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

**DEBATES  
and  
PROCEEDINGS**

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Speaker*



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**LEGISLATIVE ASSEMBLY OF MANITOBA**  
**Tuesday, 17 March, 1981**

Time — 8:00 p.m.

**CONCURRENT COMMITTEES OF SUPPLY**  
**SUPPLY — HEALTH**

**MR. DEPUTY CHAIRMAN, Lloyd G. Hyde (Portage la Prairie):** Committee come to order. We're under Ambulance Program, Northern Patient Transportation.

The Member for Churchill.

**MR. JAY COWAN:** Thank you, Mr. Chairperson. I'm pleased that I have the opportunity, after having listened to the Minister at 4:30, to have calmed down a bit, because I don't think I have to tell you that the response of the Minister at that time was, in my opinion, not only aggravating but it was somewhat antagonistic. When the Minister suggests that it is my responsibility that the program is not working, I can only offer my conclusion that is a total abdication of the Minister's responsibility in respect to this program. (Interjection)— The Minister of Agriculture says he agrees with the Minister, and it's not the first time that they were both wrong, nor is it the first time they were both wrong at the same time.

However, when it comes to this program, I can only suggest to the Minister that if he in fact is not receiving criticisms and concerns about the program, then there is something wrong with the communications system between either the advisory councils and the Minister or the department and the Minister, because the criticisms are widespread and I'm not going to attempt to imagine where the breakdown in communication is, but I do know that if the Minister were, and I challenge him to do this, I ask him to do this if that will result in a more favourable response from him, although both be the case, I challenge him and ask him to set up some mechanism to go out into the field, to go into the communities of Lynn Lake, Leaf Rapids, Gillam, Churchill, Snow Lake, Thompson, Flin Flon, The Pas, and give the individuals in those communities first hand, the opportunity to come forward and to talk about this program with the Minister.

I don't believe that should be considered to be an unrealistic request on my part. And the reason I ask the Minister to do that, is because that is what we as a party did last summer. And we went out to the various communities in the north, a number of them, I think ten in total, and we sat down in meetings and invited anyone in that community to come forward and to discuss what they thought were the problems they were experiencing. As well we asked them to bring forward what they thought might be some good suggestions and good ways in dealing with those problems, and in almost every community, outside of the communities of Split Lake, Norway House and Cross Lake, we ran across concerns and complaints about the way the Northern Patient Transportation Program was working. In Gillam we ran across those complaints, they were mentioned to us that they were concerned because people under the NPTP program were being sent to Thompson by

train instead of to Winnipeg, and they thought they should be going to Winnipeg. Now, that's a judgment call on their part. But they had a very good rationale and what I considered to be justification for that particular request. And the Minister is aware of it, because some persons in that community or representatives of that community had written to the Minister, and indicated that they were concerned about that particular problem. Excuse me, I am going to rephrase that, they had written to NPTP officials and carbon-copied both the Minister and myself; that's the way the mail was routed.

So the Minister should be aware of that, and their rationale is that every individual in Winnipeg has a choice of their doctor. They can choose which doctor they are going to go to just because of the circumstances. If you don't like a particular doctor you go to a different doctor. If you don't like a particular hospital you go into a different hospital. They in fact have that choice.

In the north, as soon as you came under the Northern Patient Transportation Program you no longer had that choice, or that choice was not as freely available to you as it was to others. You may want to go to a specific doctor in Winnipeg because you have built up a trust and confidence with that doctor, because you may have heard good things about that doctor. For any number of reasons you may want to go to a doctor in Winnipeg, and yet you are restricted from going to a doctor in Thompson because of the financial constraints of travelling to Winnipeg on your own, and because the NPTP program won't pay for your trip to Winnipeg.

They also suggested that what happened in many instances was that people would get to shipped to Thompson, they would overnight in Thompson hospital and then they would go down to Winnipeg anyway. So they were suggesting that was a problem as well, and they mentioned other problems in respect to the program in that community, but I wanted to bring forward that perspective which originated out of the community of Gillam. In Lynn Lake an individual came forward and gave us an instance that his wife was in the hospital for a bad back and they referred her to the south and they suggested that she go by bus. They gave her a bus travel warrant. Now, he said that he and she were not going to be satisfied with a 16-hour bus trip for a person with a bad back and they fought for a plane ticket. I am happy to be able to report that they did get a plane ticket in that instance, but they had to fight for it.

I can tell you that there are people who do not want to have to fight for the type of medical care which is coming to them automatically as citizens of this province. To make them fight for that sort of medical care is to in fact disadvantage them because there are people who will not fight, there are people who will not take on the bureaucracy, and I think we should have a medical system that takes into account the fact that there are people who don't want to have to fight for the rights which are due to them normally.

They also in Lynn Lake were concerned that an individual who was coming to Winnipeg on the

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**Tuesday, 17 March, 1981**

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Northern Patient Transportation Program who was required to stay over for further testing which would not necessitate hospitalization was responsible for their own accommodation; that there was no system to pay them back for their hotel bills or their per diems. And if the program was put in place to sort of take away some of the disadvantages of living in the north, then in fact you would expect that it would pay for their accommodation, because an individual living in the City of Winnipeg, if they have to go on a second day for tests, don't have to go to a hotel; that individual goes back to their house. So that is an extra cost on an individual from the north, which I think the program should take into consideration. However, if there is an escort that goes down with the individual, the escort is given overnight reimbursements. They are provided with accommodations or at least reimbursement for their accommodations. So there seems to be a double standard at play there. But that was a complaint that was brought forward in Lynn Lake as well.

In Thompson we spoke to a nurse, whom would have first hand contact with this program and first hand contact with the medical needs of individuals in northern Manitoba. And you know what they said to us, and I'm not only talking about the nurse in this instance, but I'm talking about many other people who came forward. They said before the guidelines were too loose. We agree with that, and that the guidelines needed some reassessment and revision, and they agreed with that as well, and I've said many times when discussing this particular item, that the other program had its problems and in fact did need reassessment. It was our government who undertook that reassessment and it was our government who put in place primarily, this particular program. I've said that in the past too. And I think that if our government were still in power, that in fact this program would be undergoing the type of changes which are necessary.

So they acknowledge that there were problems before, as has everyone, but they said this new system just doesn't work. The decision on whether somebody is going to fly or somebody is going to be based, is sometimes the most incomprehensible arbitrary decision that an individual can run up against. And they said, it depends on who you are, and these are their words, who you are and on what day it is when you walk in, determines in large part which sort of travel warrant you're going to get.

Now that's probably an over-exaggeration, but I'm certain that in fact it does provide some insight to some of the problems there. I'm not saying that's always the case, but I'm saying this is their concern and they said those who complain oftentimes get a better deal. So again we have the problem as you have to go up and fight for your rights, rights which should be due to you automatically, and they as well said, that an individual should be treated by the physician of their choice.

In Snow Lake we heard much the same complaints. In Flin Flon we heard much the same complaints. The fact is that every hearing that we held, was in an industrial community where NPTP was an issue, was in fact a hearing where NPTP and criticisms of that program were discussed and brought forward. So I think when the Minister says that he has received no complaints or very few

complaints in respect to this program, he may in fact be correct from his prospective. But I am providing the Minister with another prospective and I am telling him I received many complaints about these programs, some of which are passed on to the Minister, some of which I tell the individuals to go back to their doctor or go back to their travel warrant representative in their community and try to get a different mode of travel made available to them. Sometimes they're successful, sometimes they're not successful. Sometimes they decide to carry on, sometimes they don't decide to carry on. But what I'm pointing out to you is that in fact the system is not working as well as you would have it to believe, and I ask you to take that on trust. I have no reason to distort the situation, in fact the situation is working well. I would be the happiest person here, if that situation was working well. Number one, it would reduce my workload as a constituency MLA, but number two, it would mean in fact that my constituents and other constituents in the north are getting the type of deal which was intended for them under the original program, and that is not happening.

So I am providing you with that insight. I am relaying information to you, which you have not been appraised of through other means. And what I ask you to do is very simple. I ask you to confirm that information, and I don't ask you to go to the advisory committees to confirm it. I ask you to go to the people to confirm it. And in fact if you set that mechanism up and people do not come forward with their complaints, then I will have to agree with you that perhaps I was getting a small select group of individuals who had a difficult time with the program but overall the program was working well. That may in fact be the topic of discussion at next year's Estimates, in fact the situations are the same, and if in fact you undertake that task. And I am perfectly willing to be put to that test, because I know that I have had enough representations in the back to at least have been able to form an opinion, my own personal opinion, that the program is inadequate in many ways.

Now, the Minister said earlier in his speech that he really wasn't responsible for this particular program. At least that is the impression that I derived from the Minister's remarks. Why did I derive that? Well, the Minister said first, it's the advisory committees at the local level who are developing their own guidelines. So in fact if there is a problem, it's not the Minister's problem, it's a problem that's being created at that level. He also said that he had been not appraised of any major complaints about the system overall.

And then he said finally, that if I've been getting these complaints, I should be taking them to the advisory council and the advisory committees at the local level and not interacting with the Minister at this level. That was the implication. Well, that is a total abdication of any Ministerial responsibility in respect to this program. In fact, it is the Minister who must be responsible ultimately for the program. In fact, this is a proper and appropriate arena for these concerns to be brought to the Minister's attention. The Legislature serves that purpose as well as many other purposes. I don't mean to lecture the Minister after having received a lecture from him, but I think he should know that, and I think he does know that.

**Tuesday, 17 March, 1981**

And so I, in fact, am performing my function as an MLA to the best of my ability, and I think in the appropriate manner, by bringing these remarks forward to the Minister in this forum. And I have done so in the question period, and I have done so by correspondence as well. I wrote to the Minister in August of 1979, outlining a whole series of questions I had on the program. The Minister replied to me in December of 1979, providing me with detail and data and providing me with information. At that time, the Minister, in that letter did not suggest that I should go to the advisory council, he did not suggest that I should go to the local committees, he did not suggest that I should do anything other than I had already done. As a matter of fact, he says, I trust this is the information you were seeking, however should you have any further questions about the program, please let me know. It was an encouragement to go to the Minister with questions about the program, and that's exactly what I have done in the past.

I think my actions are justified, I think there is no question as to the fact that they are justified. However, it does leave in question the actions of the advisory council. Should they take the blame for this? Should the advisory councils in fact have to be the ones that are made ultimately responsible for the problems which I have suggested are happening with this program? I would say not; I would say not, because they are provided with a budget by the government and they have to operate within that budget, and the fact is that budget wasn't enough. The fact is there wasn't enough money provided to run this program in the way in which it should be run.

Last year in Estimates we talked about this particular program, and the Minister at that time said, the budgetary appropriation for the coming year, as the honourable member can see, is the same as last year; no increase whatsoever. Yet we know at the same time that costs had gone up. There were increases in other budgetary items within the Minister's Department. We know that if the program was being used to its utmost that in fact the cost of that program should be going up. And the Minister said, in fact, that he believed the funding to be perfectly adequate, and he made the point, not just adequate but perfectly adequate.

The fact is that the Minister told us there was an overrun on that budgetary item this last year, but that clouds the issue a bit. The issue is why, if this program was being utilized properly and air rates were going up, and we know air rates were going up, and we know in fact that one of the criteria that should be used by the advisory committees at the local level in determining what sort of budget they should have, was based upon rate changes, percentiles, in the commercial air fares, and we know there were those sorts of rate changes. But I think those advisory councils wanted to do what the Minister wanted them to do, and that was to keep costs down. So I think that they may have in fact been overly stringent in their application of the program. And there is a letter from the chairperson of the NPTP, and in that letter which is from November 1980 to a resident of Gillam, it said it would be far too costly for our program to subsidize the people from any communities in our district to visit doctors of their choice in southern Manitoba or

elsewhere. And this is the telling line within that letter, it says, "families and individuals that move to our communities must realize they have made the choice to move to the north. They should also be aware that our communities cannot provide all the services that are available in the south but that we do attempt to do the best we can."

I am certain that they do attempt to do the best they can, however, I would disagree when it comes to the Northern Patient Transportation Program. We are not talking about movies, we're not talking about television service, we're not talking about shopping malls; we're talking about one of the most basic requirements of any human being in this society and that is medical care, proper sufficient medical care. And so the fact is, that what she is saying, is that people in the north should know by moving to the north that they have given up their rights to the same type of medical care which southerners have, and that should not be the case. That certainly is the case, but that should not be the case, and that's why this type of program was brought forward in the first place.

I see the Member for The Pas is here and the Member for The Pas was very instrumental in bringing this type of program forward and can probably provide you with more insight as to what the previous government thought was the need for this program than can I. But it is my understanding that this program was brought forward to provide northerners with access to medical care which was available to southerners which was not available to them. It was brought forward to take away the penalty, at least in respect to medical care, of living in northern Manitoba. And if that is the case, I would suggest that it is not performing its function, and I would suggest that I am not the only one of that opinion, because that letter which came from the Chairperson of the NPTP program just a few months ago, said that they must realize that they are not going to get all the services that they got in southern Manitoba.

The person is even more blunt about it, the person says, "Some inconvenience is a fact of life when you live in our communities, not only in health care but for other service as well." Well, I would suggest that inconvenience is a fact of life but there should be not any inconvenience in health care, or there should be as little inconvenience as possible in health care, and the fact is that the way this program is being run now builds inconvenience into the health care system in the north and that is why I want the Minister to go out.

I'm not asking for much from the Minister. All I'm asking for the Minister to do is to take my remarks seriously; to take them in the way in which they are intended, and that is sincerely and with a considerable amount of hope that something will be done about a program which I believe, and many others believe, is inadequate and is failing its original purposes.

So the question to the Minister, and I hope I have not been as antagonistic in my reply to the Minister as the Minister was in his statement to me, I have tried not to be. I would hope that the Minister will drop that veil of antagonism when he answers me in response to this. But the question is, very simply, is he willing to set up a — and task force is too strong

a word — but an investigative committee to go out into these communities, to make public the fact that they are coming into that community, to solicit the opinion and viewpoints of individuals in that community in respect to the Northern Patient Transportation Program.

I will go one further on the Minister, I'd like to see him be able to do two things at once, to be able to deal with two concerns at once. At the same time I would hope they would talk about the problems that individuals in the north are experiencing with the high turnover of medical doctors. Again, it's an area that the Minister and I have talked about, we will probably talk about it under another line in the Estimates debate, however I am suggesting at this time that that committee could deal with those two subjects. The reason I think they should deal with the second subject as well is because on the task force, and the Member for The Pas was in many of the meetings in that task force and I'm certain he can confirm this impression, but during that task force trip through the north last summer people came forward with what I thought to be some very good ideas on how to deal with the medical manpower shortage in northern Manitoba. They had given that problem considerable thought because it affected them directly; they knew first hand the problems of northern living, and they came forward with some very positive suggestions which I intend to forward to the Minister once I've compiled all the Minutes of the meetings, and that may be a month or so yet, but I would hope that the Minister would also, if he decides to put an investigative committee in place, direct them or mandate them to perform that function as well.

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

**HON. L. R. (Bud) SHERMAN (Fort Garry):** Mr. Chairman, I don't know what I can add to what I've said on this subject already. The fact that it is locally administered and supervised and controlled; the fact that it is deemed desirable, both from the government's point of view and, I suggest, the point of view of both sides of the House, and the communities themselves, that it be so administered; and that certainly there is a procedure for raising and addressing grievances and introducing suggestions for improvements and refinements that is a fundamental part of the system, through the local committees and the Advisory Committee.

I have not attempted to suggest for one moment to the Member for Churchill that the Minister of Health has no responsibility for this program. What I have attempted to suggest is that it's specifically designed to ensure that the Minister of Health and the Health Services Commission and the bureaucracy in Winnipeg does not have authority over this program in the areas of decision making as to the services provided and the needs being met and the prioritization of transportation choices. The whole purpose of the structure, based as it is on advisory committees and local committees is to vest that decision making authority with the people who are on the scene and best know how to deal with the local problems as they arise.

So I don't know what further I can add to what I've said on that subject. Certainly I would be prepared

to have the advisory committee review the complaints of the Honourable Member for Churchill and certainly we can ask the advisory committee to poll or survey, insofar as it's reasonably possible, the opinions of northern residents as to the effectiveness of the program and the shortcomings of the program.

