Centre.

**MR. CHAIRMAN:** (1)—pass. The Honourable Member for St. Boniface.

**MR. DESJARDINS:** Mr. Chairman, I don't know, unless somebody else can ask some questions, I don't know how to keep this thing open and check with the Minister — they tell me it's quite difficult, so . . .

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

**MR. CHERNIACK:** Mr. Chairman, I'm interested to know what advances have been made in this field of institutional mental health services that might reduce the average patient's stay in the institutions, and what efforts are being made by the government to take advantage — well, to learn about and to take advantage of new methods of treatment and new methods of handling people who are mentally ill and in institutions in order to help them get out and have a reasonably productive life to the extent of their ability so to do.

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

**MR. SHERMAN:** Well, Mr. Chairman, we're not really at Institutional Mental Health Services yet. We're dealing here just with Health Services/ Psychiatric Services. —(Interjection)— No, we're on (b)(1).

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

**MR. DESJARDINS:** Mr. Chairman, I can see where the Minister is saying now, the two were combined previously, and the last number that we have for staff man years was 36, exactly what the Minister had last year, and now combining the two, there's a reduction of three and one. Now, would the Minister be good enough to give us a breakdown of the staff as per their occupations or title or whatever? I wonder if I'd be in order, because of the re-organization to ask the complete breakdown of the 32 that are left between the two, because I think it is closely related. I think the Minister must remember the last time even he had difficulty finding out where this thing was. I had referred to this number and said that that was providing service to the community base mental health, but we're dealing in institutions, but we're also dealing with community base. It is kind of a repetition of what was said before, so I wonder if the Minister could give us a breakdown of those 32 in the two areas.

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

**MR. SHERMAN:** Mr. Chairman, I can give the honourable member a breakdown of the staff in this particular appropriation, which is 15, as opposed to 18 in 1978-79, because of those three positions that I've referred to, and then we'll deal with the other part. The staff adds up in the following way: there are two former employees of the Winnipeg Psychiatric Institute, who remained as Civil Servants but were seconded to the Health Sciences Centre, who were paid from this appropriation. One of them is a psychologist and one of them is an activities aide.

So that's two associated with the Winnipeg Psychiatric Institute. There are four at the Eden Mental Health Centre — a psychiatrist, who is medical director; a clinical clerk who is employed in forensic services; a psychologist and a social worker who is a director of social services: four at Eden.

**MR. DESJARDINS:** Excuse me, what is the first one?

**MR. SHERMAN:** The first one is a psychiatrist who is the medical director for Ede psychologist, a social work and a clinical clerk.

The other nine are in forensic services, Mr. Chairman, which breaks down into two components, adult forensic services, which are located in the Health Sciences Centre, and children's forensic located in the Manitoba Youth Centre. In adult, there are four positions, one of which is vacant but very vigorous attempts are being made to recruit to it. It hasn't been abolished. And in children's, there are six positions, although two people are half time. So in adult there are four positions; in children's there are five positions, but six people, because two of them are half time.

**MR. DESJARDINS:** That's all in forensic.

**MR. SHERMAN:** That's all in forensic, and they break down as between psychiatrists and psychologists. That is the makeup of the SMY complement for psychiatric services as it's constructed, and that covers the 15 positions. Now, the honourable member was asking me about the entire thirty-two, that leaves seventeen who were in community services for children which was 3.(h) Community Psychiatric Services for children and they break down as follows, Mr. Chairman: Nine psychiatrists, seven counsellors, and one administrative secretary.

**MR. DESJARDINS:** Mr. Chairman the reorganization, I think has me, not concerned but I'm getting mixed up. The Minister divided the service to the adults and to the children but forensic is still on this side, why? Is there a reason for that when there is another area where you have a director of child care and so on and the community service for children has been transferred to this other one, why is the forensic services still here. It deals with children and adults.

**MR. SHERMAN:** The primary reason, Mr. Chairman, is that forensic is primarily related, basically related to the Health Sciences Centre and the Youth Centre, and Court Services, and the beds are at the Health Sciences Centre, so this is the more logical area in which to have it located.

**MR. DESJARDINS:** Is this the only place under (d) that this psychiatric help, that is the service to the community covered, or is there anything in the area that we skipped, the regional personal services?

**MR. SHERMAN:** No there is nothing in this field in regional personal services, Mr. Chairman, but the item that we dealt with 3.(h) Community Psychiatric Services for Children is precisely that. It's community services and it is community based, whereas the one we are looking at, at the present time is not. It operates from as I have said, the Psychiatric Institute in the Health Science Centre and the Youth Centre.

In terms of community services generally in this field the control and direction for those functions comes under Item 3.(e), which was also covered earlier, the Office of Community Mental Health and Mental Retardation Services, and 3.(k) Rehabilitation Services to the Disabled, which is really where the community service aspect in this field is delivered.

**MR. DESJARDINS:** Well, Mr. Chairman, I wonder if the Minister then would have a look at the explanation that we find on Page 61 under (b). I think the Minister, a few weeks ago when we covered the children's thing, I think it was repetition, Page 51. The item that we are looking at now, and it seems to me that maybe we should strike out, provides support services to community based

mental health systems. It is misleading and it is repeated. It is a repetition of something that we find somewhere else and it seems that there is very little if any support to community based mental health system. It is to the courts and other areas but for what I am looking for the Minister says that it's not really covered here and to me it is misleading and I wonder if for next year the Minister could have another look at that.

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

**MR. DOERN:** Mr. Chairman, I just wanted to ask the Minister whether there has been any consideration given to placing psychologists under medicare. There seems to be a trend to use psychologists more as a component of the health team. They are obviously performing valuable services along with psychiatrists, or independently of psychiatrists. There seems to be a shortage of psychiatrists and a growing number of people who are graduate psychologists, and I was wondering whether there has been any thought given in terms of the Manitoba scene, to including or placing psychologists under Medicare, and also whether this is done in other provinces.

**MR. SHERMAN:** Mr. Chairman, we are aware of the subject raised by the Honourable Member for Elmwood, and in fact discussions have been held between my office and the Association of Clinical Psychologists. There are no plans at present to include that service as an insured service under Medicare and through the Health Services Commission, but we are examining it to measure the kind of utilization of that kind of service to which the member refers. He will appreciate that there is a good deal of pressure on the Department and on the Government, from time to time, from a number of professional and related professional areas in the medical field, for inclusion under Medicare, and in large part it is a matter of justifying that inclusion in the expenditures of the Province and it has to be approached very very carefully and conscientiously. There has been no decision on that but it certainly has been under discussion.

**MR. DOERN:** Could the Minister provide any statistics on the number of psychiatrists in Manitoba, and secondly, could he comment on whether or not he feels there is a dire shortage of psychiatrists?

**MR. SHERMAN:** Well Mr. Chairman, I can certainly have that information for the Honourable Member when we are dealing with the Manitoba Health Services Commission. I think the total number of psychiatrists in the province is 80, approximately 80, in fact that may be actually a precise figure, it is very close. Well there are difficulties in obtaining psychiatrists for certain parts of the province, we have recently succeeded in hiring a psychiatrist, Dr. Wiseman, to serve northern communities, including Thompson, Lynn Lake, Flin Flon, and other points in the north, at what we consider to be a very reasonable financial arrangement. It will make a great deal of difference in terms of the reduction of referrals to Winnipeg; it will make a great deal of difference in terms of reducing and controlling expenditures that naturally develop when you don't have that kind of service in place in the north. It is not easy to recruit psychiatrists to some parts of the province but generally speaking certainly in the Winnipeg area, we are reasonably well served by the total of psychiatrists that we have but it's an area of medicine that has to be continually reinforced. It is a highly specialized discipline and it's not easy to recruit psychiatrists.

**MR. DOERN:** Mr. Chairman, just to conclude, I would simply say to the Minister that first of all I assume that in terms of cost to the health system, that it is less expensive to hire a psychologist than a psychiatrist, that the salaries are not comparable, that they are considerably less. Secondly, that there are a lot more graduate psychologists available than graduate psychiatrists, that the universities are turning out hundreds of M.A.s and people, I suppose, with B.A.s majoring in psychology, etc., but when you come to the absolute increase in the number of psychiatrists in Manitoba, I suppose you would be lucky if you got three or four per year. I'm saying, given that fact, the greater availability of psychologists, the fact that they are less expensive, the fact that in the judgment of many people they do as good a job as a psychiatrist or can handle areas that psychiatrists can't, I would encourage the Minister to give some thought to accepting them in the health program.

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

**MR. CHERNIACK:** Mr. Chairman, along the same lines, I would like to know whether the Minister has explored the extent to which the psychiatric profession is prepared to work with a group of psychologists, clinical and otherwise?

**MR. SHERMAN:** It is my understanding that that kind of thing has been explored and is explored on an ongoing basis. The two disciplines are not interchangeable though by any means, Mr. Chairman. One is a medical discipline, a purely medical discipline, the other is not. They are capable and competent to do different things, to perform different services and different refinements of services. So it is not a simple matter of interchanging them and replacing psychiatrists with psychologists. There is discussion and dialogue between the two groups but I think when one measures the differences in training and the different requirements and qualifications, it is not hard to understand why the psychiatrists would be very careful about accepting the psychologist on an equal professional footing.

**MR. CHERNIACK:** Mr. Chairman, I don't know who here, or who anywhere, suggests that the psychologists and the psychiatrists are interchangeable. I don't know who has said that, except the Minister who rejected that concept. The fact is that they deal with similar situations, with similar problems. The fact is that they should be able, each with their own qualifications, to assist each other in dealing with the overall mental health problems that are assumed by this government as part of its responsibility. And they could complement each other very well if they were willing so to do. The fact is that professions, and my own profession is one of them, are so jealous of their control of the delivery of the services that they have to offer that they are very loathe, very reluctant and very slow to accept assistance from others. We were talking about that just the other day and I think that it is the obligation of government to work a little more closely with the professions that supply services to the people, to make sure that we are getting the best type of service in the most efficient and reasonable — from the standpoint of cost — manner. Therefore, I believe that it is important, not to institute, but to assist and almost insist that discussions take place that would tend to make greater use of the various skills that are available for providing the service.

I don't know that the NDP government did enough in that respect. I suspect that a Minister who believes in traditional ways is less likely to do that than others would, or than the previous government might have. When we became involved in discussing dental nurses as compared with dentists, when we became involved in discussing community health centres as compared with medical practitioners, this Minister showed, to my way of thinking, a hidebound, rigid approach in support of old line professional attitudes. I would like to have him reject, if he can, my statement of opinion as to his attitude, or confirm it, because I think it is rather important that we don't just sit back and wait, that we don't wait for the psychologists to keep knocking on the door of the health professions in order to have psychiatric recognition of their services. You know, we go through this time and again. We find chiropractors are fighting the medical profession. We found optometrists fighting the medical profession of the ophthalmologists. We find dental nurses who offer a service, fighting the dentists. And as the Member for Seven Oaks said just the other day, the question of notaries who are able to do certain legal work are being blocked by the legal profession. And he talked about architects and draftsmen.

There seems to be the need of, may I say the senior or let me say the more highly skilled professions to want to control the whole delivery of service and I wouldn't mind so much that they have a great say in it, because they are usually the most highly skilled, but they want to control the economics of it. The Member for Elmwood referred to the fact that the use of psychologists, that psychologists earn less than psychiatrists and therefore it may be cheaper. On the other hand, you sometimes wonder, as we did when we recognized dental mechanics as being entitled to work directly with patients, against the urging of the dental profession, that it was thought that if you give them that kind of status, then their incomes would rise because they would be able to demand more. Well, there's nothing wrong with that. I have never objected to professionals, doctors of otherwise, earning good incomes and if someone else can step in and assist them, then by all means, let them earn better incomes too.