I can say to the Member for Churchill however that neither I, nor the government, lives entirely in a vacuum on this subject. The Member for The Pas has raised questions about the Northern Transportation Program in a past session of the Legislature during an examination of the previous year's Estimates, largely relative to the method of administering the program and the local committee function and input. I have not had from the Member for The Pas, to my recollection, from the Member for Thompson, from the Member for Flin Flon or from the Member for Rupertsland, any complaints about the Northern Patient Transportation Program of a significant nature or of the nature sighted by the Member for Churchill. The only source from which those complaints has come has been the Member for Churchill. That does not in any way denigrate the quality of those complaints, but I suggest to him that there are other members of the Legislature from the north, including a member of the Government Caucus and Cabinet, and complaints of this nature have not been raised, nor am I entirely without some geographic contact in the north myself. I have been in all constituencies mentioned most recently, and very recently in the Flin Flon constituency, and again I must say that in my contact with individuals, persons, members of the community in those constituencies, such complaints have not been raised with me or addressed to me.

The only ones that I have received have been the four, five or six that I have mentioned earlier in the day, most of which, if not all of which, actually came through the Member for Churchill. Again I say that does not reflect on the sincerity of those complaints, but obviously we have some problems with the Member for Churchill with respect to this program, and the Member for Churchill has some problems with us, and I will certainly make strenuous efforts to resolve them with him. I certainly will ask the advisory committee to attempt to get a reading from the public and from the communities, as broadly and as quickly as possible, on the subject matter of his comments.

With respect to the turnover of doctors in the north, that is an item, Mr. Chairman, that will be dealt with under Medical Services and New Programs. I would appreciate receiving any suggestions that the Member for Churchill says have come his way, in terms of possible solutions to this problem. We have a Standing Committee on Medical Manpower hard at work on the problem of doctor distribution and supply. They have made a number of recommendations to us and one of our new programs is based on their recommendations. That Standing Committee on Medical Manpower contains significant and deliberate representation from the north, because obviously it's a part of our province that is more vulnerable to gaps in service and underservice than many others. That will be dealt with, as I say, Mr. Chairman, under another item of the Commission Estimates.

**MR. COWAN:** Is the Minister indicating that he has not received complaints from any other politician outside myself, in respect to this program?

**MR. SHERMAN:** To my recollection, Mr. Chairman, no, that is correct. I concede that the Member for The Pas, in last year's Estimates, certainly had some questions about the Northern Patient Transportation Program, but my recollection is that they had to do with the decision making and administrative aspect of the program and the role and function and responsibilities of the local committees.

**MR. COWAN:** I would just like to remind the Minister of a letter he received from a Member of Parliament for the area, Mr. Rod Murphy, who wrote to the Minister in October and suggested that his Thompson office had received calls, not one call but plural, calls from constituents asking for his intervention concerning the problems they were experiencing with the Manitoba Patient Transportation Program. And he said, and these are his words, "again and again I hear the concerns of parents who must endure the 12-hour bus trip to Winnipeg with their children, in order to see specialists in Winnipeg, or to be admitted to a Winnipeg hospital for surgery. In most cases parent and child are apprehensive and generally upset at not knowing what awaits them and his trip does nothing to ease their fears".

I will also suggest to the Minister that there have been concerns brought forward, although perhaps not as strongly as I have brought them forward, from other politicians from time to time in respect to this particular program. I do not stand alone in my criticism of the program. I would just wish the Minister would accept that. We seem to be in a fight now over how many people are complaining. The fact is that I am telling the Minister that I am receiving a significant number of complaints, otherwise I would not be bringing this forward to him. I am telling the Minister that this received substantial discussion during our hearings in ten different northern Manitoba's communities. All I'm asking the Minister to do is to go out there and check those complaints to find out if there is any validity to them; to test the thesis that I'm putting on the table. But before he does that, a letter to the Minister from the Administrator of Gillam. "The district is very concerned about the administration of this program, the lack of specialists in the north, and the definite lack of adequate transportation in the north". The letter ends, and it's to the Minister last fall, "we'd like to suggest a reassessment of this program to be made with a view of providing the best possible service to the patient, taking into account all restrictions of travelling in the north".

There's another, here's an answer to the Regional Transportation Officer of the Northern Patient Transportation Program, dated July 1980 to a constituent of mine. And it says "The Thompson Region Patient Transportation Committee wish to advise that, due to increasing costs and the result in deficit position, the original guidelines of the Northern Patient Transportation Program will have to be adhered to more closely. This includes basing the means of transportation strictly on the medical condition of the patient. To accomplish this physicians will be required to complete warrants

more accurately with a diagnosis given and the reason for referral filled in".

Well, they were tightening the program up last year. It was tight enough and they were tightening it up even when the Minister assured us that he felt the funding was perfectly adequate. Let's hear what the Minister had to say again last April. The Minister said, and he was addressing his response to a question from the Member for The Pas, and the Minister said, "Mr. Chairman, I think about the only answer and reassurance that I can give the Honourable Member for The Pas on the point is that the commission advises me that there were all kinds of complaints of the type the honourable member mentions when the program is being administered by the government, when it was being departmentally administered, and that since it has been put in the hands of local committees we have not received any such complaints, or certainly not any significant number".

The Minister then goes on to talk about the funding on it, and what the Minister says is, "but on the basis of last year's record", I'm quoting the Minister, "we believe this funding to be perfectly adequate", not just adequate but perfectly adequate this year. As an aside, off the quote from the Minister, he should be careful of those absolute statements. "The purpose of course," the Minister again, "of the program, as the honourable member well knows, is to subsidize the transportation of emergency cases and hospital transport cases and certain elective and medical-surgical cases for residents who live north of the 53rd Parallel in Manitoba to hospital and medical services in the south, most notably in Winnipeg". And yet the regional transportation officer is saying that the funding wasn't perfectly adequate. As a matter of fact, they were having to cut back on the program because the funding was not enough, they were in a deficit position.

I am just trying to point out, and I am not trying to be in any way derogatory about it, that we make mistakes about these things from time to time. The Minister makes mistakes, I make mistakes, people in the field make mistakes, advisory councils make mistakes; we all in fact from time to time make mistakes. The Minister made a mistake last year in his assessment of the funding and in fact people suffered because of that mistake. —(Interjection)— Well, yes, they did suffer. The Minister says they didn't suffer, and yet the fact is that what has to happen is that because of increasing costs, and the resultant deficit position, the original guidelines of the Northern Patient Transportation Program will have to be adhered to more closely. That implies a tightening up, a restriction, a contraction of the program. So it did hurt people.

Let me read a case history into the record. This person's wife became pregnant last year. The child was due to be born in November 1979. It was a first child and it must be pointed out that many doctors in northern communities are hesitant to have a first child born in the community because there is more of a prevalence of complications in a first birth. The doctor strongly recommended that person deliver her baby in the south, and they were informed that she would be covered by the Northern Patient Transportation Program for that delivery. The day

before her scheduled departure for the delivery they attended the hospital to obtain a warrant. They were told at that time that the doctor could not authorize the warrant due to their desire to have the child in their home town instead of in Winnipeg. They further advised that his wife, if she wished to deliver in Thompson, would be paid train fare and not air fare. Has the Minister ridden that train lately? It's not a very pleasant ride when you are in the best of health. The train arrives in Thompson — they just changed the schedule recently — but it arrives in Thompson early in the morning and at leaves Gillam early in the AM, 1 o'clock or 2 o'clock. We are talking about a pregnant woman getting on a train at 1 o'clock or 2 o'clock and going down to Thompson to attend to hospitalization for the purpose of having a child, but they knew nobody in Thompson, and they had no place to stay in Thompson while waiting for the baby, and they had no doctors to rely upon, they didn't know the doctors in Thompson. All they wanted to do was go to an area where they had a place to stay while waiting for the baby, where they knew the doctors, where they had some faith. The individual in this case felt that it was not in the best interests to the health of the family or the expected baby and decided to fly the person out at their own expense.

Then it turns around. Remember I told the Minister a bit earlier about how this program is arbitrarily administered, how it's hard to determine what the criteria are that are being used. They thought they had a very legitimate case in respect to the birth of their baby — sounds logical to me. I think even the Minister will respond that it sounds logical. Perhaps it was not within the guidelines of the program, but their logic was indisputable. But later on a genetic specialist requested that person's wife attend a follow-up counselling session six months later in Winnipeg. He made the necessary arrangements for both of them, purchased plane tickets for both of them, and ready to fly to Winnipeg at our own expense due to the fact that both he and his wife were in good health. However, at that time they're informed that the NPTP would pay their transportation costs by air for both of them to be in Winnipeg. And he says, in other words, I am quoting the individual, "when my wife needed transportation assistance due to her health condition she was only eligible for train fare to Thompson. When we didn't need the transportation assistance due to being in good health the program provided two air fare tickets to Winnipeg and return. It is my opinion," I am quoting from the letter still, "It is my opinion that this entire program should be reviewed and reasonable guidelines established which would provide the best possible health care to all residents of the north. I have received many other comments on the Northern Patient Transportation Program from other residents and believe there is widespread dissatisfaction with its present set-up".

Another case history. A patient going from Gillam to Thompson, Manitoba, for psychological evaluation, forced to sit up on a train all night for approximately five hours transportation time, arrives in Thompson at 7:30 a.m. and then is forced to wander the streets and the shopping centre until an appointment time, which in this case was 2:00 p.m. Patients who are under medication for pain being forced to remain up all night on the train — carbon copy to the Minister,

carbon copy to myself, a Reverend of a church in Gillam. The same individual, March of 1979, his son was required to go to Thompson for a tonsillectomy. The NPT Program paid coach fare to Thompson and return. The eight year old son would have been required to sit up all night from 2:30 in the morning to 7:30 in the morning on the train, undergo surgery and then return by coach for a further five hour ride upon completion of the operation. Pre and post-operation time according to this person, in their opinion, should be spent in rest in order to speed recovery. As a result this person flew his son to Gillam and back.

There are more case histories. There is something wrong with that program. Is that so hard to accept that there is something wrong with the program. It's no reflection on the Minister; it's no reflection on the government; it's no reflection on the department or the advisory councils, it's just a matter of something being wrong with the program.

I'll tell you what is a reflection though, the fact that no action, no positive action is being undertaken by the Minister when apprised of the problems in the program. It's a reflection on the Minister and it's not a good reflection on the Minister; that is why I hope the Minister will take what appears to be a relatively simple and logical course of action and send some people up into the north, not the advisory councils, because they have a vested interest in the results of that survey. It is a reflection on their work if in fact the survey shows that there are widespread problems, and I'm not blaming them. They're trying to do the best they can under a limited budget, a budget by the way which is provided to them by the government.

I would ask the Minister, in response to the work of the advisory committees, if those committees take Minutes and hold Minutes of their meetings?

**MR. SHERMAN:** Mr. Chairman, I can't answer that last question. I would expect that certainly the advisory committee does, whether the four local committees do, I can't answer definitively but I would expect that they do. I'll just check with my officials.

**MR. COWAN:** If they do, is the Minister prepared to provide us with copies of those Minutes?

**MR. SHERMAN:** Mr. Chairman, I'm advised yes, that the advisory committee does. With respect to the local committees, they would operate according to their own rules and their own dictates and I can't confirm that the local committees take Minutes; but I would say, Mr. Chairman, that nothing the Honourable Member for Churchill has said in the last few minutes is inconsistent with what I have said to him during this debate. I have conceded that I have had between four and six complaints and he has identified two or three of them in his reference material. He may have a voluminous number of other complaints; he has not passed them on to me.

Mr. Chairman, on the subject of funding, I want to disabuse the Honourable Member for Churchill of the impression under which he is labouring with respect to funding. The Northern Patient Transportation Program in 1978-79 showed a surplus; the Northern Patient Transportation Program in 1979-80 showed a surplus; as a consequence of that and based on discussion with respect to the dictates of spending

priorities with the local committees, a budget was struck for 1980-81 that admittedly in the printed vote, turned out to be insufficient. There was a shortfall of \$115,000 projected in the requirements of the program for 1980-81, and that \$115,000 was supplied through a supplementary vote earlier this fiscal year, so that the objectives, the needs and the requirements of the program could be met. The budget struck for 1980-81 was based on experiential years preceding that fiscal year, in which surpluses had resulted in the funding of the program. That was the reason for the parameters that were applied to the 1980-81 vote appropriation.

But when it became obvious that other costs had developed, cost price circumstances had begun to affect the budget and would have a disadvantageous effect on the program, we addressed it through the administrators of the program and supplied as I say, the additional \$115,000 through supplementary Estimates, so that there was no shortfall in funding, no shortage of funding, no squeezing of funds in the Northern Transportation Program in this current fiscal year or in the preceding years in which this government has been in office.

Now, if the Member for Churchill is saying to me that \$1,579,000 is not enough for the Northern Patient Transportation Program, and that we need \$2 million or \$3 million or \$5 million, fine, I can say that about any health program. Anybody in this Committee, anybody in this Legislature, anybody in this province can say that about any health program. Surely, Mr. Chairman, the Member for Churchill is realistic and pragmatic and responsible — and I underline the latter term — responsible enough to recognize that in a \$700 million health care spending spectrum in Manitoba, we are drawing on the resources, the reserves and the capabilities of Manitoba taxpayers to a substantial limit, and I suggest to the Member for Churchill that the record is infinitely better than that demonstrated in many other jurisdictions in this country.

I would illustrate by just reminding him of something he probably already knows, but it's an interesting and vivid example of what is provided here by the people of Manitoba to other people of Manitoba and themselves in health care spending and in social services spending, the budget for the State of California this year is \$24.6 billion. That looks like a lot of money until the Member for Churchill and I stop and recognize that California has a population of 20 million people. It's the largest state in the union. We have a population of one million people. Our budget is \$2.3 billion. On a per capita basis, the California budget should be \$50 billion, not \$24.6 billion and that, Mr. Chairman, through you to the Member for Churchill, is simply one illustration, I suggest a fairly comprehensible one and a reasonably vivid one, of the difference in the kinds of systems and services that we, the people of Manitoba and the people of Canada, make available to each other and to ourselves through health and social service programs.

The Member for Churchill thinks the supply is infinite. It is not infinite. There has to be prioritization done. prioritization is done; and it would have to be done by him if he had the responsibility. He doesn't have the responsibility, hence he can ask and plead for inequitable appropriation and distribution of

available resources and imbalances that are not practical. We have provided the Northern Transportation Program with what its administrators have indicated to us it needs up to this point in time and we will continue to do so.

As for the train trips, I go back to what I said before. The responsibility for making those decisions as to modes of travel rests with the local physician, the patient's physician and the local committee and if the Member for Churchill doesn't like it, I suggest he go to the local committees, to the local physicians and to the advisory council about it. I will certainly refer his complaints to the advisory committee and ask them to review the kinds of criticisms raised by the Member for Churchill, but I reiterate that they represent, I think, a fairly limited and fairly unique position of criticism of this program. It has not been general other than as has been conveyed by and through the Member for Churchill. He obviously has a lot of unhappy constituents, unhappy with the Northern Patient Transportation Program, and perhaps unhappy with many other things. If he wants to pass those individual complaints on to me, we will certainly look into them. Those that he has passed on to me have been investigated.

**MR. COWAN:** Mr. Chairperson, there he goes again. We had tried not to be antagonistic and the Minister insists on being antagonistic. We had tried to discuss this in a realistic, pragmatic and responsible way, to read the Minister's words back to him, and all we got was a diatribe about how I'm the only one that sees a problem with this program. I'm shouting in the wilderness. There's other colloquialisms which are more crude but I won't use them.

The fact is that I read to the Minister, sections of Minutes from hearings that we held. I read to him sections from letters from reverends, from administrators of communities, from individuals in communities, and they all say there are many problems. I read to the Minister a letter from the Member of Parliament whose area —(Interjection)— The Minister asked me if I read them to a local committee. My responsibility, Mr. Chairperson, I would suggest is to read them to the Minister and the Minister's responsibility is to get in touch with the local committee in order to deal with the problems that are brought forward to him. That is something he has suggested he is doing, that's some small solace. However, let's discuss what the Minister had to say.

The Minister gave the example of the Budget in California, and he said that example was a simple illustration, one that was vivid and illustrative, as to how much more we are spending on health care in this province per capita than they are in California. Does the Minister seriously expect us to believe that you can compare directly the health care budget of the State of California and the health care budget of the Province of Manitoba? He says you certainly can. Of course you can, because there is not an extensive medicare system; there are private hospitals in place; the doctors are paid by the patients. No comparison whatsoever.

**MR. SHERMAN:** But this is coming out of the Provincial Treasury, your taxes. That's exactly the point. If you want to finance a private Northern Transportation Program, go ahead and do it. Right

now there's one being financed out of the reserves of the taxpayers of Manitoba.

**MR. COWAN:** Sort of like a private nursing home then? Is that what the Minister wants? Does the Minister want a private Northern Patient Transportation Program?

**MR. SHERMAN:** The Member for Churchill obviously does.

**MR. COWAN:** No, the Member for Churchill obviously does not, Mr. Chairperson. What I want is a good Northern Patient Transportation Program and I think the province has the best capability of putting in place a good program and I think the province has the responsibility for putting in place a good program.

I'd asked the Minister earlier if he would provide me with any Minutes which are available for hearings of either the major Advisory Council and/or the local Advisory Council if they're available. Can the Minister commit himself to undertake to provide those minutes to me?

**MR. SHERMAN:** Mr. Chairman, I will certainly enquire of the Advisory Committee as to the availability of their Minutes but I can't make that commitment without asking the Advisory Committee. They're empowered and structured to act in their own realm of responsibility and authority and I would have to make that request to them, but I will do so.

**MR. COWAN:** I hope that they will respond in the positive in respect to that request and I hope that the Minister will make it to them shortly and provide us with that information.

The Minister also suggested that these decisions rest with the local committee. Will he not agree that the local committees are only given a certain budget and that they have to operate within that budget, which they may do successfully and which has been proven in the past that they have been able to do successfully? It does not in fact prove that it is a good budget. All it proves is that they are able to accommodate themselves to the directives of the government in respect to the provision of money to them; that the government provides them with a budget and by imposing these sorts of difficulties on individuals in the communities they're able to keep within that budget for the most part. Is that not the case? Let me phrase the question differently. If the Minister provided them with a budget that was larger, would they not be able to provide more air transportation in places where they thought it might be more necessary?

**MR. SHERMAN:** Of course, Mr. Chairman but you could say that about any health program in the province.

If we provided the Manitoba Health Services Commission with more money, they would be able to add additional insured services.

**MR. COWAN:** Perhaps we should go back to the beginning because I think the problem may be, that the Minister and I have differing perceptions of what this program is intended to do. In the Ministers opinion, what is the rationale for the Northern Patient Transportation Program?

**MR. SHERMAN:** Mr. Chairman, the rationale for the Northern Patient Transportation Program is to provide medical service and medical evacuation to patients in Northern Manitoba who need to be transported to or referred to medical centres and medical facilities to meet health needs. They are emergency transfers, hospital to hospital transfers for persons in Northern Manitoba, North of the 53rd Parallel who need such medical attention and require to be accommodated in fully equipped health facilities in order to receive that attention.

**MR. COWAN:** The Minister did not say that it was intended to provide or at least to deal with the inequities of health care which is available to northerners when compared to that health care which is available to southerners. Does he believe that is an essential part of the program as well?

**MR. SHERMAN:** Mr. Chairman, I think what I said is what I meant and I think what the Member for Churchill has suggested is implicit in a Northern Patient Transportation Program designed to meet the health needs of people who live in what certainly can be described as a remote portion and underserved portion of our province.

**MR. COWAN:** Just so the record is straight, one small correction to what the Minister has said as well. The Program is available to persons north of 51st parallel from Lake Winnipeg to the Ontario boundary, and in the rest of the province it's north of the 53rd parallel.

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

**MR. COWAN:** We do have a different perception of what the program is intended to provide but that's really a moot point when it comes to this discussion tonight, because it's not my perception that matters and it's not really the Minister's perception that should be the sole arbitrating factor in respect to evaluation and maybe even some reformation of the program, it's the opinion of the people who have to use it.

The Minister said that he would ask the Advisory Councils to check their procedures, he would relay this debate to them or relay the series of complaints which I've mentioned to them for their discussion, and he also suggested that he would have them survey the opinions of northern residents as far as is possible in respect to the operation of this program. Would the Minister be prepared to provide with each travel warrant, a form which could be filled out anonymously which would be so written as to provide an unbiased form for an individual to write down specifically what they thought of the complaint? That could be fed into a data bank either manually or through the electronic computer and the results could be tabulated; and it would be able to give the Minister an even better overview of how this program is operating from the eyes of those individuals who use the program?

**MR. SHERMAN:** Mr. Chairman, I'll take it under advisement. I won't confirm that I will do that at the present time. I would trust that the Honourable Member for Churchill would recognize that there are responsible members of the community, and many of

them from northern communities, who serve on that Advisory Committee and I would think that certain approaches of that nature might be at worst, presumptuous and at best at least reflections of lack of confidence in them, but I will certainly take the question under advisement.

**MR. COWAN:** The plan is certainly not intended to be derogatory to the people who are giving of their time to sit on the Advisory Councils. It is only intended and put forward to the Minister to try to provide a mechanism for determining whether or not the criticisms and concerns which I brought forward on behalf of my constituents are as widespread as I believe them to be and are, in fact, as of a serious nature, as I believe them to be. And I would think the Minister would want to do that. And I would even let the Minister have full control over the program, the analysis, the writing of the questionnaire, because I trust that his major concern would be to determine if the program is working as well as it should be and therefore he would put forward a proper program to test the NPTP as it stands now.

He's taking that under consideration and that's the best I can ask of him right now. I certainly don't want to, nor could I if I intended to, pressure him into a statement that he would proceed in that way this evening. But I do take some small solace in the fact that he is willing to consider it, and I would hope him to not consider it to be presumptuous, and I don't think the people in the advisory council would consider it to be presumptuous, because I think they too want to make this the best program possible, otherwise they wouldn't be sitting there. It takes of their time and their energy and the fact is they're doing it, because they want to see the best program possible. So I think that they would welcome that sort of a test of the program as it stands now, and that sort of a mechanism to provide suggestions, inputs and criticisms from persons using the program, as to how to better provide the service which we all know is necessary.

I would ask the Minister, and I don't expect him to be able to provide the information to us this evening, but it's my understanding that each region is submitting an annual audited financial statement reflecting the operation of the regional program to the Manitoba Health Service Commission. Can the Minister make those available to us for the years 1977-78, 1978-79, 1980-81?

**MR. SHERMAN:** I'm advised, Mr. Chairman, that we don't have the 1980-81 audited financial statement yet, but the earlier ones can be made available.

**MR. COWAN:** I'd ask the Minister then once the 1980-81 becomes available if he could forward that to me as well. I would expect that would become available after the end of the financial year. Is that correct, March 31st? And the Minister of course is going to check into the minutes.

I would also ask the Minister to provide statistical detail and specific detail as to the number of trips, what mode of transportation was used and the number of persons involved in those trips — that would take into consideration escorts, when escorts and paid for under the NPTP program — and the cost of those trips, broken down on a trip by trip basis for those same years.

**MR. SHERMAN:** Mr. Chairman, I'd advised by officials of the commission that some of that information is available. It is possible that not all of it is available. Some of it is available, but it will require a considerable amount of work to put it together, so when the commission is able to do it, as soon as they can do it, we will undertake to have it done.

**MR. COWAN:** I certainly don't want the commission to have to lay aside more important work in order to come forward with that information, however, I do believe that information will be of some value to both the Minister and myself, quite frankly. I note that the Minister gave a commitment last year to the Honourable Member for The Pas that he would provide some of that type of information at that time. So perhaps he can go back and see if he has that available in a completed form and just forward it to me and then all that would be necessary would be an updating as to last year's statistics.

As well, this new program, the NPTP which was borne out of the patient air transport, the PAT, became effective on September 1st, 1977 before the government changed hands, and it was a program based on the report of the committee to review the Patient Air Transportation Program. I don't have that report in my files. I would hope that the Minister would be able to provide me with a copy of that report, again not this evening, but in the near future. Will he undertake that commitment as well?

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

**MR. COWAN:** And finally, I would ask the Minister to, when compiling statistics add in that portion of the budget which is spent directly by the commission for air ambulance on an emergency patient basis. In other words, the Minister indicated there was a certain amount of money that was the commission's money to spend for emergency cases — that would be chartering flights, that would be, I assume the use of the MU-2, is that correct? Yes, he indicates the use of the MU-2 as well I think. Also buying stretcher seats or stretcher space on commercial aircraft; if he could give me a breakdown for all the expenditures, case by case basis, on that for the last three years, or since September 1st, 1977 for the program. I would appreciate that information as well.

Finally, I think we have come to the conclusion that the Minister and I are going to have to agree to disagree for the time being. We're going to agree to disagree on the number of complaints which have been brought forward in one form or another to one person or another in respect to this program. We are going to agree to disagree I believe, on the adequacy of this program. Fair ball, the Minister says that he has to be more responsible than I do, because he is the one who is ultimately responsible for the purse strings.

I don't think that takes away from the responsible way in which I can approach this problem. Perhaps it gives me a different prospective, but I think I am being responsible in bringing these concerns forward and suggesting to the Minister that perhaps there is indeed need for some change. And it may not be all that costly a change; I don't know. I hope when I get the information which is provided to me I can put it into some sort of useable form as to make an analysis as to how costly that change may be. But

Tuesday, 17 March, 1981

the fact is that we are going to choose to disagree as to the effectiveness of the program right now and the adequacy of the program right now.

I want to make the point very strongly, so that the record is clear, that the discussion which I have participated in this evening is not meant to in any way discredit the work of the advisory council. I don't know the quality of their work to be quite frank about it. And not knowing I certainly don't want to be so presumptuous as to suggest that they are not doing the type of work which they should be doing and there was some implication that I may, in fact, not be recognizing the full value of those committees, nor recognizing the full value of the persons on those committees. I don't want that implication to be left unanswered, and as I said in the past, I think it is more a matter of the amount of money with which they are provided as it is to their abilities and their dedication to their job or to their task.

I would also like the Minister to discuss with those committees a number of items. One is providing reasonable overnight room and board expenses for persons who come to the South and who must stay, or even go to Thompson and must stay overnight in order to undergo more testing, and they are not provided with those expenses as is. However, escorts are provided with those expenses. I would suggest that the reason for that, or the only reason that I can conceive of, at the time, is it would be anticipated that the individual would be staying in a hospital and therefore wouldn't need overnight room and board expenses. The escort of course would not be staying in the hospital and would need overnight room and board expenses, but the fact is that the individual oftentimes is not hospitalized but is asked to stay over to take a different series of tests. The Minister knows that testing procedures in hospitals is becoming more and more extensive; that's spelled with a 't' and not a 'p', although they may become more and more expensive as well. But the fact is that with the new variety of tests which are available to the medical profession, in order to make a diagnosis, there are many cases and many instances where an individual would be asked to stay over to take further testing or to await test results; so that if the test results which came back showed a condition which had to be dealt with immediately, or showed a condition which necessitated more tests, that individual would be available. That saves the government money, because what would happen otherwise is the individual would go back to the community and then have to come out on an NPTP warrant again and take the new tests or have the condition dealt with.

So the fact is the government is saving money by the individual staying over but it's costing the individual money. Hotel rates aren't cheap anymore; I don't know if they ever were cheap, but they certainly don't seem to be cheap any more and it is a considerable expense for someone from the north to have to stay in a hotel. Not all of them have relatives in the area.

I would also like the Minister to take into consideration the exclusion of chiropractic services from the NPTP warrant. That was another concern that was brought forward to us in Lynn Lake; individuals had to go to The Pas for a chiropractor

and yet they paid for that out of their own pocket, it's a fairly expensive drive.

Dental services, again in the north, you don't always have a qualified dentist in the community, although I might add, and I like to pay credit where credit is due, I don't know if the credit is due to the Minister in this regard or if credit is just due generally to the dentists who have taken it upon themselves to locate in the north, but we do have more good dentists in the north now than we did a number of years ago, and I think that situation is improving. But still for certain dental work to be done a person has to leave their community.

As well psychological assessments, I would hope, could be included under the program. They are excluded presently, and I think there is a need, where referred by a doctor to take a psychological test, for some reimbursement. Psychiatric services, except where a life threatening situation develops, should also be covered.

Finally in Lynn Lake they mention that those individuals in the community who were going out for detoxification to The Pas or to other centres, again, were not provided with NPTP warrants. When a person is going out to the detox centre it's a difficult time for them physically and emotionally, as well it's a difficult time financially because they have to leave their jobs, although there are some very good programs now to assist them in that task. But it is to the benefit of all society that those individuals are helped to deal with the problem which they are unable to deal with on their own at that time, and so there might be some consideration that could be given to including costs for trips to detoxification centres.

As well, the taxi costs between air flights is not covered. If an individual flies into Thompson they have to take a taxi to the city, to the hospital. I think the last time I took a taxi which was to downtown Thompson it cost me somewhere in the neighbourhood of \$4 or \$5, I'm not certain, it may be more than that with a tip. But the fact is that those are costs that they have to incur which a person in Thompson wouldn't have to incur because they have the bus service, but there is no bus service from the airport to the medical centre.

As well, as I mentioned earlier, a number of individuals coming in from remote communities into the city after a long bus ride, or even after an air trip, are unfamiliar with the transit system in the city, don't want to get on another bus, don't want to take the chance of getting lost, and many times opt to take a taxi at their own expense. Maybe that's their choice, maybe they shouldn't be reimbursed, but I certainly think that concern should be addressed and that issue should be addressed by the Minister and that he should come forward with some policy in respect to that.

I am not asking him in all these instances to change existing policy, but I am asking him to seriously review existing policy to see if the program can't be made better. —(Interjection)— As the Member for Transcona says, to have a heart. Well I think the Minister does have a heart although he's done his best to hide it this evening.

I will not give him the satisfaction of saying that he has done that entirely and I am certainly not pleading but I am attempting to give the Minister's

heart a chance. All we are saying is give his heart a chance — a little aside their, Mr. Chairperson, I apologize.

I just, in the few moments left, want to check to see if there are any other concerns of a general nature that I wish to bring forward to the Minister. I can't see them right at the moment. That does not mean that they don't exist, and that does not mean that I won't bring them forward to the Minister at a later date by correspondence or perhaps even through the Minister's Salary portion of the Estimates, but I do hope he takes what I have brought forward under consideration. I do hope that he does, in fact, attempt to examine the many concerns which I have brought forward on behalf of my constituents and to attempt to get a handle on what appears to be a differing perception of the program, and there's many vehicles open to him, and I would suggest firstly a committee that would go through the north and invite representation from everyone, splendid idea any way, and it always provides good insight, always provides an opportunity for people to talk to their government

**MR. SHERMAN:** Great country to see.

**MR. COWAN:** . . . Great country to see. The Minister could even get in a little fishing on the side. We can't promise that he will catch anything, but

**MR. SHERMAN:** I save my fishing for Treasury Board.

**MR. COWAN:** Well, while the Minister is fishing during the next Treasury Board meeting, I would suggest that he use a red devil lure because obviously the big ones have been getting away from him.

I would hope that he does take the opportunity, if not himself, at least to send representatives of the department forward to check out these concerns and to deal with other medical matters which are of great concern to northerners. I look forward, next Estimates procedure, to being able to examine a program that has been reinforced by positive action to make it more responsive to the concerns of the northerners, concerns of the patients who must use the program.

**MR. SHERMAN:** Mr. Chairman, I would just like to comment that the Member for Churchill has certainly made an eloquent plea and stated an eloquent case for the north and the Northern Patient Transportation Program, and I want to assure him that his comments and suggestions will indeed be taken to heart.

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

**MR. J. R. (Bud) BOYCE:** Mr. Chairman, I want to thank the Member for Churchill, but in listening to the dialogue which took place between him and the Minister, my mind went back to the former Member for Churchill, Gordon Beard, in the '60s, and it sounded like some of the things I had heard before. His case is not only well justified but it was well taken. And the Minister, in his responses to the

questions, did more to dissuade me from my position vis-a-vis the Constitution than any debate I've been involved in because the responsibility rests right in this room, ultimately, and right in that chair.

In listening to the Minister's answers, I was almost tempted to interrupt the Member for Churchill and tell him to get every person that is aggrieved to apply for a writ of mandamus. The processes are there, they're expensive, but if the Crown will not perform that which they should be performing, the person has the right to lay the case before the court. Whether they succeed or not is another question.

But here again, Mr. Chairman, through you to the Minister, this is another manifestation of the government's unwillingness to accept their responsibility, and as a southern member, if I was given the option to give a horse racing commission a grant for additional money to make sure that the provision of basic fundamental services in the north were provided, I certainly wouldn't opt for the horse racing grant. And many other things; two miles of road. When the Minister brings in a fallacious argument comparing California expenditures, it was picked up immediately by the Member for Churchill, that if you add in all the moneys that are paid into the private plans, Kayser and all the rest of them, I think you will find that the provision of services in Manitoba is one of the most economical ones in the North American continent, including the enriched services that we provide.