But I would like to urge on the Minister, an attitude of attempting to get these members of various professions that serve the same public in similar ways to work more closely together. I said earlier that I think this Minister carries too heavy a burden to be able to do all the things which I would like to see him do, and let me say, Mr. Chairman, that I said that two years ago, four years ago, six years ago, eight years ago and twelve years ago, that a Minister of Health, especially when he has Corrections and other add-ons to his portfolio, is overburdened. I think so and I think that there should be a — and that is why we instituted in the former government the Committee on Health, Education and Social Planning, in order to assist the Ministers who were so heavily burdened, with a central co-ordinating committee. I gather now from this Minister that they are doing something along that line here. It is necessary for the leader of the government, in the specific area of health, to attempt to make greater use of paraprofessionals in order to be

able to reduce costs. Mr. Chairman, that's what we were talking about earlier during the Question Period. Provincial governments ask for greater flexibility. Provincial governments felt that there was too much rigidity in the federal guidelines about the cost contribution by the Federal Government, and that's exactly what it was about. As I say, the Conservatives brought in chiropractors as being entitled to share on a fee-for-service basis under the Medicare system. The Federal Government didn't recognize them. Then I don't remember whether it was the Conservatives or the New Democrats who brought in optometrists — I think it was the New Democratic government — that enabled optometrists to do that. But that was in spite of the objections of the leading group, the ophthalmologists as compared to the optometrists, the medical profession as compared to the chiropractors.

Now, when the Member for Elmwood raises the question of psychologists working with the psychiatrists, he did not mean, and that was clear to me, that they were interchangeable or should be interchanged. It was clear to me when he asked the question that they should be able to work together. The Minister, to my mind, gave the answer which was too much a recognition of the old way of things, the traditional way of things, and the acceptance of that and said, well, we know that they are talking to each other. I think that the Minister should make sure that they are really meeting, talking in a positive way in an effort to define, delineate the parameters within which they work — I now use a word which the Minister defined for me the other day very clearly — so that they would know those areas in which they can work together, those areas where they could work independently of each other, and those areas where maybe they won't agree.

But I would like to see some leadership shown by government and by the Minister. I would like him to show a positive attitude, to say, yes, because it is he and it is his First Minister who have been talking about costs, who have been talking about the need to cut costs, about justifying the block funding and the use of block funds in order to be able to be more efficient, to reduce costs — they have been doing that talking all along. Since there is that argument that I heard part of this morning between him and the Federal Minister of Health who did a pretty good job, I thought, on her part although this Minister tried to uphold his position, the message I got was that the Federal Government had gone a long way towards making it possible for the Provincial Government to create that kind of flexibility that was required, to bring about that efficiency that provinces wanted to do and to be able to so direct the expenditure of funds be they provincial or federal, or the mix as it becomes blended together, to bring out the greater greatest service at the most efficient and least cost.

Therefore, I would like to urge on the Minister a positive attitude to bringing together the various deliverers of the service, paramedicals, medicals, specialists, psychiatrists, psychologists, psychiatric nurses, to work together to attempt to break the bond which I think exists now, the control by the senior profession in this case.

I would like to hear the Minister say that not only it's happening, but I am trying to make it happen. I would like him to say, and let me at this moment say that his associate Deputy Minister, Dr. George Johnson, who has not only a great deal of experience in the field of government involvement in health care but also has a heart and an attitude that is really helpful. I think he has as open a mind as a member of the senior profession can have, which means that he must have certain biases in favour of the medical profession as compared to others, nevertheless, and I hope he will have occasions to read the words which I am now saying, I have a great deal of respect for his integrity and for his positive desire to accomplish that which is going to create a better health delivery in Manitoba, and at the most efficient and greatest cost.

So I'd like to ask the Minister, who I know is too busy to get involved in all these various things, whether or not he is making full use of somebody like George Johnson and making sure he is bringing these people together, rather than waiting for them to meet, and that he is pointing out to them the needs that they work together and reporting back to say, "Yes, progress is being made."

Because, Mr. Chairman, if progress is not made, then there comes a time when government must direct that progress shall be made, and the government, in the health professions especially, has control of the method in which moneys shall flow and government can see to it that no group, no vested interest group, shall have too great a power in the decision-making Councils that do that.

Now, the other day, only yesterday, the First Minister made some remarks which I inferred were sceptical about the vested interests of the Social Welfare people, who delivered a Task Force Report to the Minister, as if there is something wrong with a vested interest. I believe that one recognizes when there is a vested interest and deals with them fairly and objectively, taking into account the vested interests they have, there is nothing inherently wrong with having a vested interest, but it is up to government to make sure that that is not an overriding power.

Therefore, Mr. Chairman, I became carried away somewhat but I feel justified in that because

I felt that the Minister, from previous statements made by him in relation to the dental nurses, statements made by him in regard to the traditional delivery of health services, that he does not have that inner drive to see to it that we make the greatest use of all the people who are trained to deliver health care at different levels of qualification. And therefore he should not think in terms of a struggle, of a quarrel, of a tugging in different directions, of an interchange of services offered by psychiatrists and psychologists but rather of a unity of purpose and an attempt to make them work together, and that's a real difference. —(Interjection)— Yes, the Member for Kildonan uses the expression "a team effort", which is what it always should be, and I'd like to feel that this Minister is promoting that kind of an attitude in an active way with all the weight of the influence which he must have because of the position he's in, rather than sitting back and watching things happen, which is what I fear is happening now by this Minister and I think it is in accord with the direction of this government. And if I'm right, then that would be unfortunate. I hope I'm wrong and I hope the Minister will get up and say that I'm wrong and that he is playing an active role in trying to bring together people who can work together rather than think in terms of one or the other, or the conflict of whether or not they are interchangeable, or use one against the other. That I think is the wrong attitude.