But here again it's a reflection of government policy, and I remember the debates back in 1969-70. We all pay for this particular program, as we pay for all of the programs that are being considered under this item. If a person takes a look back from whence we came, when it was the decision of the government of the day, which is being given lip service by the present government, that they're continuing, that it was a transfer from a premium tax to general revenues, that some of us will pay less and some of us will pay more. Personally I am probably paying more and I am glad that I am able to pay more than I would be under a premium tax.

But the Minister in his answers reveals himself and his attitude of the government towards the provision of services in the north. And it has been the case of the Conservative government since I can remember, as pointed out by the member that I referred to earlier, Gordon Beard, who is no longer with us, Mr. Chairman, but he sat as an Independent because of his disenchantment with the Conservative attitude relative to the north. They'll flood it or give it away, that was their attitude.

The fact that I can go down the street to a hospital and get everything that's available — and when I say down the street, through you, Mr. Chairman, to the Member for Churchill, the Health Sciences Centre does keep a roster, I don't know if people are aware of it, they keep a roster of rooms that are available in the neighbourhood in private homes. When I lived on Winnipeg Avenue my name was on the roster and they used to phone every once in a while to see if there was anybody staying with us. So people could stay overnight.

I would ask, through you, Mr. Chairman, to the Member for Churchill, if he would give me a copy of the letter that he quoted from reflecting the bureaucratic attitude of the people in the north vis-a-

**Tuesday, 17 March, 1981**

vis the delivery of health services. Nobody questions the fact, Mr. Chairman, that we can't have dialysis machines in everybody's living room, or heart-lung machines, but the attitude of the government, as reflected by that bureaucrat, it sickens me, it really does. Not just from the people's standpoint, but in a developmental standpoint. How in heaven's name can we expect to keep people in the north if we're not even going to provide them the fundamental services?

If that bureaucratic letter is a reflection of government attitude it's just horrendous; it is. People have to accept when they go to the north that they can't get these things, in 1981? And when the Minister says that the Member for Churchill is the only one who has raised concern about health services in the north, I remember questions from the Member for The Pas, I remember questions from the Member for Rupertsland, about the provision of services in the north, more related to the ambulance services, that is true.

But Mr. Chairman, the people are entitled to the services. If we, as a provincial Legislature, pass Estimates, pass laws providing services for people, then those people are entitled to those services as best we can provide them.

In passing some of the laws, Mr. Chairman, we get into arguments sometime. A service "shall" be provided. In another matter I was curious about how imperative "shall" is, relative to the law. Nobody expects miracles of government but they have to demonstrate that they are making all reasonable efforts to provide those services and it is evident from the presentation of the Member for Churchill that this is not the case in the provision of health services in the north.

**MR. CHAIRMAN:** Pass line 7; Northern Patient Transportation Program, \$1,579,000.00.

We're going to revert at this time back to Personal Care Homes.

The Member for Transcona.

**MR. WILSON PARASIUK:** Mr. Chairman, I have a whole list of questions.

**MR. CHAIRMAN:** Are you referring to . . .

**MR. PARASIUK:** Personal care homes, yes, I have a whole set here. I think this is, as I told the Minister before, a very critical issue. I have not gone into detail on a number of the other appropriations, but on this one I intend to because I think it's important for us to have a very clear idea of what the situation is and for the public, I hope, to have a clear idea.

I'd like to begin by asking what is the present policy with respect to per diems. I know the Minister put out a press release on it some time ago but I'd like him to repeat it now for the record, if he would.

**MR. SHERMAN:** Is the member referring to the residential per diems?

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

**MR. SHERMAN:** The policy is the same as it has always been, Mr. Chairman, there is a per diem residential charge that is paid by the residents and meets approximately 23 percent of the cost of the

program. That figure has ranged from something substantially higher than that several years ago to an average in the 22 — 23 percent range in recent years and that policy remains unchanged.

**MR. PARASIUK:** Could I ask the Minister what the present per diem is as of today and what it is projected to be by the end of this fiscal year, the one that we're looking at the Estimates for ending March 31st, 1982.

**MR. SHERMAN:** Mr. Chairman, the residential per diem at the moment is \$9.25. On April 1st, the start of the new fiscal year, it goes to \$9.75 and during the course of the 1981-82 fiscal year it rises to \$11.25 for a 1981-82 average; it rises at quarterly periods during the year, coinciding with quarterly indexing of pensions in order to protect the disposable incomes of pensioner residents which continue to rise after absorbing the per diem increase. The 1981-82 per diem average will be \$10.50, averaged over the year.

**MR. PARASIUK:** Has the Minister received an indication from Ottawa as to what the increases and the indexing is going to be?

**MR. SHERMAN:** Yes, Mr. Chairman, we have, on the basis of current escalators in the methodology applied to pensions, we have projected what the OAS and GIS rates will be at each quarter during the year. The new OAS, GIS levels for April 1st was just announced in the previous week by the Federal Minister, Minister of National Health and Welfare, the Honourable Monique Bgin, and as I recall it was fractionally higher than what we had projected. But with reasonable accuracy we calculate what those pension increases will be on the quarterly indexing formula.

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

**MR. SAUL MILLER:** Mr. Chairman, on the same point, I believe the announced increase in the OAS works about to about \$8.00 a month effective April 1. \$8.00 a month is nothing like 50 cents a day. The concern I have is that, in advance, determining that it will be 50 cents a day, which is \$15.00 a month cost to the resident of a personal care home, it will exceed the amount of the indexing that takes place. A \$15.00 a month increase in the OAS is a very substantial increase. I don't recall what is taking place, I do recall once an \$11.00 increase, but \$15.00 a month increase is exceptionally high. So it seems to me that you're exceeding the indexing which can be anticipated, and although they can projections, really it reflects the rate of inflation and they don't really know themselves what it's going to be six months from now. So it's doubtful whether it will be anything like \$15.00 a month.

It seems to me what's happening here, Mr. Chairman, is that the recent increase in the GIS, which Parliament passed, a special \$35.00 per month increase in the Guaranteed Income Supplement, for the poorest of the pensioners, it seems to me what's happening is that this government is intent on recovering as much of that as they can. The purpose of that increase was because people who are

Tuesday, 17 March, 1981

dependent only on OAS and very little else could qualify for an amount which improved their income somewhat. It seems to me what we are seeing here by, in advance, determining that it'll rise over four quarters, \$2.00 a day; \$2.00 a day in a year is over \$700.00. So it seems to me that what we're witnessing here is an attempt by the province to recapture what the Parliament of Canada voted to give to old age pensioners, certain classes of old age pensioners and that what we're seeing is not what we had before, which was every quarter and an announcement which reflected the indexing that took place.

What we're actually seeing is anticipation of some indexing plus the known \$35.00 which the Parliament of Canada voted and which this government seems to be rapidly interested in recapturing. To me this is a pretty cynical way of operating because the money was voted in order to make more funds available to pensioners. It was not simply voted so it could be recovered through higher per diems in personal care homes or anywhere else. So, I'd like a comment from the Minister on that.

**MR. SHERMAN:** Mr. Chairman, I certainly appreciate the perception and the concern of the Honourable Member for Seven Oaks and I want to assure him that my officials and I and the government shares that concern.

The step that has been taken, however in fact, does not reflect any attempt to recapture what the Parliament of Canada has voted to the old age pensioner, because those pensions of course are available to all old age pensioners and it's only a minimal number of our pensioners who are in personal care homes. In fact, statistics demonstrate that 90 percent of our elderly persons are independent and self-contained, to one degree or another in their own places of owned or rented premises.

So what we're looking at is the pensioner in personal care homes and although it may appear as an attempt to recapture what the Parliament of Canada has voted to those pensioners, I must submit to the honourable member, Mr. Chairman, very truthfully and very sincerely that is not the case.

What it is an attempt to do is to maintain the excellent Personal Care Home Program which was universalized and insured by the previous administration and which this government certainly endorses, which represents a very enviable health program in Canadian terms. There are only four provinces in Canada, in fact it may only be three. Is it three or four? There are only three provinces in Canada that have a universal insured Personal Care Home Program, and I know that the Member for Seven Oaks as a former Health Minister, recognizes the costs involved in maintaining that program.

What has been carefully taken into account is the disposable income of pensioner residents and every effort has been made to protect that and to ensure that it continues to rise. For example, looking at the disposable income of a single pensioner, we'll take the year that the previous government left office and this government came into office, 1977-78, the disposable income of a single pensioner in that year was \$70.16. In 1981-82 it will be \$128.38. For a married pensioner the disposable income in 1977-78 was \$59.11 and in 1981-82 it will be \$80.02. Perhaps

more significant than that is the percentage of disposable income that is left to the pensioner resident after paying the per diem.

It has indeed, Mr. Chairman, I don't deny it, at one or two points in the schedule since the program came into effect in 1973-74, been up in the range of the high 20 and low 30 percents for single pensioners and in the range of the high 20 percents for married pensioners, but those situations really had to do with aberrations that came about at the time when particular bonuses or improvements in the GIS — or one or another form of Federal pension — were introduced by the Federal Government and I might say that in most cases they were associated with election campaigns.

In general the average over the range of the years of the program, for percent of disposable income remaining with pensioner residents has been in the range of the high twenties for single pensioners and the range of the low twenties for married pensioners, and the new rates maintain that level. The percent of disposable income in 1981-82 available to single pensioner residents will be 28.7 percent and for married pensioner residents, exactly 20 percent.

The other indicator I'd like to just present for the consideration of the Honourable Member for Seven Oaks and the Committee is the division of costs of the program. The residential charges, the residential per diems have consistently throughout the life of the program, with the exception of the early years when they were quite high, 1973 and 74, when the program was being launched, they've consistently been in the 21 to 23 percent range and the government's share has been the other 77 to 79 percent. In 1981-82 the resident's share will be 23 percent and the government's share will be 77 percent. The total amount of revenue, accruing to the program in residential charges, that is uninsured income, that is the residential per diems in 1981-82 will be \$29.8 million and the total amount being provided by the Manitoba Health Services Commission will be \$97 million, for a total cost of the program of \$126.8 million. When one considers that eight years ago when the program was launched, the cost of the program was \$16.9 million and this year it will be \$126.8 million, I can only offer the justification that I've offered for the adjustment in the per diem residential rates.

**MR. MILLER:** Mr. Chairman, I know the figures the Minister is bringing forward and he can use percentages if he wants to, but the reality is this; the Parliament of Canada voted \$35.00 a month. They've determined that the threshold of poverty for pensioners is now at a new threshold, it is a higher threshold than it was before; that in fact OAS and GIS combined was inadequate and so in order to raise that poverty level they decided that \$35.00 a month would be in order. What you're witnessing here though by an advance announcement that is going to rise 50 cents per diem every quarter, you're going to have an increase to \$1.50 a day by January 1st, from April 1st to January 1st; and of course April 1st again by next year it'll be another 50 cents, it'll bring it to \$11.75 from today's \$9.75. I'm saying that rate of increase is more than what normal indexing would take and in fact, what the Minister is doing is staking out a claim on that \$35.00 which Parliament voted, which they felt was a minimum amount necessary —

Tuesday, 17 March, 1981

and a very minimal amount, I think the Minister would agree — to bring people who's only incomes are pensions to some level which is considered at the poverty line.

So even though this may keep his percentages in order, the fact is that we know that pensioners in this country are not doing all that well and people who have to depend on the GIS obviously were falling far behind and this was an attempt by the Parliament of Canada to just simply bring them up. It's my understanding that it passed Parliament without a dissenting voice. Everyone agreed it was high time and it was done; but what they're witnessing is one level of government is making the payment and another level of government is siphoning off, if not all of it, siphoning off part of it, because that \$1.50 a day which will be added to the cost at January 1st amounts to \$547.00 a year, which is far more than what the indexing is going yield.

The indexing is nothing like that and really it does represent a substantial cut or a substantial slice of the \$35.00 a month which Parliament voted. So although the Minister may like to keep his percentages in order, the reality is that these people are paying more and if I suspect that if they haven't voted that amount, the Minister would not have been able to come in here and say, well now it's going up 50 cents a day automatically. He'd have waited until indexing was announced and then made the adjustment accordingly, retroactively, or to take place at the same time, the 25 cents a day or in some cases if the indexing didn't allow for it, perhaps even less. But to an advance, say it's 50 cents a day every quarter, rain or shine, the only way the Minister can do that and feel that what's he's doing he can get away with it, is because that \$35.00 a month extra was voted for pensioners.

**MR. SHERMAN:** Well, Mr. Chairman, I would have to concede the Honourable Member for Seven Oaks a point. Certainly if that \$35.00 bonus to the GIS, which is the second in some two or three years — I remember going into the 1979 Federal election campaign there was a \$30.00 addition to the GIS announced in one block — he's correct. We would have had to look very carefully at the rates because we really calculate our rates on the basis of the disposable incomes of the pensioner residents and without that additional block bonus to the GIS, there would have not been any flexibility with respect to that disposable income. But we have worked to protect that and to ensure that it keeps increasing.

The only other point I would like to make at this time is that when we're talking about residents of personal care homes, we're talking as the member will appreciate, not about persons who would be considered in the category of people living on or near the poverty. The \$35.00 GIS increase admittedly was voted by Parliament to improve the lot of elderly persons. Now, if it improves their capacity and ability to be residents in personal care homes, then that is improving their capacity and their lot and as the member knows, in personal care homes their needs are fully attended to. There are some personal requirements that one always has regardless of one's age and that's the reason for protecting a certain amount of disposable income, but generally speaking residents of our personal care homes and our

personal care home system live well and their needs are attended to.

**MR. MILLER:** Mr. Chairman, what has to be recognized is the term disposable income. It's obvious as I say, that the Parliament of Canada felt that the disposable income of elderly people should rise in order to keep pace with inflation because their disposable income wasn't sufficient. Now the Minister talks about disposable income. I realize that many of the costs of the personal care home are covered by the service; on the other hand there are costs to the individual in a personal care home — and I'm not talking about someone who is confined to a bed and really doesn't move out of the bed — I'm talking about many who are mobile; they're weak elderly; they are very elderly; they need the support of a facility but they are able to get around and they do have personal costs. They have to buy certain things on their own, not just entertainment, but personal needs. They need money for family purposes. If they have grandchildren they'd like to buy them a birthday gift and there is nothing wrong with that, but these things have all gone up in price, whether it's toothpaste or whatever, or kleenex. Those things are not necessarily provided in all personal care homes.

If you need a chiropractor, they come into the personal care home but you have to pay them. I know many of the women in personal care homes do, in order to maintain some feeling of dignity and feeling well, do have their hair done occasionally. These are all costly and those costs have gone up.

So to simply say well, they have more disposable income, therefore we should take more, is begging the question and ignoring the fact that the purpose of this amount was really to improve their lot, not just to help them stay put or stay level, but to improve their lot. The amount that is being taken away from them, I feel, out of the \$35.00 a month is a very substantial amount and really is taken advantage of, I'd say, something at one level of government, and is being taken advantage of by this government.

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

**MR. PARASIUK:** I have a whole set of general questions I want to ask but I'll wait. I think we'll probably get back again to these Estimates on Thursday, if tomorrow we get into legislation and Interim Supply, although conceivably we might get back tomorrow.

I am going to ask some specific questions again pertaining to the strike at St. Adolphe, and I raised them today with the Minister. I think they are of a critically urgent nature. I know the staff are here and I am wondering if the Minister might be in a position to answer them, or if he isn't in a position to answer them, I would think that if I raise the questions now he should be in a position to provide answers to these questions when we meet again probably tomorrow or certainly on Thursday.

First, the St. Norbert Homes Limited which operates St. Norbert Home, also own St. Adolphe, and do they own any other private profit-making nursing homes?

**MR. SHERMAN:** No, Mr. Chairman, they operate the St. Norbert Nursing Home and the St. Adolphe

**Tuesday, 17 March, 1981**

Nursing Home, and they operate St. Norbert Lodge, which is not a personal care home.

**MR. PARASIUK:** Has St. Norbert Homes applied to the Manitoba Health Services Commission to build a new personal care home or to expand one of the existing ones?

**MR. SHERMAN:** Yes, Mr. Chairman, they have applied to build a new one.

**MR. PARASIUK:** Is this a replacement or is this just an expansion of more private beds?

**MR. SHERMAN:** That's a difficult question to answer, Mr. Chairman. If it were approved and if it were to be built tomorrow, it would be an expansion; but as the honourable member well knows we're in a constant exercise in the system in terms of replacing old beds with new, and it could well be that at a certain point in that schedule they would be beds that would be replacing old beds that were being closed down. But at the moment, and it's a hypothetical question because it isn't taking place, but at the moment it would be an addition. I don't know if that is very useful information, Mr. Chairman, because I repeat, it's hypothetical.