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

**MR. DESJARDINS:** Mr. Chairman, I couldn't agree more with the Member for St. Johns. Therefore, I don't intend to just stand up and repeat what has been said so well, but I'd like to add two points. I'd like to add a point that I feel that even if the Minister doesn't really believe in this theory as much as my honourable friend from St. Johns, I wonder if, in this case, he at least would make an exception because of necessity. The Minister said that psychiatrists are very hard to recruit, and he's right. I found it so, and I don't think there is any change that made it any easier for my honourable friend. So that's the number one point.

Number two is that most of them or many of them would much prefer work in a very comfortable private practice in this area, which is fine, but that again makes it more difficult because not too many want to join any government program. It is much more difficult to recruit. Well, it comes to the same thing in the recruiting and I feel that because of necessity then, Mr. Chairman — and I'm not one that feels that in every case the psychiatrist can do a better job. You know, I think his training is longer and it might be a senior profession but in certain areas I think that some of the psychologists have a certain knack, a certain gift, and they could do very well. But the point is that we have no choice. It's nothing or better co-operation and better work between the two professions, Mr. Chairman. So in this case because of the situation I think that the Minister, who might not be ready to accept everything that was said by the Honourable Member for St. Johns, should move in this direction, at least under this appropriation.

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

**MR. SHERMAN:** Mr. Chairman, I want to assure the Opposition that efforts are continually being made in this respect, that there is continuing and ongoing liaison between the groups discussed here and my office. There is continuing and ongoing co-operation. There are many tangible examples of our use of psychologists in the general psychiatric field. There is, for example, the position of Assistant Director of the Department of Psychiatry at the University of Manitoba, which is filled by a psychologist. There is an appropriation we're looking at at the present time, 15 positions, four of whom are psychologists. We do, in our mental retardation field throughout most of our programming, deliver it by means of nurses and behavioural psychologists. In fact, in mental retardation programming there is only one psychiatrist.

There are continuing discussions of that nature that go on between my office and different medical disciplines. I can only say that in terms of trying to get the co-operation of the medical field and the health field generally, within itself and in relation to government, there have been very, very concerted strenuous round-the-clock efforts initiated and maintained by this government and I think that the medical professions and professionals will attest to that fact, that we have, as our primary thrust and our primary initiative, re-established the lines of communication, discussion and open and frank exchange of opinion between professional groups in the health field and between those groups and government.

Now, if the Member for St. Johns is calling for some kind of heavy-handed approach, then that's another thing, because I am not interested —(Interjection)— No, I'm putting a hypothetical question. If he is calling for some kind of heavy-handed touch, then that's another thing. We're not going to resort to that, at least unless it's absolutely necessary.

The best method of producing this kind of result is through co-operation and mutual candor

between the groups. That is fostered by my office and it is continuing on an ongoing basis. And, as I say, there is tangible evidence of that in the statistics that I just referred to.

But with respect to the reference to interchange, I must say that I inferred perhaps incorrectly from the remarks of the Honourable Member for Elmwood that he felt that psychologists could replace psychiatrists in many of these areas. I think it's a perfectly legitimate counter-argument to suggest to him that in most cases those positions and those disciplines are not interchangeable. Where psychologists can be used they are being used. We are working to create a greater acceptance of one discipline by the other, and those efforts will continue.

**MR. CHAIRMAN:** (1)—pass — the Honourable Member for St. Johns.

**MR. CHERNIACK:** Mr. Chairman, I want to tell the Honourable Minister that if he would reflect, his Estimates have been before us for quite a period of time, if he will reflect how often he has said we are looking into it and how often he has said, well, that's something we haven't yet decided but we are considering it, and how often he has said, my office, between my office, that I have to look to see how much his office has expanded from what it was to take into account all these things that are being done as between his office and all these various groups with which there is an ongoing 24-hour . . .

Mr. Chairman, I want to point out to the Minister that he has earned his living over many years from the use of the language and manner of expression, and is very good at it, and when he uses an expression like "24 hours", and "They will attest to the fact that this is so", I just assume that it's not true, you know. His office is not working — "round-the-clock" was the expression he used, 24 hours a day, three shifts, working with these organizations. I don't accept that and I consider that an exaggeration.

So, Mr. Chairman, I'd like to know who is it that is working so hard, and let's confine it to this specific discussion about working with various professional bodies, not in a heavy-handed way but in a negotiable way in order to accomplish some purpose. Who are these dedicated round-the-clock workers in his office who are doing this? Is he prepared to inform us as to that?

**MR. SHERMAN:** Mr. Chairman, I am not going to defend the efforts, round-the-clock efforts that I'm talking about, seven days a week; I'm talking about Saturdays and Sundays; I'm talking about round-the-clock in the sense of morning, afternoon and evening. If the Member for St. Johns wants to check the workload of my Deputy Minister and my Associate Deputy Minister and myself, the Special Assistant in my office and one or two other senior administrative people like my ADMs, he is welcome to come up and check it.

I stand by my remarks. Round-the-clock to me means precisely that: It means morning, afternoon and evening and it means a full week. And a full week in our office includes Saturdays and very often Sundays. If he wants to know who they are, they are my Deputy Minister, Mr. Ron Johnstone, Mr. Associate Deputy Minister, Dr. George Johnson, the Chairman of the Health Services Commission, Mr. Gordon Pollock, myself, Assistant Deputy Ministers and Division Directors of the kind who have been here during my Estimates process. I don't think that I need to embarrass everybody by identifying them by name. I am not impressed by the snide criticisms of the Member for St. Johns one bit. We are working and my staff is working very hard. There are continual consultations with medical groups on questions of this nature, through the Commission Chairman, through Dr. Johnson and through my Deputy — continual.

The Honourable Member for St. Johns doesn't want to accept that fact, so there is no point in debating it, or there is no point in my attempting to explain it to him. I would just like you to know, Mr. Chairman, that I stand by my reference to those efforts.

**MR. CHERNIACK:** Mr. Chairman, I do appreciate the fact that the Minister did indeed answer my question, even though he said he wasn't going to, and did debate the issue although he said he didn't want to or wasn't intending to.

Mr. Chairman, I made some remarks about the Minister, not about the people who are working, of whom I know several and respect them highly, but I want to tell this Minister that I was rising to his support when I said that he was carrying too heavy a load, and that I believe his predecessors were.

I want to tell this Minister that Duff Roblin once told me that his best Ministers were those who had nothing on their desks but their feet, because they were considering policy, contemplating positions of government, and determining what the next step was to progress.

Now, I want to say one other thing, Mr. Chairman. I don't believe that people should work morning, afternoon and evening and seven days a week, the way he describes they are working. They are all competent people. The ones I know are competent and the ones I don't know I assume are

competent. But I think that it is an impossible load to put on anyone and I am taking it seriously. He said I made snide remarks. I will not backtrack and say I will accept what he says without equivocation, and on that basis I'm critical of his overworking people. I know there are occasions, and I have been a Minister in government, and I have had occasion when people in my department worked over a weekend, or worked morning, afternoon and evening, but not in the continuous way that he is implying is going on in his office. If that is the case, they cannot produce well, they cannot produce on a consistently high level, and it is an abuse and it is an exploitation to expect it of them. Deputy Ministers, people who work at the top level do work very hard. Of course they do. But the way he describes it, they're overworking and that is not, to my way of thinking in that way, the most efficient way to accomplish a long-range objective, and that's what we're talking about.

Now, I also did not talk about a heavy hand but, Mr. Chairman, I pointed out to him what he should know. He's been around long enough to know that in the end you have to bring two people together, or two bodies together, and say, "Something has to be settled between you, not by one against the other, but between you in a cooperative manner, and I think he is in the position more than anybody else I can think of — honestly, I mean that — I think the Minister of Health is in a better position than anyone else is to see to it that people meet together on an equal basis and discuss things in a cooperative way when they don't want to do so.

I'll give you another example of Duff Roblin, who was the Minister's Leader for some period of time and —(Interjection)— Oh yes, well, all right, if he wasn't —(Interjection)— no, all right, I should have said that but I think that Duff Roblin has been respected by many, and he was a Leader in this House and of the Conservative Party and I thought the Honourable Minister was —(Interjection)— well, now, I am reminded. Let's not debate. That's not important.

**MR. SHERMAN:** I was federal then, but he was my leader in spirit.

**MR. CHERNIACK:** Mr. Chairman, it's really not important at the moment. I don't want to be distracted from referring to Duff Roblin, who made mistakes and we're paying for some of his mistakes, but who also showed a great deal of leadership and the progressive nature of the Conservative Party showed up under his leadership and was lost the minute Duff Roblin left this House.

Nevertheless, I want to come back to Duff Roblin, on one occasion which I will never forget because I learned a great deal from it. We were sitting in the Committee room on Law Amendments Committee when there was the repeating of the age old and ninety year old quarrel between the CPR and the City of Winnipeg as to taxation, when Roblin said, "In spite of agreements, in spite of tradition, in spite of the law, I want you two to know that we're dropping that discussion today, but if you don't come back a year from now with some form of an agreement, then I will see to it that government will be responsible enough to take the problem in hand and make the decision for you." And I think that was a valid thing to do and that is what I think is leadership indeed, and I'm not saying a heavy hand, but I am saying the Minister of Health has in his power the greatest opportunity of all people, to bring together bodies and make them work together. And, you know, I'm not departing from the psychologist/psychiatrist and the fact that I don't think that we got a clear description of the present status as between the two as they might be working in this Psychiatric Services Division for this government in order to achieve the greatest service, greatest delivery at the most efficient and lowest cost.

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

**MR. DOERN:** Mr. Chairman, just a few more remarks. I would simply say that I couldn't agree more, and I've said it many times, that the Minister has too heavy a burden. I simply make that statement again. No man can properly handle all the duties and responsibilities that he has. I don't care how talented you are and I don't care how hard you work, it cannot be done. It's too much for one person. Mr. Chairman, I mean, as I said to my Honourable Friend for St. Boniface, look what it did to him.

Mr. Chairman, we were talking about the complementary relationships between the psychiatry profession and the psychologists, and I say that it is my impression that either tradition itself and inertia, as a result of that, is blocking psychologists from doing a better job, taking a more active role in the whole Health System. It's either that, or it is active blocking by the psychiatric profession. It must be, I believe, one of those two alternatives. There is obviously a great and significant role that psychologists could play in society, especially in terms of professional counselling, which is probably one of the fastest growing fields, certainly in the United States, followed closely by Canada.

One of the problems, of course, is that psychiatrists themselves are best capable of handling certain types of problems. I suppose there are certain areas that they can handle best, based on the fact that they are first of all MDs, and secondly, have a particular type of training, and so you get on one extreme caseloads that can only be handled by psychiatrists, but unfortunately, on the other end of the scale you get some psychiatrists with considerable training, spending a great deal of their time dealing with people who have nothing better to do than to go to psychiatrists. There are people who have practices, whole practices, largely devoted or solely devoted to society people who want to have somebody to deal with on an ongoing basis.