**MR. PARASIUK:** I would think that there have been a number of groups that have made application to construct personal care home beds. Most have been given definitive answers from the Commission saying no. Has St. Norbert Homes been told that they have not been given approval, or is their application presently being reviewed by the Manitoba Health Services Commission?

**MR. SHERMAN:** They certainly have been told that they are not approved in this year's program, Mr. Chairman, but as with a considerable range or list of applicants for personal care construction they have been told that they will be given consideration in the future.

**MR. PARASIUK:** I can infer from that, that they're on the current file — that they're not on the dead file, they're on the current file — and their situation is being reviewed by the Manitoba Health Services Commission.

I know the Minister has told us how private homes are paid. Can he indicate to us again, how are private profit-making homes paid by the Health Services Commission for the services that they provide?

**MR. SHERMAN:** Based on the number of beds in the facility, Mr. Chairman, and on the categories of those beds in terms of levels of nursing care required, whether level 2, 3, or 4, they are paid an operating per diem. It's a calculated yearly budget, and I think I am correct in saying that they're like hospitals, paid 24 times a year; approximately every two weeks they get one twenty-fourth of the projected budget for the year. That twenty-fourthly budgetary payment is developed from an annual budgetary projection, as I have suggested, which is developed on the basis of the operating costs of the home for the year, which is based on the number of beds and the category of those beds.

It is in the case of the proprietary operators, the median per diem that's paid to the non-proprietary operators, insofar as the operating per diem is concerned. There are actually two per diems paid. There is an operating per diem and a capital debt repayment per diem, and the operating per diem for the proprietary personal care homes is the median rate paid to the non-proprietary homes. That way it's efficient and practical to maintain control in budgetary terms and in terms of commitments of expenditure by the commission.

**MR. PARASIUK:** I think that at some stage as we proceed in these Estimates we'll debate whether in fact that's an effective means of providing control from the government's point of view, especially when these private homes do not file audited financial statements and aren't being required by the government to do so.

**MR. SHERMAN:** The private homes that have always been in the field up till now, have not filed audited financial statements. They didn't file them under the former government or the present government.

**MR. PARASIUK:** I think that if I'm raising points, I don't mind being interrupted by the Minister on a point of order, but if he just wants to debate with me, then I think he should wait until he has his turn, because I don't interrupt his comments with points of a debating nature. —(Interjection)— Okay, these are areas of debate and dispute. I have not said anything about the past. I am talking about what exists right now and what exists in the future, because what's happened now is that this government has shown bias and favoritism toward private corporations in the personal care field that wasn't shown before. The bias was shown towards non-profit groups because it was felt that non-profit groups would provide health care for older people in personal care homes because of their love of humanity, not their love of a buck. I approve of that past policy. What's going on right now I disapprove of completely.

When I find that the Minister is saying they have some type of control, and he is saying the control is that the operating per diem will be the median of non-profit homes, he doesn't say anything about the capital debt per diem which is a different one. I don't know if that's tied to the non-profit capital debt, because if there is no risk involved, and there isn't any risk involved with personal care homes because the waiting list is so large — I have a headline saying that in Western Manitoba there is a waiting list of 500 to get into personal care homes — the government pays the per diems; the old age pension pays the residential per diem; obviously there is no risk so why should private operators be getting a profit on the capital facility, a profit on the capital debt per diem which is what they work into their books, and that's where we will debate that and have some very major questions to raise.

When I look at the Minister's statements regarding per diems, I take a look at St. Adolphe and I see that in 1979-80 they had 42 beds and they got \$320,000 from the government. I look at St. Norbert, 91 beds and they got \$1,044,000; twice as many beds with St. Norbert but yet they get three times as much money from the government. That raises some very major questions in my mind.

**Tuesday, 17 March, 1981**

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Furthermore, getting back to the whole point raised by my colleague the Member for Seven Oaks, the government is going to the residents and asking them to pay an extra \$2.00 per day but they're raising it, they're raising it over the course of a year and they have no qualms about that, and that really is going to be going to the private operator in this instance. The private operator will be the person who will get that extra \$2.00 a day, not the Government of Manitoba, not the Manitoba Health Services Commission, but this private operator is going to get an extra \$2.00 per day from the residents. This same operator is saying to the workers at that facility, that he can't afford to pay them rates that are not comparable, but close to those being paid to workers in non-profit homes. He was saying that would bankrupt him. Here we have the government imposing on the residents an extra charge of \$2.00 per day on behalf of St. Norbert Homes. That's not the market operating, that's the government using its power to give an extra windfall profit of \$2.00 per day to Mr. Brousseau.

I know that the non-profit homes don't get that windfall profit because the government says, we want audited financial statements from the non-profit homes and the non-profit homes supply the audited financial statements and the government very carefully goes through those financial statements to make sure that there isn't any surplus, to make sure that these non-profit groups, which are non-profit by definition, won't stash any of this extra \$2.00 per day into their pockets or put it in the bank; but rather if there was any surplus these non-profit institutions would put that surplus back into the quality of care provided to the residents. The government says, no, we don't want that; we want to make sure that we watch them very carefully. We don't want a surplus; we don't want anything that might enrich the program, so we are going to monitor them very closely; ask for, receive audited financial statements and we aren't prepared to do that with respect to St. Norbert Homes, either with respect to their operation in St. Norbert, or with respect to their operation in St. Adolphe.

So, it raises a whole set of questions. Are wage rates for staff different in private profit-making homes as a rule, in comparison to non-profit homes? Are they different for St. Norbert and St. Adolphe homes in relation to the other private homes. I think those are very important questions for us right now with respect to the strike situation. I asked this in the House but I ask it again because the staff are here. Are workers being required by management to work double shifts? That is are they working in St. Norbert; being bused over to St. Adolphe and being required to work a double shift in one day; exhausting them, and I would suggest, lowering the quality of care, possibly to dangerous levels especially if some people inadvertently fall asleep.

I'd like to ask the Minister and his staff, are maintenance staff from St. Norbert Home being required to work as nurses aides when they work a double shift in St. Adolphe? And, if they are being worked or being forced or being required to work as nurses aides, do they have the qualifications and the skills to perform functions that nurses aides are required to perform? I'd like to ask also if government health inspectors from the Manitoba

Health Services Commission are inspecting the premises on an ongoing basis? I have to raise concerns that we brought up in the House today as to why it is that the health inspectors, presumably through their regular, I would have hoped, spot inspections of these facilities, weren't able to find out a number of problems with the facility itself in St. Adolphe that were subsequently found out by the Workplace Safety and Health Inspectors from the Department of Labour. The Minister says they are not the same thing, and I object very strenuously to his statement there, because if the conditions are declared unsafe from a workers point of view, in terms of overloading of electrical wires, in terms of auxiliary heaters, in term of broken windows; if they're declared unsafe from worker's point of view, surely they are much more unsafe from a patient's point of view. The patients aren't as mobile in a Personal Care Home as are workers. So, when Workplace Safety and Health Inspectors raise objections, I'm astounded that the government isn't concerned as to why the health inspectors, in the first place, weren't able to find out those problems that exist in St. Adolphe which the Minister of Labour has acknowledged exists there.

So then that leads to another question. What are the inspection procedures? Are Personal Care Homes notified in advance of inspections? Because if they are notified in advance and I can tell the Minister that I have been asking a number of questions of nurses and health care workers in personal care homes and they tell me that they are aware, at least a day in advance, and management as management tells them that there will be an inspection the next day, so there was a scurrying to put the best face forward that subsequent day. I believe that that is not the way in which inspections should be handled. I don't know of other groups that phone up a day in advance to tell, say, the hotels, the beer parlors, any other spots, that they are coming in to do an inspection, so put your house in order so everything looks good. I don't think that's the way to proceed.

There must be some concern with inspection procedures in that I look at the inquest results for St. Norbert Home where a person wandered away last fall and froze to death. And the inquest, the judge, found that the death occurred because a door was not manned which to me implies understaffing, said there was a problem with file overcrowding. I look at that inquest result and I say why does it take a judge to determine that, don't we have inspection procedures that would have determined that in the first place and establish safeguards to prevent that type of thing occurring? Why do we need a judge to bring these facts out, after the fact, and if that was, in fact, the finding, as it was by the judge, what has the government done to ensure that the recommendations of that inquest are being met, not only for the St. Norbert Home but for the St. Adolphe Home and for other Homes?

So, my concern with this issue is that the Minister surely has to either be satisfied with the type of inspection that is taking place which allows him to say publicly that, although there are concerns, we are satisfied that the quality of care is sufficient or adequate at present in that facility. But all the evidence, with respect to inspections, seems to

**Tuesday, 17 March, 1981**

indicate that the inspections haven't been precise enough. And the word that we seem to be getting from other people, from visitors going in, from relatives going in, is that the quality of care is deteriorating; they have some very special concerns. I think that it's up to the Minister to ensure that the quality of care there is being provided and that the workers themselves are not being misused, are not being threatened, either those that are on strike or those that are working in St. Norbert Home, because to me that would be very serious abuses of our Labour Standards Act.

So, I ask the Minister, is he satisfied with the inspection procedures? Is he satisfied with the quality of care? Is he satisfied with the quality of the facilities, if indeed those problems pointed out by the Department of Labour inspector still exists? Is the Minister satisfied that the conditions are safer enough now that the situation is under some more extreme pressure because of the strike?

**MR. SHERMAN:** No, Mr. Chairman, I'm not satisfied and that is why I responded to the honourable member and others in the House the way I did this afternoon and that's why I assured them that, through the Commission, intensive assessment of levels of care and quality of care is being pursued; and my colleague the Minister of Labour is acting upon and exhaustively examining the criticisms and the charges in the other area, with respect with the physical condition of the plant.

I'm at something of a disadvantage, Mr. Chairman, because the Honourable Member for Transcona has raised a welter of questions, all of them important, and it would take me some time to respond and unfortunately, as I advised the Committee yesterday, I have an unavoidable commitment this evening and I think we had an agreement that Committee would attempt to rise at approximately 10 o'clock.

**MR. PARASIUK:** I appreciate that we were probably going to break at 10:15. I did want to raise a number of points. I thought this would give the opportunity to the Minister and his staff to look at these matters. If we come back tomorrow afternoon I expect the Minister to be in a position to respond substantively to the points that I've raised. If we don't come back to Estimates until Thursday well then he'll have that extra day in order to find out all the facts pertaining to the matter.

**MR. CHAIRMAN:** Committee rise.

## **SUPPLY — FINANCE**

**MR. CHAIRMAN, Abe Kovnats (Radisson):** Committee will come to order. I would direct the honourable members' attention to Page 58 of the Main Estimates, Department of Finance. Resolution No. 61, Clause 1. General Administration, Item (b) Executive: (1) Salaries — pass — the Honourable Member for Rossmere.

**MR. VIC SCHROEDER:** (Inaudible) . . . what the government did, what the previous Minister of Finance did and what we need money for now, is to give all of those people an extra \$100.00 by

increasing the minimum amount payable against property taxes from \$225.00 to \$325.00. It used to be that those who were in the upper income areas in this province received a credit of \$225.00, they did not qualify for any of the cost of living credits, they did not qualify for any additional credit for their property taxes. This government chose to give those people an extra \$100.00 because obviously these people, in the view of the people opposite, needed that money. I then gave the example of my secretary, who is earning something in the range of just over \$14,000 a year, the head of a family, two children, certainly a person who would need some assistance as opposed to those in the \$40,000-and-up bracket. She loses \$30.00. Some win, some lose.

Senior citizens: Each one of them, every senior citizen in this province loses on the cost-of-living credit unless you can find a senior citizen who is not in receipt of any income whatsoever. And why is that? That is because the first part of the formula, the 3 percent of total exemptions hasn't changed, but the second part, subtracting 1 percent has changed. It used to be 1 percent of the taxable income and most of the senior citizens in fact didn't have taxable income and 1 percent of nothing was nothing. So what they got was 3 percent of their exemptions as a cost-of-living credit.

What these kind gentlemen did, was change that to make it 1 percent of family income, net family income, to be deducted; not only net income of the individual, but net family income to be deducted from the cost of living credit. As a result there are many senior citizens in this province losing up to \$40.00, both the husband and wife and more on the cost of living credit; and that's at the same time that other people, the wealthy, are getting an extra \$100.00.

So all of us I suppose have some priorities in terms of tax shifts. We thought that we were here to attempt in some way to more equitably, more fairly, distribute the goods and services amongst those who work for them in our society. Obviously the people opposite think that you are here to more inequitably divide the goods and services, and you're doing a fine job of it.

There has been a suggestion by one of your backbenchers, Mr. Chairman, that it was a mistake. They really thought they were going to help people by changing that formula. Some mistake. Surely no Minister of Finance would admit that he was so non-cognizant of what happens when you change formulas as that. Surely we will not have a Minister of Finance saying, I didn't understand the formula, I didn't understand that the wealthy would receive an extra \$100.00 and the poor would pay the \$100.00 and some of them even pay more than the \$100.00. Some pay less, some pay more and probably you'll find some poor people who may even get a few dollars out of the deal, although I haven't seen any and I've seen quite a number of income tax returns in 1981 for the taxation year 1980.

So here we are, we have the Member for St. Matthews telling us it was a mistake. We heard that on the radio, I heard it on Friday, it was CBC. He was on the radio saying, oh, I've talked to all those fine gentlemen in the front rows, of course that Cabinet has expanded right up into the third row now, so I suppose we have to refer to the entire

**Tuesday, 17 March, 1981**

group or at least to all three rows. He's been going around talking to you people and you people have been telling him no, no, that wasn't the intention. That's what he said. But we don't have anybody standing up here and saying, we're going to change this, we're going to rectify this. This wasn't fair, this wasn't what we meant. We haven't heard anybody standing up and saying that at all. So all we can assume is that this is just a continuation of this program of hit the little guy and build up the big.

That's what you're doing for instance with the car allowances with the Civil Service; put a squeeze on the little guy, give him more forms to fill out, make it a little more difficult to get by on his particular allowance and turn around and for yourselves, of course you don't want to do paper work. So what do you do? Do you give back the car and drive your own? Do you possibly leave the car here on weekends or something? No. You say well, all of our expenses will be government expenses and from now on we, the Cabinet Ministers, have no personal expenses and so you can forget about that.

So that's an interesting way of doing it. You do that at the same time that you're practically pulling kids out of universities because you're auditing them so closely. You're telling us, for your car expenses it's a bother. It's too much paper work, too much bureaucracy, let's get away from this, let's simplify things, and from now on we won't show the \$100.00 a month that we use in personal travelling to the hockey games, to other sporting events or whatever, we'll just throw that into the pot, no problem there at all. But when it comes to a university student you're asking them for receipts for food and that type of thing for three years back, then all of a sudden you're not worried about the bureaucracy. What hypocrisy.

I really think that we deserve an explanation for what's going on there unless it is true that in fact what you are doing is simply shifting things back from those who have-not to those who have, because that is what it appears you are doing.

Again, over the next few weeks we will be bringing more examples of income tax returns to your attention to make it perfectly clear, even to the members on that side, that people who are pensioners, people who are the working poor people on low incomes, people on middle incomes, people at \$10, \$15,000 a year, are being hurt by that government.

Of course there will be examples coming in as well of university students living together from ridings such as the riding held by the Minister of Finance. I'm sure some students from his riding come to the universities here in Winnipeg and they possibly share accommodation and now when it's time to fill out the income tax return, they will find that the rules have been changed. The rules were changed so that only one of the two students living in one residence will be entitled to claim the property tax credit for the rental paid. That's what you've done to your own kids. Which one will it be? If they are not living together anymore, who determines which of the two students living together will be taking that deduction? If they both do, you have rewritten the law in such a way that they are breaking the law. That's what you did last year.

I would like to hear you people stand up and defend that, or change it, but that is the type of

income tax return that will be coming before this House in the next few weeks. You people are going to have to either defend it, or change it, or stand up and admit that the Member for St. Matthews was right and that you people didn't know what you were doing last year, that it was all a big mistake; that it was just another number of examples of the kind of inappropriate and poorly thought out legislation that you presented to the House last year.