I'm reminded of a program I saw one time interviewing a well-known Hollywood actress, and another article that I read on another well-known Hollywood actress. In one case this woman had two husbands and seven years of analysis. In the other case this woman had had three husbands and ten or twelve years of analysis. And one of the problems in the field, as I understand it, and I've read articles about this, is that some psychiatrists, with all their training and this great arsenal of weapons that they have that they could bring to bear on real hard core difficult problems in our Mental Institutions and in the Out-Patient Departments and through their private practices, do not devote a sufficient amount of time to people with very serious mental disturbances, and they spend a disproportionate amount of their time with goodlooking, well-dressed people with minor ailments and complaints who have nothing better to do, and have the time to allocate once or twice a week for their trip to see their psychiatrist. I say that I believe that that is a fact, and if the Minister isn't familiar with it, I'm sure his staff can acquaint him with some of that problem; namely, the disproportionate amount of time allocated to lighter problems as opposed to more serious mental disorders.

I appeal to him again that he can, because of his stature and because of his position, break down any barriers that exist, and any blockages that exist between the two professions in terms of either tradition or in terms of jealous rivalries or petty rivalries, and I say that if he were to take this step alone, of including psychologists under Medicare, that a lot of those barriers would disappear, and then you would still have psychiatrists doing their Work, but you would free up psychologists to move into the field, not in the sense of competing but in the sense of overlapping and expanding the number of professionals in the field, because I say that they complement one another and can complement one another.

So now you have the old system of the psychiatrist, 80 psychiatrists, hundreds of psychologists, and the psychologists are really kind of dragging up the rear end because they are unable to break into the Medicare System and unable to use the talent that they have.

**MR. SHERMAN:** Mr. Chairman, I don't reject the proposal of the Honourable Member for Elmwood at all. I think there's a great deal in what he's saying and I just want to go back to my initial response and reassure him that we are considering this inclusion. It was not possible to do it this year. There were one or two other insured services we wanted to bring in, for example, in the field of Breast Cancer, and we only had so much that we could do, but I have not rejected that idea. We are discussing it with the clinical psychologists, and I'm continuing to think about it and I will take his proposal into account.

While I'm on my feet, Mr. Chairman, could I just ask whether we could make a break in the routine in the Estimates process at the moment to accommodate the Honourable, the Leader of the Opposition. I know that he can't be here this afternoon, and I had promised him that, in a discussion outside in the hall some days ago, that an issue that he's very concerned with would be addressed by me when we got to Institutional Mental Health Services. That's the next item and since we're getting close to the 12:30 closing hour, I wanted to just ask you whether we could accommodate the Leader of the Opposition.

**MR. CHAIRMAN:** It appears that we're just about ready to pass this item anyway.

**MR. DESJARDINS:** Let's pass the . . . —(Interjection)— No? The Salaries? —(Interjection)— Yes. Salaries. Yes, let's pass that so we can go back, but we have questions on two other expenditures.

**MR. CHAIRMAN:** On the other expenditures? . By leave we'll pass Salaries. (1)Salaries—pass.

**MR. DESJARDINS:** No, no. You don't pass Salaries by leave. You don't need leave to pass Salaries.

**MR. CHAIRMAN:** We'll leave item (2) until this afternoon.

**MR. DESJARDINS:** Yes, by leave.

**MR. CHAIRMAN:** (c)Institutional Mental Health Services: (1)Salaries— pass — the Honourable Leader of the Opposition.\$

**MR. PAWLEY:** Mr. Chairman, I believe the Honourable Minister does have information for me so I will await his report.

**MR. SHERMAN:** Mr. Chairman, the specific subject has to do with the situation involving a number of cooks at the Mental Health Centre and that question had been raised by the Honourable, the Leader of the Opposition. I know there's one specific case that he has written me about, and that I have a response in the mail to him, but I want to deal with the general subject which involves some 11 cooks at the Selkirk Mental Health Centre in all, out of — I think it's a staff total in that category of something between 30 and 35.

The past few months have seen the development of a saary and compensation difficulty there, Mr. Chairman, because of some cooks in Cook 2 categories who felt that they were actually functioning as Cook 3s, and some in the Cook 3 category who felt that they were actually functioning for a certain period of time as Cook 4s. They were only being paid at their prescribed levels and so, following consultation and consideration of their cases, it was agreed that they had actually functioned in those higher positions and they should have been paid according to those higher classifications.

The calculation on the higher classification rate was then made in each of those cases, and it involved three Cook 2s and two Cook 3s. They were paid for a certain amount of days that they functioned at that higher level and they were paid at that higher classification in a lump sum cheque. In most cases that cheque was — well, in all cases that cheque was between \$2,400 and \$2,660. They ranged from \$2,484.25 to \$2,660.26, a not inconsiderable sum, but Mr. Chairman, regrettably there was a mistake made in the calculations at the time that they were paid and what they should have been paid for was the difference between the category they were in and the classification that they were acknowledged to have been operating in, times the number of days. Instead of that, they were paid the higher classification times the number of days. In other words, they were overpaid because they were paid at the higher classification just as if they had never been paid at the lower classification when in fact they had been. So now we are faced with recovery amounts for all those five cooks ranging from a low of \$2,426.81, to a high — no, excuse me, Sir, from a low of \$2,336.78 to a high of \$2,426.81. In other words, when they were paid these amounts of about \$2,400, they should in fact have been paid in three cases something between \$57.00 and \$65.00, and in two cases, something between \$250.00 and \$323.00. So there is that unfortunate and regrettable overpayment with a recovery amount now on the books against these five cooks.

Now, to complicate the situation further, there were five other cooks who had also been functioning for a certain period of time in effect at a higher classification than the one in which they actually were placed. The calculations to compensate them for that additional workload have been worked out accurately and of course the amounts of money are small because they have been worked out accurately. They are only the difference between the two classifications and naturally those cooks are concerned as to why five other cooks should have got cheques for approximately \$2,400 and they are qualifying for something that really ranges around the \$40.00 to \$45.00 mark. That is a dispute that we are trying to resolve. It is being dealt with in my office, in fact in the Administrative Services Divisions, formerly the Resources Division, and this particular division of my department at the present time. The ultimate solution may well have to be between the Civil Service Commission and the Manitoba Government Employees Association.