**MR. CHAIRMAN:** (1) — pass; (2) — pass — the Honourable Member for Inkster.

**MR. SIDNEY GREEN:** Yes, Mr. Chairman, I make it a habit to give the Minister an opportunity to answer because if the Member for Rossmere's questions are intended to be dealt with or at least its charges are intended to be dealt with, then I would certainly yield the floor. If the Minister wishes to have the item continued then I do wish to make some comments, Mr. Chairman, on another feature of the line that is before us.

Under the General Administration, the indication is that it provides direction, control and co-ordination of department programs and advises on government fiscal policy. Now, Mr. Chairman, I intend to try to demonstrate to the satisfaction of the public, if not to the satisfaction of the Minister, that the Conservative administration has no fiscal policy; and that to provide money under the guise of giving money for the control and co-ordination of departmental programs and advise on government fiscal policy, is in effect to obtain money by the government by false pretences, because this government, Mr. Chairman, has indicated on numerous occasions, that it has no fiscal policy whatsoever.

The fiscal policy of the Conservative Government is to add up the expenditures, to try to pare them as any government would do, to try to catch up this year for what they have pared last year, which results in, what is it, a 14 percent increase in expenditures this year as against an alleged 10 percent last year, which came out 11 when it was finally over and an alleged 8 percent the year before. That their program, which doesn't need any money voted to concoct, is to add up the figures of expenditures, to estimate the figures of revenue and to present that as the financial affairs of the Government of Manitoba.

Now, Mr. Chairman, that is no fiscal policy at all nor has the Minister or the previous Finance Minister indicated that the government has a fiscal policy. The fiscal policy of the Conservative Opposition when they were trying to become the government, Mr. Chairman, was to reduce expenditures and to eliminate the deficit. That was a fiscal policy, Mr. Chairman. The first line of it was to eliminate unnecessary expenditures and the second line of it was to end deficits.

Now when they came into government, Mr. Chairman, the first thing we found out was that expenditures were going up — I can't remember the exact figure but I think it was in the neighbourhood of \$100 million — I had previously been told by somebody in the media that there was going to be a reduction of expenditures from the previous year's expenditures and I said, Mr. Chairman, and I told the media in advance, if that happens I will take my hat

off to the Conservative government because that is impossible. There is not \$30 million plus inflation in controllable expenses in the Budget of last year; and it proved to be correct, Mr. Chairman, because not only did the Conservatives come in without increasing expenditures, continuing deficits, but in their first year they claimed, Mr. Chairman, claimed I use advisedly, to reduce taxes by \$73 million.

So, Mr. Chairman, the so-called fiscal policy of the Conservative government disappeared even before they had been in government one year. They increased expenditures and they did not eliminate the deficit; and if you will remember, Mr. Chairman, they stopped saying that they were going to eliminate the deficit. What they said was that they were going to reduce the deficit.

Well, Mr. Chairman, which deficit were they going to reduce? Because the budgeted deficit of the previous year was \$100 million on the capital side and roughly \$30 million on the operational side, and the Conservatives went to the public saying they were going to eliminate that deficit. Not only did they not eliminate it, Mr. Chairman, but in short course of action they increased it. And this year, Mr. Chairman, we can look forward to the Conservative government doing one of two things, or both; they will either bring in a deficit in the neighbourhood of \$200 million on capital and current account — because they have decided that there is no difference between the two and they have eliminated the distinction, although they would dearly like to bring it back to try to make their books look better — but there will be a \$200 million deficit or an increase in taxes, Mr. Chairman, or both.

I don't think, Mr. Chairman, that this government is going to increase taxes because they have no fiscal policy. There is such a thing, Mr. Chairman, the Member for Lac du Bonnet indicated that there is such a thing as having a deficit budget with the intention that somewhere along the way the expenditures that are incurred in deficit financing will be an investment, will bring the economy around, and will result in income in future years.

It is popularly known, Mr. Chairman, as the Keynesian theory of economics and really it's not such a new thing. Joseph practised it approximately 5,000 years ago. He said that when there are good years he will take from the stock that is produced for seven years, the surplus, and put it away and then in the seven bad years, he will take from the surplus and distribute it, so that when the economy is down you will distribute your surpluses, and when the economy is high you will tax. It makes good sense, Mr. Chairman. Joseph made good sense; Keynes made good sense, but no politicians that I have ever met have ever made good sense out of Keynesian economics.

The only thing that I have heard from the Keynesians — and that you will be able to see from watching their performance — is spend in the good years and spend in the bad years. I have not seen any of them in the good years decide that they are going to take money and build up surpluses to have available in the bad years. So, so much for Keynesian economics insofar as it is proposed by people who claim to be espousing it in their economic theory.

Mr. Chairman, what is the fiscal policy of the Conservative government? Do they say that they are

intent; that we are now in the bad years; that they have turned into Keynesians; that we are now in the bad years; that they are now going to incur a \$175 million deficit last year, a \$200 million deficit this year which is \$375 million; a deficit of about \$100 million in the previous year which would give us \$475 million — and if I'm wrong, I'm wrong in the tens of millions not in the hundreds of millions — so that by the end of this year's budget the Conservatives will have accumulated in their term of office at least a \$400 million increase in the debt of the people of the Province of Manitoba through repeated deficits. Not only repeated deficits —(Interjection)— the Member for Lac du Bonnet shows that if I am wrong in the hundreds of millions, I'm too low in the hundreds of millions. It is going to be \$500 million accumulated in four years of office and I venture to say — and here's where I am leaving myself open — that is more than the total accumulated deficits of seven years of New Democratic Party government. I am leaving out the last deficit but other than that, the \$500 million is more than the total accumulated deficits of the New Democratic Party when they were in government.

Mr. Chairman, my friend the Member for Lac du Bonnet says that you can have deficits and I suppose you can have them — and I'm not really criticizing that — I am asking the Conservative government to define to me, what fiscal policy they are now operating under with respect to these deficits? Are they telling me, Mr. Chairman, that we are now in a period of low productivity and the deficits are going to be used to inspire the regrowth, to incite, to inspire, to encourage the regrowth of the economy? Because at least, Mr. Chairman, we will then know —(Interjection)— Mr. Chairman, you know that is interesting, that is interesting.

In the years when the New Democratic Party was in power and there was an unforeseen expenditure such as in 1977, a drought in the economy of the Province of Manitoba which required \$35 million in expenditures to create socially productive employment in our society the Conservatives said, don't tell us about contingencies, don't tell us about unexpected things. You've spent \$35 million. They never, ever gave any allowance whatsoever for a shortfall in Federal revenues that was not expected. In the deficit that you people so loudly condemned, the one interestingly enough, Mr. Speaker, I am going to take that phrase and pound it into you until you cannot forget it, that it is impossible to govern properly on the basis of having been left with such a terrible mess. What was that terrible mess? A \$180 million deficit. Well, last year you had a \$180 million deficit and this year you'll have a \$200 million deficit and if it's impossible for you to govern on the basis of having a \$200 million deficit, then the best thing that you should do is resign right now, because by your own definition you cannot govern the province with such a deficit; that's what you have said.

Those were not, Mr. Chairman, the arguments of the Opposition. Those were the arguments of the Conservatives themselves. But at what stage of the fiscal policy of the Conservatives are we in? We are no longer engaged in the fiscal policy of reducing expenditures because the honourable previous minister said in his Budget Address, he said that the province is now financially stable; that there is no

Tuesday, 17 March, 1981

longer any need for holding back money. After two years, and a government that says that there is trouble comes in and then brags that things are so good that they can give up \$73 million in taxes, they must have come into a pretty good financial situation but really, Mr. Speaker, that isn't even true, it's a lie.

They never gave up \$73 million in taxes unless we can say that within a very short period of time they imposed \$60 million of taxes, because in the \$73 million they were accounting, what was it, a 3 percent reduction in sales tax which was temporarily provided by both the Federal and the Provincial Governments in order to try to stimulate the economy; things that they criticize anybody else for saying that they will do, but when that ended and the 3 percent went back for the next full year, did the Conservatives come out and say, we are now increasing taxes by \$60 million? Mr. Chairman, if they didn't increase taxes by \$60 million they didn't reduce taxes by \$73 million, and since they will not admit to having increased taxes by \$60 million, they stand condemned for falsifying a supposed reduction of taxes, Mr. Chairman, by \$73 million. But let's go back to it.

They are no longer talking about reducing expenditures. They are increasing expenditures in a year in which the economy probably can least afford them, by 13 percent in their Estimates? By 15 percent in their Estimates, and you ain't heard nothin' yet. That's just the Estimates. Wait till we get Supplementary Supply, wait till we get the warrants in but it's 15 percent. Mr. Chairman, somebody says from this side that this is to gain public support in an election year? Mr. Chairman, if that's to gain public support in an election year, then it seems to me that the Conservatives are saying to the Province of Manitoba, in order to get public support you have to spend money which is exactly the opposite of what they said when they got public support to the extent of 48 percent in the election of 1977. Well, my friend the First Minister says it was 49 percent. It was probably between 48 and 49 and since I will be subjectively a little unhappy about the percentage. I will reduce it to 48 and the First Minister being subjectively happy about it, will increase it to 49. But I will say between 48 and 49. That's good enough, fine. You see, by reasoning we get the conciliatory position.

Mr. Chairman, the policy of the Conservatives was to reduce expenditures. The fiscal policy of the Conservative Government, and I say they have no fiscal policy and I say that's why we get to where we are, is to increase expenditures. The policy of the Conservative Government is to reduce the deficit. The practice of the Conservative Government is to increase the deficit because what taxes are you going to impose in order to pick up, in order to avoid that \$200 million deficit? What taxes are you going to impose? Is it the fiscal policy of the Conservative administration to attempt to have revenues keep pace with expenditures? It was, when they said they were seeking office, Mr. Chairman, but it hasn't been so in the last two years. Why is that, Mr. Chairman? Because the Conservative Party, the Conservative Government has no fiscal policy and I repeat, Mr. Chairman, to ask for money to support Estimates for the creation of a fiscal policy on behalf of this administration is to obtain money by false pretences.

There is no fiscal policy. No fiscal policy has been announced, no fiscal policy is discernible from the conduct of the administration to this point and if, Mr. Chairman, I have misinterpreted it, where is it?

We are now engaged in deficit financing. We have had three, four budgets by the Conservative administration. Will this be the fourth? Three consecutive deficits and the fourth will be a deficit as well. Is it now the fiscal policy of the Conservative Government that these deficits that we are building up are investment deficits? That they are designed to stimulate the economy? If so the fiscal policy of the Conservative Party is the fiscal policy of the Member for Brandon East because that is his fiscal policy. He has said, that's his concern and I don't happen to agree with it, that the government should be spending money for the purpose of stimulating the economy. Is that the present fiscal policy of the Conservative administration? If that is not the present fiscal policy of the Conservative administration, in view of the fact that you have had three deficits and that we are going to get a fourth very soon, what have you done to raise the money to make up for these deficits? Now you've done some sneaky things. It's true. On this I'm being a bit unfair. I shouldn't say you have done nothing. What I should really say is that you have said you've done nothing and that you have done some sneaky things.

The first sneaky thing, Mr. Chairman, was to suggest that there was an immediate decrease in taxes by the elimination of the Estate Tax. Indeed, Mr. Chairman, they did eliminate the Estate Tax, and look at all of the people of the Province of Manitoba, look at the great relief that 100 percent of the people of the Province of Manitoba who were inheriting, together with their own property which they had the right to divide, which were inheriting over \$250,000, and were in that difficulty of having had an inheritance of \$250,000 and they no longer had to pay estate taxes. Did you notice, Mr. Chairman, all of the people running along cheering that that had happened. Well you didn't, Mr. Chairman, because — and I'm now going to speak from memory — but not 3 percent of the estates, that's not the people, were subject to estate tax in the first place.

**MR. USKIW:** 148 out of 7,000.

**MR. GREEN:** Well, somebody do it quick; it's 2 percent, Mr. Chairman, but they didn't even do that. That wasn't even the truth, because simultaneously with doing that and because they are Conservative and because to that extent they had a modicum of fiscal policy, they said, where are we going to get this \$8 million that we're now giving up in estate tax. They said there it is, there is now 2 cents per gallon being paid to Autopac as part of the insurance premium — and in my opinion it should be more — but nevertheless it was 2 cents, 2 cents on a gallon. What the Minister of Finance figured out is that a cent produces \$4 million, 2 cents produces \$8 million and we can get all of the people of Manitoba, every time they drive up to a pump and give that 2 cents which we will now take away from Autopac and put into general revenues, they are making it easier for people who have inherited over \$300,000 in their estate. So every citizen of the Province of Manitoba from 1977 on who went to buy gas was helping out, in a conservative way, those poor people who happen to inherit \$250,000.00.

Mr. Chairman, the member says humbug. I ask him to refute one single fact of what I have just said. He just walked in. (1) that the estate tax produced \$8 million; (2) that 2 cents on gas was being used as a partial payment to the premium; (3) that the 2 cents on gas was eliminated from the partial payment of a premium and taken into Consolidated Revenue; that the \$8 million produced by the 2 cents on gas offset the \$8 million reduction in estate tax; and that thereby everybody who went to the pumps and paid those 2 cents was contributing to the people who were in the disastrous position of inheriting half a million dollars.

One fact I ask him to refute; that was the first sneaky step, Mr. Chairman. The next sneaky step was the suggesting that there was \$73 million in tax reduction, which was indicated to be false by the government failing to say three months later that they have imposed \$60 million of tax. And last year we had the other sneaky step, Mr. Chairman. It suddenly became apparent to the Conservatives that if they merely shift the gas tanks from a direct tax, a cent per gallon or cents per gallon. If they do it as a percentage of the price they knew, not they knew but they encouraged, no wonder they want Lougheed to raise the price of oil. You guys don't know why they want Lougheed to raise the price of oil? Every time Mr. Lougheed raises the price of oil, because we are now dealing with a percent on gas tax, they make up for part of their sloppiness in not having revenues to pay for their expenditures. And that percentage alone, and the Member for Lac du Bonnet knows the figure more than I do, but I believe that it will produce \$9 million this year. Well, I don't know what it will produce this year, Mr. Chairman, but it will produce millions of dollars over the years, and every time the price goes up and if it to world price and we started paying \$5.00 for gas, which is apparently what the Conservatives want us to do, that's apparently their objective that we pay \$5.00 a gallon. (Interjection)— Pardon me?

Mr. Chairman, by the time we get to \$5.00 in Canada the world price may be \$7.00, so \$5.00 may not be world price. But it is a fact that the Conservative administration has defended the position of the Government of Alberta, has talked about self-sufficiency, has used all of those phrases which are used by those people who say that we should move towards the world price of oil.

Well, Mr. Chairman, the fact is that they say that we should move toward the world price and what we do know is that they have approved and applauded every increase that got us from \$2.75 in 1973 to approximately \$17.00 today, I'm \$17.00 again, I'm probably low, probably low. And that was applauded at every stage by the Conservative administration. That's the other sneaky thing, Mr. Chairman. I have to say that the present Minister of Finance is not the one who did it; it was done by the chief con-artist of the Province of Manitoba, the previous Minister of Finance who had the nerve, Mr. Chairman, to say a year ago that the New Democratic Party Government cost the Conservatives \$400 million in debt charges. —(Interjection)— The member says right. We found out. Mr. Chairman, that that genius, if he said that it costs you money to borrow on the foreign market and that he knew it, that \$300 million of the \$400 million came after the Conservative Government

came into power and if they knew, since they are geniuses, that was going to happen they could have bought foreign currency against these loans and made the \$300 million. But they didn't do it, Mr. Chairman, because they didn't know any more than anybody else knows as to what is going to happen with currency in the future.

If my friend knows, if the Member for Souris-Killarney knows today, what's going to happen to the Canadian dollar four years from now, and what's going to happen to the European dollar four years from now, he can eliminate all deficits in the Province of Manitoba. Anybody who knows that can do it. But the member, the con-artist, tried to make it appear that that was sloppiness. If it's sloppiness not to be able to predict, then it's sloppiness not to be able to predict today. And if you can predict today you can get all that money back. All you have to do is if it's going down, Mr. Chairman, sell it; if it's going up, buy it. The trouble is nobody knows whether it's going up or down. But the Member for Riel he claims to know, yes, he claims to know. Now, Mr. Chairman, those are the sneaky things that were done by the Conservative administration. They did pick up some revenue and they picked it up in the fashion that I have described; some of the members on this side are saying that they also picked it up in another sneaky way, that the program that was supposed to give money away last year actually takes money. I don't know, I haven't figured that out but nothing will surprise me. (Interjection)

Eighteen million on gas, so I said nine. See how nice I am to the Conservatives? They're picking up \$18 million, I said \$9 million. Well I wanted to make sure that I was right. But the fact is, Mr. Chairman, the \$18 million that they are able to sneakily put in, does not represent a fiscal policy. Can the Minister tell me — we are now going to accumulate a debt of over \$400 million; a simple calculation means that next year when we have to start paying the charges on it or the year after, whenever those charges start to be payable, there will immediately be owing by the citizens of the Province of Manitoba \$40 million on current account without anything being added to the goods and services supplied by the government to the people of the Province of Manitoba.