That is the explanation and the background of the situation that the Honourable the Leader of the Opposition is concerned about. There certainly is a discrepancy in the amounts that the latter five cooks are qualifying for as compared to the amounts the former five got, but it is because there was a very regrettable miscalculation made on the first five.

**MR. PAWLEY:** Could I ask the Minister then if he is in fact indicating that the entire issue of the classification of the cooks at the Selkirk Institute for Mental Diseases is being reviewed in that there apparently has been some miscalculation and incorrect conclusions that had earlier been arrived at and that really we are back to square one? Would that be an accurate statement?

**MR. SHERMAN:** That is correct, Mr. Chairman. In fact, we are now reviewing everyone of the cook situations, the whole 30 or 35 cooks at . the Centre. Some of them, as a matter of fact, have retired and left but even their cases are all being reviewed. We are right back to square one on them.

**MR. PAWLEY:** I'm glad to hear the Minister deal with retired personnel because that was my question. The letter which I had forwarded to him was from one who had just recently retired and was aware that there was a payment of some back pay in some instances and wondered if that was the case, whether it would be applicable to those who had retired, who had apparently been working under an incorrect classification during the last number of years. I gather that those cases are under review as well.

I don't want to then get into the specifics as the Minister has indicated that he is reviewing it. I appreciate very much the Minister's interest.

I want to simply deal with the broader concern, that during the period when we were in government, this had started and twice during that period of government — I think this issue started back in 1976 — there was a conclusion that was arrived at. It was based totally then on sound rationale and it was referred back for further examination. In October, 1977, the last that I knew was that it was then under review completely over again because of the earlier difficulties that had been confronted. Then when the cheques were forwarded out to the five cooks, they were, I thought, very honest and correct because they said very openly, we don't know on what basis we received additional pay while others didn't receive the additional pay. So that there was throughout and continues to be, I believe, a serious morale problem in which the cooks are understandably not happy after all the delay. I'm not trying to point fingers at anyone except that all this has created problems which are not really conducive to a good work situation.

I would hope that some way or other, and what I question is that so many of our problems seem to always relate to a lack of communication. Here we had a situation where five cooks received cheques of \$2,400 and \$2,800 and various sums in the mail, just indicating that because a conclusion had been arrived at, that they had been during the past two or three years doing particular assignments for which they had not been paid for, with no explanation as to what those additional assignments had been, that separated them from the other cooks in the institution. We had the very unfortunate situation where those cooks who had received the cheques felt uncomfortable because their fellow cooks said, well, what additional assignments did you exercise that we were not also exercising? So that sort of situation, as the Minister I'm sure would no doubt concur with me, aggravates a situation seriously. Now, I am very concerned to hear the Minister's last report that those who received cheques may now be asked to refund a major part of those cheques and that is going to create further problems. At some point, I would like to have the opportunity, and I don't think this maybe is the occasion, but to sit down if I could with the Minister because both he and I are going to have to explain very clearly how these situations have been arrived at because if demands are now made for those who have always received moneys, that they refund the bulk of the moneys that they have received, by the help of providence, there better be some very clear and logical reasons presented to the people involved. Although they had received the cheques, it was their view that the other cooks should also have received moneys at the same time. Now, to withdraw moneys from some who have already received it isn't going to help the situation one bit. It may very well worsen the problem.

There are cooks at the hospital who have been working for 12 and 13 years, still in the lowest classification and I think quite understandably do not know why there has been no recognition of the fact that they provided certain services. They have served long years and yet there seems to be inability really for the classification process to some way or other arrive at a satisfactory conclusion. The MGEA has pointed to Brandon. The claim by MGEA is that in Brandon there is a much higher proportion of the cooks that are in higher classifications than there are in the Selkirk Institution and therefore the MGEA quite understandably is enquiring, why is that? Why are the Brandon cooks on a different footing, for instance, than the Selkirk cooks?

So we have all these conflicts that are involved and I personally, as a Member of the Legislature and as Leader of the Opposition, have been very much involved in trying to assist the cooks to arrive at a satisfactory conclusion with government, not only during this government but prior to the change in government. It is been really a very long, frustrating process for all.

I wonder if the Minister could indicate as to what time span he now sees this taking, because they are just getting really more and more discouraged by the inability for decisions to be arrived at, to be explained to them, to be communicated to them. How long does he foresee this situation still continuing?

**MR. SHERMAN:** Mr. Chairman, first let me reassure the Honourable the Leader of the Opposition on the point about a review of all the cooks, including those who have retired, including one in fact who is deceased, with respect to that estate. The whole category is being reviewed.

Secondly, I concur in what he has to say about the frustration and the misfortune that has developed for those particular personnel and for all concerned because of that unfortunate

Thirdly, with respect to where we go from here, meetings are currently under way between representations of the MGEA on behalf of the cooks, and Personnel Management Services from my department and the Administrative Services Division of my department. I want to assure the Honourable the Leader of the Opposition that there has been no decision on the question of repayment. That is something that will have to be worked through as fairly and as conscientiously as possible and ultimately I would assume, negotiated between the union, the MGEA, and the Civil Service Commission. At this point in time, there has been no such decision made. I can't tell him what the target date is for a solution. It's as soon as possible, but it is a thorny and a difficult question because obviously the amount of overpayment represents a significant bonus in the form that it presently exists to five particular individuals and there is a whole category of cooks involved. So it becomes as much a moral question as an accounting question and it may well have to be negotiated between the MGEA and the Civil Service Commission. What the outcome of those negotiations might be, I should not dare to predict, Mr. Chairman. I think anything I said on that would possibly be injurious to those eventual discussions. But certainly every effort will be made to resolve it as quickly as possible and to end this long period of frustration and anxiety for the personnel involved.

**MR. PAWLEY:** Can the Minister advise me whether or not this question of overpayment, which I had only just heard of this morning, has been taken up with the MGEA or with the cooks themselves directly? Or, in fact, what the Minister is indicating this morning, is that the first indication of the overpayment because I don't believe the cook are yet aware of this issue of them having been overpaid?

**MR. SHERMAN:** I think the answer to that question is no, Mr. Chairman. I don't think that the MGEA has been made aware of this, as yet. That will be the substance of the next immediate discussions between personnel management services of my department and the MGEA.

**MR. PAWLEY:** Well, Mr. Chairman, all that I'm hopeful for is that — and I am troubled by the fact that there has been the miscalculation alleged and I believe that there will be a great deal of concern expressed as to whether or not the sufficient effort has been made to fully and completely satisfy oneself that the necessary reclassifications have been made. I would think that if those reclassifications are studiously examined that in fact it may be very well that many adjustments ought to be made, because certainly I had the impression from discussions with the cooks and with MGEA representatives, dating back some time, that there is a need for a complete re-examination and reclassification of many of the cooks there, not just a minority but I believe a large portion of the cooks themselves.

I just simply want to conclude, if the Minister is indicating to me that this is now going back to the MGEA for negotiations, then there is really not much I ought to do, I believe, at this stage, but to await what he proposes to the collective bargaining unit.

My concern, principally, is the fact that all this is generating, I think, a very serious morale problem within the work force. It is not good for anyone for that to persist. And from what the Minister has indicated this morning, rather than going to improve the situation, it could even make it more difficult.

**MR. SHERMAN:** Well, Mr. Chairman, the reason why the MGEA is probably not aware of this situation at this moment is because it has only just come to light as a consequence of the second group of five cooks having their cases reviewed and being deemed eligible for the additional amount. And of course the additional amounts were calculated properly and were in such contrast to the earlier ones that that brought to light the accounting oversight that had been made on the earlier ones. But that information — and I am conveying this to the Honourable the Leader of the Opposition virtually as soon as I have received it. I told him that I was looking into it. That certainly will be communicated to the MGEA and the Civil Service Commission will also be involved, and there will have to be some pretty soul-searching discussions take place as to what the next step is.

I don't know that the Honourable the Leader of the Opposition can do much more at this juncture. I think the case now has to go to the MGEA and the Civil Service Commission.

The original problem arose, from a morale point of view, when the original cheques in such sizeable amounts were paid to five cooks and naturally their colleagues — it's only human nature — would wonder why someone was eligible for \$2,400 or \$2,500 and they weren't. So the morale problem started right there. It's the morale problem that we've been looking into and now this accounting error has come to light.

So all I can do, and I'm trying to bring the Leader of the Opposition fully up to date with the situation as it has been defined for me within the last 48 hours, and I think at this juncture all

we can do is initiate immediate discussions between the MGEA and the Civil Service Commission and make sure that everyone takes into account the moral questions as well as the accounting question.

**MR. PAWLEY:** Mr. Chairman, I want to just mention — and I was hopeful I could have gotten ahold of the one of the original letters to one of the cooks, and I don't seem to be able to get ahold of it — but I recall reading the letter and I would like to just make two points.

One is that the impression given in the letter to the cooks when they received their lump sum cheque payment was that the MGEA had agreed with the government that this was a suitable arrangement, and that in fact, I gather, was untrue and I think it's very unfortunate if those that are receiving the moneys are given that type of impression when in fact the payment of the moneys earlier certainly did not have the blessings of the MGEA, from the information that I have received. And the Minister can obtain a copy of the original letters to the cooks, but I think when he reads that letter he will see what I am referring to. That, right off the bat, made it look rather strange and peculiar to the cooks receiving the letter, to know that MGEA had not given its blessing.

The second item I wanted to mention — and I suppose we all learn through experience and I don't want to, therefore, over-dramatize this situation — but simply to say to the Minister that if there was some way of developing better communication — and I guess we all suffer from this — that before the moneys were paid out, before the letters had been sent out, if some way or other there could have been better communication, you know those cooks would have indicated right off the bat there is something strange, something oddball here, that five are receiving all this extra money and the others are not. We believe that there ought to be reclassification. We believe that we're doing jobs that we're not being paid for but we don't understand why five are being set off away over in a corner and being paid extra and the others are not. And even the five disliked being placed into that type of situation. They felt very much on the spot, that they were being dealt with separate from a total reclassification of the entire body of cooks at the hospital.

So sometimes I feel that we tend to get, some way or other, lost in the process of middlemen that are doing the dealings, failure to communicate and to understand, because it wasn't very long after I had a meeting with them, as my constituents, that they all indicated to me that, look, the main issue has not been dealt with here yet. After three years, that's the issue of the reclassification review. Some way or other somebody jumped to the conclusion that five have done work that the rest of us haven't done and they don't even know what particular assignments differ them from the rest of the cooks.

So I want to emphasize to the Minister that it's a problem of communication and I do believe that if he is to avoid this type of situation occurring elsewhere within the department he will have to emphasize improved communication. There is such a problem, it seems to me, in the relating of facts back and forth on this particular case and my impression is that for three years, which takes it right back into my area of government, there have been misunderstandings; there have been difficulties. But I would have hoped that it could have been finalized long before this.

**MR. SHERMAN:** Well, Mr. Chairman, I don't disagree that the widest channels of communication should be maintained at all times but we cannot communicate directly with the cooks on a matter like this. The MGEA representative, the MGEA was representing them in the negotiations and presumably the MGEA did the communicating with the cooks.

Well, the Honourable Leader of the Opposition raised a question about a letter that had gone out. I would have to check on that letter, but I can understand the Civil Service's endorsement; they would have endorsed the procedure but the accounting error was made in the accounting mill and the honourable leader knows it is difficult to retain total control over that.

**MR. CHAIRMAN:** The hour being 12:30, I am now leaving the Chair and will return at 2:30 this afternoon.