**MR. CHAIRMAN:** Two minutes.

**MR. GREEN:** I ask the Finance Minister, what is the fiscal policy to deal with that \$40 million? There has been no fiscal policy which has created it. What are we voting you money for?

Now, Mr. Chairman, what we are voting money for is the use of an adding machine, add up the expenditures and we know we're a little bit behind because we tried to pretend that we weren't spending money before; there was absolutely no fact in the previous budgets which they could pare from — which they thought they were going to find their money for — so they had to deal with things as they were. They had to increase expenditures, they increased deficits. What is the fiscal policy that the people of Manitoba are voting to the Minister of Finance under this line of his Estimates?

**MR. CHAIRMAN:** (1) — pass; (2) — pass — pardon me?

**MR. SAUL CHERNIACK (St. Johns):** No, Mr. Chairman. You said pass and I said no, Mr.

Tuesday, 17 March, 1981

Chairman, because I thought I'd like to speak on this.

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

**MR. CHERNIACK:** I'm sorry I appeared rude to you but I had to say something quickly to catch your attention. We are on (b)(1), Mr. Chairman.

**MR. CHAIRMAN:** That's correct.

**MR. CHERNIACK:** And the Minister has been asked several questions. I was wondering whether, before we proceed further, we could hear his responses and then go on from there.

**MR. CHAIRMAN:** (1) — pass; (2) — pass — the Honourable Member for St. Johns.

**MR. CHERNIACK:** It would appear that the Minister does not want to respond under this item because clearly, Mr. Chairman, you called (1) — pass; and you are proceeding to call (2) — pass; and the Minister was not rising, therefore it seems to me that it's a fair conclusion that he is not prepared under this item to respond to the various questions asked.

If I am wrong, Mr. Chairman, I would want to sit down immediately and let the Minister respond; but if I am right in assuming that he did not intend to do so then, Mr. Chairman, it seems to me that there are comments that have to be made. —(Interjection)

Mr. Chairman, the Member for Rock Lake wishes to make a comment?

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

**MR. HENRY J. EINARSON:** I have listened to the Member for St. Johns for about two minutes, Mr. Chairman, and the purpose of the Estimates is to seek information. I have yet to hear the Member for St. Johns ask a question for information.

**MR. CHERNIACK:** Mr. Chairman, on the point of order . . .

**MR. CHAIRMAN:** The Honourable Member for Rock Lake did not have a point of order.

The Honourable Member for St. Johns.

**MR. CHERNIACK:** Thank you, Mr. Chairman, but I will take the opportunity since the Member for Rock Lake is sitting as a member of this Committee and has been a member of the Supply Committee for many years to my recollection, and he doesn't even know what the purpose of the Estimates review is about. If he thinks the purpose is to ask questions to seek information, then where is the Minister sitting in front of him who has been asked questions in a member's presence, and hasn't answered them? I wish the Member for Rock Lake would call a caucus meeting right now to inform his Minister that it's high time his Minister dealt with the Estimates the way the Member for Rock Lake thinks they ought to be dealt with, to seek information.

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

**MR. EINARSON:** Yes, Mr. Chairman, on a point of order. The Member for St. Johns has made a point that I have been here for a long time, as he has. I want to agree with him on that point. The Member for Inkster made a recitation, I guess for 30 minutes. I don't know whether he asked any questions, and it's the prerogative of the Minister to answer if he so wishes, Mr. Chairman, and the Member for St. Johns now is another member. The purpose of the Estimates and this exercise is for the member himself from St. Johns. If he wants to pose a question to the Minister, it's his right to do so and it's also the right of the Minister to answer whether he wants to or not.

**MR. CHAIRMAN:** The Honourable Member for St. Johns on the same point of order.

**MR. CHERNIACK:** Mr. Chairman, I have made the point and the member has just proven my point, that he doesn't know what the Estimates' process is about. He seems to think the Estimates process is designed to seek information and he knows nothing about it, Mr. Chairman, because he obviously has paid no attention throughout all the years he's spent here except to call out, to interrupt others and to make comments from his seat.

I want to tell the honourable member that the purpose of the Estimates is to have the government justify the amounts which they are requesting authority to spend. That's the purpose. And when the Minister who sits in front of him sits in front of him and doesn't respond to points that are being made in relation to the moneys he wishes to spend, that he's not responding properly by not responding at all.

Now if so happens that the Member for Inkster, to whose speech I listened and frankly, Mr. Chairman, I thought the Member for Rock Lake was listening but obviously he wasn't, only for the purposes of interruption, did ask a very important question dealing with that portion of this Minister's Estimates of the executive, the people in the top bracket who advise him and who advised other administrations in their time, and the Member for Inkster asked a very important question. What is this government's fiscal policy? Certainly, there has to be direction from the Minister to the department, because a department running on its own policy would probably continue in the way it thinks fit, administration after administration after administration.

Apparently the Conservatives came into power in order to change the fiscal policy and to change the programs of the previous government. So the Member for Inkster, in addition to making some very cogent points, challenged the Minister to respond as to the policy, and the Minister has failed to do so. I have to tell the Member for Rock Lake if he were only right, then where are the answers? If the purpose is to seek information, where are the answers to the questions asked?

The Member for Rock Lake who sits and waits, I wish he'd come down and be the Minister, maybe we'd get more action out of him — I'm sure we would — than we do out of the present Minister.

Unfortunately, Mr. Chairman, I was unable to be here during the one-and-a-half hours of this afternoon, but I know very well questions were asked and I am under the impression that they were waiting for answers.

Mr. Chairman, here is a Minister sitting there in front of both of us who has been asked questions, who hasn't responded, and do you know who rises to his defence? The Member for Rock Lake. The Member for Rock Lake is the person who is rising — (Interjection)— I didn't, I wasn't even speaking when the Member for Rock Lake was participating, so if he thinks I enticed him, that he was sucked in and he shouldn't have been, he should be smart enough not to have been. The fact is, his Minister shouldn't need his help to defend him.

Mr. Chairman, I still hope that this Minister will have the intellectual integrity

Mr. Chairman, I still hope that this Minister will have the intellectual integrity to respond to the questions asked by the Member for Inkster. Now we have the Member for Emerson rising to his defence.

**MR. CHAIRMAN:** The Honourable Minister — I'm sorry. The Honourable Member for St. Johns.

**MR. CHERNIACK:** Mr. Chairman, I thought the Minister rising, when I had the floor, was rising to speak to a point of order or a point of privilege but, Mr. Chairman, if he is prepared to speak by all means I will give him the floor.

**MR. RANSOM:** Mr. Chairman, I certainly could have risen on an alleged point of privilege to diminish his anguish somewhat if he was concerned that I had no intention of responding. Mr. Chairman, I think the practice has been generally, at the beginning of the Estimates, that the Minister makes an opening statement and that various people in the Opposition make general responses to it, and then the Minister responds again.

I knew that the Honourable Member for St. Johns would want to participate in the debate and therefore, in order to avoid unnecessary repetition, I didn't rise to respond to the Honourable Member for Inkster, and indeed I was correct, Mr. Chairman, the Member for St. Johns did wish to participate in the debate. I welcome that and I can assure him that I certainly will be responding to the questions raised by the honourable members.

**MR. CHERNIACK:** Mr. Chairman, now that the Minister has indicated that he is prepared to respond but in his own good time, I have to tell the Minister that although I find him to be one of the most consistent persons present in Committee listening to what goes on, and although I believe he's been around here long enough to really know the practice, that I don't agree with his interpretation that the practice is for him to make a speech, for others to make speeches and for him to respond, period.

I want to assure the Minister, now that he has indicated that he will respond, that after he responds it may well be that any one of us or all of us will then further discuss the Estimates. Let him understand that, let him understand that, from my standpoint, I am looking forward to hearing from him rather than hearing from myself, therefore . . . Oh, Mr. Chairman, look at the backbench of the Conservative Party enthusiastically waiting to hear the Minister speak and to see me sit down. Look, Mr. Chairman, at their participation in the debate now, having had to rise to the defence of the Minister now they want to make sure he speaks.

Mr. Chairman, I do indeed want to make one point by way of a question and then I, amongst others, who want to hear the Minister respond, but I have to assure the Minister that then there will be the probability, certainly the possibility, of other discussion. What I would like him to deal with, when he deals with fiscal policy and with the question of the rebates that have been discussed this afternoon —(Interjection)— You see, Mr. Chairman, the Member for Emerson is making another great contribution.

I would like, when he does deal with this, and especially with the question of policy, that he tells us his and his government's approach to the question of property tax credits. I have to tell him in case he doesn't know it, that his predecessor in office, when he was in Opposition, and indeed I think when he was then the Acting House Leader, acting leader in the opposition of his party, attacked the Property Tax Credit Plan, and said, and I'll quote to him, on May 3rd, 1976, on page 3260 he said, "Well, they're preoccupied whether we'll wash it out or not. Let me tell you right now, it would be our prime objective to get rid of this sort of an inefficient program. Now if you say, will we wash out? I say, how many years do you give us, because right now you are up to \$77 million, and how fast can you absorb \$77 million into a grant structure? If the Foundation Program can be repaired in one year, to the point where we can again establish an equitable school finance program, I assume we would do it in one year. But I will tell you one thing, it will come back to a provincial government recognizing its responsibility."

He is also quoted in a newspaper of May 4th, 1976, as saying that "it was a very cheap vote-buying technique", and he said "getting rid of it would be our prime objective". Mr. Chairman, it's not the first time that I have referred to that speech by the former Minister of Finance, the Member for Riel, but it is the Member for River Heights, who is probably the newest person amongst us, who is really getting tired of hearing his government being asked to be accountable for what they said, and his party.

Mr. Chairman, we waited, I waited, for one year, for two years, to see what they're going to do about tax credit, because I tell you that just like Autopac they wouldn't dare, they wouldn't dare, remove it in spite of the fact that, in Opposition, they fought them; in spite of the fact that, in Opposition, they attacked them; and in spite of the fact that they didn't agree philosophically with the program.

To the same extent I waited to see what they would do and the excuse was, we are waiting to develop a program of educational financing. The Foundation Program needs revision, and the Minister for Education, about a year ago said, we have a committee working, a task force working on it, we will have a response. He said we will have something by the end of the year, and, Mr. Chairman, I was pleased to know that they came up with something at the end of last year.

So, Mr. Chairman, what about the tax credit program. Why do we still have it? You've had your chance; you've had your three years of studying, revamping, revising, and bringing in a new foundation program. What about the tax credit program? Are you planning to eliminate it by

Tuesday, 17 March, 1981

withdrawing pieces one after another from the people who were the beneficiaries of it and in that way eliminate it? Is that the plan that you have? What is your program? Where is your philosophy in what you're doing?

I understood the Minister to say — was it yesterday — well we wanted to make sure that the only ones who get it are those really in need, and the Member for Emerson doesn't really know who is really in need if he does not recognize the people that are actually now having moneys taken away from them that they had in previous years.

I am asking the Minister, when he is responding to the Member for Inkster on the question of the fiscal policy, whether he'll also tell us his policy and that of his government in relation to the continuation of the Property Tax Credit Rebate Program.

**MR. RANSOM:** Thank you, Mr. Chairman. The Honourable Member for St. Johns seemed to be expecting some additional response to the questions that were raised this afternoon with respect to Property Tax Credits and Cost of Living Tax Credits and supplements for pensioners, etc. I responded to those this afternoon to point out that in at least some of the situations that the honourable members opposite were putting forward, that they were not considering the sum of the programs available to people and on more careful consideration of some of the examples, I'm quite satisfied that that is indeed the case, Mr. Chairman.

They have made much of situations where allegedly people have been net losers, certainly on the Cost of Living Tax Credit relative to last year, taken by itself, they have been but I have not heard very much from them, nothing from them as a matter of fact, about the aspects of the program that has provided benefits to people who really were in need of benefits. The Member for Rossmere speaks about I take it a single parent with two children earning \$14,000 a year. I think many people would consider that that is a reasonable level of income and that there are many in society that would require assistance at levels below that. Well in that situation, Mr. Chairman, on the basis of our calculations, I'm not sure that I can see how that individual ended up to be a loser. According to our calculations she should have come out approximately equal, but I could be mistaken on that. But supposing that person had been at the \$10,000 level of income, she would then have received \$260.00 of additional benefits under the Child Related Income Support Program; at \$8,000 in income she would have received an additional \$720.00 in benefits under the Child Related Income Support Program.

With people at that level, Mr. Chairman, you then encounter situations where there is a substantial amount of support being provided to these people who really needed it. I said this afternoon that . . . The Member for St. George doesn't understand what the program is that I'm talking about?

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

**MR. URUSKI:** Could the Minister explain when the SAFFR and CRISP programs began. I recall the words of last year. Did they not begin on January 1st, 1981?

**MR. RANSOM:** Mr. Chairman, some of them did and some of were enriched on the 1st of January, true. These are the kinds of situations that we are trying to bring additional support to, Mr. Chairman. (Interjection)—

The Member for Rossmere says we steal on one end and give with the other. Well, that's his terminology, Mr. Chairman. When one deals with these kinds of support programs and especially when you're trying to zero-in upon the people with needs, then I guess that's one of the things that one necessarily has to go along with. It's perhaps a multiplicity of programs and forms to fill out and I guess none of us really like that. It would much nicer if we could have a simple system that didn't require the filling out of a lot of forms, but it necessarily then is a broad-spectrum approach which can end up perhaps costing more than we are able to accommodate.

The Member for Inkster did in fact raise what I would regard as a very fundamental question with respect to the policy of the previous administration and the Progressive party which he now heads and the government as well. I guess I should go back and look at the circumstances that prevailed at the time that the previous administration, the NDP administration was in power and look at the circumstances that prevailed at the time that we assumed government and what has happened since. And while the Member for Inkster may be correct in his assertion that the total accumulated deficit of the NDP over eight years did not equal the \$400 million or whatever the figure was that he used now. — (Interjection)— Well all right say the last year, but one has to bear in mind, Mr. Chairman, that we're not only talking about the deficit of that government at the time, we're talking about the sort of management that the government provided to Hydro, for instance, Mr. Chairman.

Well they said they were good managers of Hydro, Mr. Chairman. That's a question of course that has been debated extensively, it will continue to be debated, I'm sure, but it's mismanagement, Mr. Chairman. He says that the Member for St. Johns said it was policy, then it was a policy for mismanagement that would cost the ratepayers several hundred millions of dollars in respect to the management of Hydro.

That's the context, Mr. Chairman, within which we assumed responsibility for government. It's evident within the budget, within the remarks that I made today in introducing the Estimates, Mr. Chairman, that there was some \$27.2 million of the operating costs that are likely to be incurred by this government this year, are due to one issue of borrowing, that the honourable members did, \$27.2 million, with respect to one issue of borrowing that the honourable members opposite undertook when they were in government; \$27.2 million, that's quite a substantial amount of money. (Interjection)— They don't think that that kind of cost, mismanagement of the Hydro and that kind of cost with respect to borrowing is significant, evidently, Mr. Chairman. I think that the public would consider it to be significant.

The member must recognize that at the time we took over responsibility for the government we inherited a taxation structure that was out of line

Tuesday, 17 March, 1981

with taxation structures throughout the country. I don't say that in every situation that was the case, Mr. Chairman, but the personal income tax, for instance, Mr. Chairman, was higher than most other jurisdictions in the country. The taxation rate — (Interjection)— well, the Member for St. Johns believes that that's giving it to the wealthy or perhaps he agrees with the Make the Rich Pay stickers that we see on the fences around the city, Mr. Chairman.

They don't seem to acknowledge, those members opposite, Mr. Chairman, what happens when the initiative of people is destroyed, and that's what can happen with the kind of taxation structure that those members opposite brought in. That's why they don't understand the significance —(Interjection)— of succession duties, for instance.

**MR. CHAIRMAN:** Order please. Order please. I quit smoking 12 days ago, and no matter what you people do, you're not going to get me to go back to smoking.

The Honourable Minister.

**MR. RANSOM:** I'd like to congratulate you, Mr. Chairman, because it's a filthy and despicable habit and you've done well in 12 days.

The honourable members opposite, when talking about succession duties, Mr. Chairman, always centre in on the amount of money that was collected from the tax. They don't realize the impact that succession duties have on people when they're planning their businesses, they're planning their lives, they're planning their relationship to their families. They look simply . . .

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

**MR. GREEN:** Mr. Chairman, when he's dealing with this question of initiative — and I'd like him to deal with it when he has an opportunity of knowing that it's coming up — I would like the Minister to tell me whether he considers the people in the United States of America to lack initiative when they have a federal estate tax and state taxes in almost every state in the union.

**MR. RANSOM:** Mr. Chairman, the Member for Inkster is really a master at asking a question that you really can't answer in the context that he asks it, or he presents information that has that ring of truth to it and that ring of authenticity to it, but it's just twisted enough that if you're sitting in the House here and don't have the floor and you hear him say it, one wants to get to their feet and interject on some kind of phony point of order or point of privilege, Mr. Chairman, as you often see happen in this House.

On this situation he's asking a question which cannot be answered without looking at the entire taxation structure that exists within the United States. Now, I think I'm going to be doing reasonably well here if I can deal with some degree of satisfaction with the taxation structure that we've got in Manitoba and Canada, without getting into the taxation structure that have in the U.S.

But, Mr. Chairman, the question of succession duties is one that goes far beyond the impact of the

actual amount of money that is collected as a consequence of the tax, and that's what the honourable members opposite don't seem to acknowledge, the impact that that can have. By removing that duty, Mr. Chairman, we removed one of the impediments that there was to people to invest and let their businesses grow in the province. Unfortunately, if I recall the information correctly, most of the people that were being caught with the succession duties, tended to be those that aren't at the level that we would have termed filthy rich at all. They were people that had built up businesses and they were worth a significant amount of money but succession duties came along and resulted in the breaking up of some of those companies. — (Interjection)— Well, the Member for Inkster says no.

I happen to have one situation only recently come to my attention where adjustment has been required in the operation of the company because the individual is still having to pay succession duties as a consequence of the laws that were in place before we took over, and I'm sure that the members opposite, if they happened to hit on the operations of that company and see that the operations of that company have been reduced, some member opposite will be on his feet, Mr. Chairman, and he will be saying, ah, those Tories, they have caused this company to cut back on their employment, to cut back on the scale of their operations, and the fact will be, Mr. Chairman, it's a consequence of succession duties. That's one situation. — (Interjection)

You see, there goes the Member for Inkster again. He's great at that but I really don't think that's why Swift's closed. The Member for Inkster says that that's why Swift's closed, Mr. Chairman, I don't think so. I think probably some of the other policies that the former Minister of Agriculture maybe had more to do with that than succession duties. — (Interjection)

At the time we took over the operation of the government, Mr. Chairman, we had the situation where the members opposite, who now are rightfully expressing concern for people at lower incomes not getting the sorts of benefits from government that they should have, but at the time that we assumed responsibility for the government, I think they were in the process of or had just completed pouring \$40 million into Saunders Aircraft, something of that nature —(Interjection)— well, Mr. Chairman, the Member for St. Vital talks about money poured into CFI, fine, he should recognize that his government put a good proportion of that money into that plant; quite a different set of circumstances, by the way, that prevailed at that plant as opposed to those that prevailed with Saunders Aircraft, which the Member for Brandon East was so proud of having gained for Manitoba instead of having it go to Quebec. That's the kind of situation that we inherited at the time that we took over. The time that we took over responsibility for the government, I think the projected deficit — and I won't even use a figure because I'm not certain of it, Mr. Chairman, but it was quite a low figure, the projected deficit for 1977 — and the government persisted in sticking with that estimate of what the deficit was going to be, Mr. Chairman.

As you will recall, as members opposite will recall, there was an election that year, that ran during

Tuesday, 17 March, 1981

September and into October, which was already half way through the fiscal year, and the government persisted in saying that deficit was going to be approximately at the level mentioned by the Member for Inkster. Mr. Chairman, on the day after the election, I believe it was the day after, when our leader the Premier elect then had a briefing on what kind of deficit the government was facing; lo and behold that deficit was no longer at the level that had been put forward by the members opposite. In fact that projected estimate of the deficit was then up to something like \$225 million, if I recall the impact. —(Interjection)—

Well, Mr. Chairman, what I am saying here is that although we have incurred deficits and we will no doubt be incurring a deficit again this year, is that we will not be saying one thing and doing another, and that our —(Interjection)— we are not. We aren't telling you that . . .

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

**MR. RANSOM:** We aren't telling you that the deficit is going to be \$31 million and then finding lo and behold when the books are opened, that it's running at \$225 million. If we expect to have a deficit of \$225 million, then that will be laid out very plainly for the public to see and the procedure which we have implemented in bringing in a quarterly report, Mr. Chairman, I . . .

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

**MR. URUSKI:** Mr. Chairman, yes, I rise on a point of order. The Minister of Finance of the Province of Manitoba keeps raising those two figures well knowing that it was his government that changed the bookkeeping in the accounting system when they came into office. Is he prepared to acknowledge that he has changed the bookkeeping? —(Interjection)—

**MR. CHAIRMAN:** The honourable member does not have a point of order. It sounded like it, but no. The Honourable Minister.

**MR. RANSOM:** . . . point of order, but I want to assure him that if he wished to ask a question that I would have been quite prepared to . . .

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

**MR. USKIW:** Well, I would ask the Minister whether he would submit to a question then and that is whether he would not admit to the Assembly . . .

**MR. CHAIRMAN:** The Minister will submit to a question? The Honourable Member for Lac du Bonnet.

**MR. USKIW:** . . . to the Assembly, Mr. Chairman, that the figure that he uses comes out of a changed method of calculation adopted by the new government after they were elected, not on the old system which was the system that was used in this province by a number of governments which was separating capital from current all the time. The

figure that the Minister is alluding to includes capital expenditures. —(Interjection)—

**MR. CHAIRMAN:** Order please. Order please. When I was asked if the Minister would submit to a question, I didn't hear any question. I heard a statement.

The honourable member.

**MR. USKIW:** Mr. Chairman, I asked the Minister to confirm that the figure that he is alluding to is based on the new accounting system adopted by that government after the election.

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

**MR. RANSOM:** Mr. Chairman, just let me recap the discussion that took place here. I believe I rose and said I'm not certain of the figure, what the projected deficit was in 1977. The Member from Inkster from his seat . . . oh, he said 131, Mr. Chairman, I apologize. I thought he said 31 and I took him at 31, Mr. Chairman.

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

**MR. GREEN:** Mr. Speaker, on a point of order the member asked me what I said. I said 100 on capital, 31 on operating, those were the figures. The projection when they came in was 225 and it ended at 181 and there was a \$50 million Federal shortfall. The difference between the estimate and the ultimate was not higher than \$40 million.

**MR. RANSOM:** That's what I admire about the Member from Inkster, is that he manages to interject his points into the debate, Mr. Chairman, at a point that is most appropriate for his purposes.

The point that I was making, Mr. Chairman, was that whatever kind of projection we make will be in the open. We will be reporting on it on a quarterly basis so that it is evident to the public what is happening and I must say it was not evident to the public what was happening in September and early October of 1977 when those questions were being placed, Mr. Chairman.

Now, I can only come to one of two conclusions. One would be, that the members opposite and the Minister of Finance at the time, didn't know what the deficit was going to be; or that they knew what the deficit was projected to be and didn't want to tell the public. Mr. Chairman, you do not get that kind of deception from this government.

The Member for Lac du Bonnet asked about changing the method of accounting. Indeed we did; changed the method of accounting to that which is accepted by I think maybe nine out of 10 governments in Canada now. I can openly say to the member that had we not changed the method of accounting then on the procedure that the members opposite were using, we would have had a balanced Budget for surplus, for two, three years out of the time that we've been in government, Mr. Chairman. We haven't said that. Instead we have adopted the system that is in practice, is consistent across the country. It's not out of the way to point out to the public, the proportion or the portion of the Budget that is being spent on capital items, but the bottom line remains to be the combined figure.

Tuesday, 17 March, 1981

**MR. URUSKI:** You're coming back with the old argument again.

**MR. RANSOM:** No, I'm not coming back to the old argument. I'm saying what existed. I'm saying what happened. I'm saying we're running an open system and we're letting the people know what we're doing.

Now, Mr. Chairman, the circumstances that prevailed during the 1970s or in the period of time largely when the honourable members opposite were in power, are substantially, were substantially different than the circumstances that have prevailed for the period of time approximately since we have been in government, perhaps dated a year earlier, perhaps 1976 tended to be the turning point. From a time that Canada was leading the OECD countries in their economic performance, that they were performing ahead of the United States and ahead of France and ahead of Germany and ahead of Italy and ahead of Britain, till fairly precipitously from the period since 1976, then Canada has slipped to the point where overall we are only outperforming Great Britain, I believe, in terms of growth of the economy.

So the world picture and the position of Canada within the world picture has changed dramatically in that period of time. Although there are good debating points to be scored and good political points no doubt to be scored by trying to compare those two base periods, the fact remains, Mr. Chairman, I think from objective review, that the two base periods have substantial differences, and a truly academic objective review would reveal those circumstances. —(Interjection)

Well, Manitoba lost population. There's been so much distortion about the population picture, Mr. Chairman. If I wanted to distort what has happened with the population of this province using perfectly accurate figures, I could stand up, Mr. Chairman, and say that during the eight years of NDP administration in this province, 276,000 people fled the Province of Manitoba. Over one out of four Manitobans fled the province during the period of time that those members opposite were in government. That statistic is perfectly accurate, Mr. Chairman, but also misleading, when one doesn't look at the totality of what has been happening with respect to population, with respect to in-migration and with respect to births and international immigration.

The best estimate of population that I have seen to date is that the population of our province today is a few hundred, at most, less than it was in 1977, the end of 1977, a few hundred, Mr. Chairman, which is well within the range of error of the system used for estimating. —(Interjection)— Well, see, Mr. Chairman, he doesn't want to look at that but the facts of the matter are that people move to where opportunities are greatest.

Premier Blakeney at the last First Ministers' Conference in September, I believe, Mr. Chairman, pointed out that in 1936 Saskatchewan had approximately a million people and that today, last September, they had approximately a million people; and for that period of time that they had gone elsewhere to seek opportunities and he was making the point at the time that Saskatchewan now had a right to use its resources to create the opportunities for people in Saskatchewan so they didn't have to leave.

Now, anyone who wants to argue the position that people should not be leaving a province or an area if there are not opportunities there at the time, I think are moving towards a system which is going to distort the basic economic structure, period. Now, one may not like that. One may like to see growth taking place. One may like to see opportunities in their own situation. The fact of the matter remains that development in different areas based on resources of different types takes place at different times and people must move within a country such as ours to get those opportunities.

I readily acknowledge that there have been people moving out of this province to find opportunities largely in Alberta, also in Saskatchewan. This is a situation, Mr. Chairman, where the opportunities have been created there to attract people who, to some extent, were previously attracted by opportunities on Hydro development, for instance, the construction people that are talked about the most. There was an excess of \$150 million a year more going into Hydro capital investment during the last few years of the previous government's time than there has been over the past few years of our administration. Now, that amount of money, had it continued to be injected into the system, would have been well in excess of \$1.5 billion on hydro development alone. That certainly would have had an impact, Mr. Chairman. But the members opposite stopped hydro development and rightly so, rightly so —(Interjection)— It's semantics, Mr. Chairman. They suspended development, after several years of forced development they suspended it in September or October of 1977 and the Leader of the Opposition on numerous occasions continues to try and tell the public that we suspended hydro development. Not so, not so. (Interjection)—

To return to the economic situation and the question of fiscal policy, control of government expenditures, Mr. Chairman, let me tell you that during the period that we have been in government, in total the rate of growth in government expenditures has been approximately the same as the rate of growth in the economy. That was the target that was set by the First Ministers in February of 1978, I believe. Now, it's been below that; it's been above that; but for the period of time it's been approximately equal. For the period of time that the NDP were in government in this province, Mr. Chairman, the level of government expenditure was approximately 4 to 5 percent, the growth in expenditure was approximately 4 to 5 percent above the growth rate of the provincial economy.

That is quite a —(Interjection)— The Member for Lac du Bonnet says, "What's wrong with that?". There obviously is a limit to how long the expenditures of the province can continue to exceed the growth of the province, Mr. Chairman. I think that should be obvious to most people and I think it would be obvious to the voters in the province. (Interjection)

If you want to look at the figures that are in the Estimates book for total government expenditures, you want to take that as government expenditure, then Mr. Chairman, during the period of time that the members were in government it exceeded the growth rate of the provincial economy by 4 to 5 percent. So that the circumstances that have prevailed during

Tuesday, 17 March, 1981

our administration are quite different than they were during the previous administration. Had that same level of government expenditure continued, of course, then we would have been facing figures that it's impossible even to estimate, but they would be much much higher than we're facing today.

Although we have not been able to reduce the annual deficit to the level that we would like to see and that we see as being desirable in the long period of time, what we have been able to accomplish has to be taken in light of the circumstances that prevail in the western economy and the Canadian economy and in the Manitoba economy. In the long period of time, Mr. Chairman, I think that governments will have to, and should be working towards, balancing their revenues with their expenditures. — (Interjection)— Mr. Chairman, the Member for Lac du Bonnet says, "Why don't we do it?": There obviously are great difficulties in accomplishing that. Mr. Chairman, if the set of circumstances in the western world and in Canada had prevailed, that prevailed during the period of time that those members were in government, had prevailed during the period of time that we have been in government, we could indeed have balanced the Budget with the kind of expenditure control we exerted.

The Member for Inkster said that the problem with most governments supposedly following Keynesian policies is that they haven't balanced the Budget in periods of affluence; they haven't put the money away. I don't know why they're tending to be so critical of the Alberta Government now that they're attempting to establish a Heritage Fund during the seven fat years, along with Saskatchewan, but they don't seem to like them to practice that. But had those same circumstances prevailed and the same kind of expenditure controls been imposed, Mr. Chairman, we could have achieved that balanced Budget over the period of time, just as those members opposite could have, had it been their policy to practice that kind of policy, Mr. Chairman. It was not and the Member for Inkster says it was not. I, Mr. Chairman, would rather be criticized for failing to achieve a desirable objective, than I would be criticized for pursuing an undesirable objective.

**MR. GREEN:** Mr. Chairman, I find it amusing and rather enjoyable to listen to the Minister talk about circumstances, that they are victims of circumstances, that if it wasn't for the circumstances — you know, the Minister does have an advantage — (Interjection)— Yes, I will. Mr. Chairman, the member does have an advantage. He wasn't here when the members of the Conservative Opposition ignored every circumstance and talked only about the bottom line; talked only about the bottom line, that expenditures, they said expenditures have doubled. We started off with a Budget of \$300 million and then we got to \$600 million.

The fact that every other province in Canada had doubled their expenditures; the fact that many of those expenditures were not government expenditures but transfer payments which did not represent an expenditure of the government in terms of buying something, hiring civil servants or doing anything else, but merely taking the wealth of the province and distributing it in a fair way back to the people to the extent of at least over \$100 million, when we are talking about the Property Tax Credit

which has never been undone and which you could undo and save, by your definition, that much in government expenditures; the fact of these circumstances has meant nothing to the Minister.

Then, Mr. Chairman, irony of ironies, he says; you have to think that we're a victim of circumstances. But if you look at Alberta you will see that they are saving money, they are putting away money and that has nothing to do with circumstances. Mr. Chairman, the record will show that the Government of Alberta has more expenditures per capita on civil servants and on everything else than any other province in Canada, more expenditures per capita. It's a spending government and despite that they are able, Mr. Chairman, the Government of Alberta, if my friend wants to talk about circumstances, are able to collect as much money from one resource, namely oil, to eliminate every tax in the Province of Alberta. They need not collect a penny of any form of taxation if they will use their oil revenue. So let the Minister not slough this off by talking about circumstances.

When he says, Mr. Chairman, that the fiscal policy of the New Democratic Party, was Keynesian, spend and spend and spend, I didn't say that. I said that is the policy of some people. The fact is that the New Democratic Party in government virtually balanced the Budget in almost every year. Mr. Chairman, if we use a proper accounting, namely, that if you are building capital you charge that capital for the years that it lasts and you do not charge it in the years that it's spent, which is sound common sense that you will not tax your citizens today for something that's going to last a hundred years. Then the fact is that we had virtually balanced Budgets, because we did not have a Keynesian philosophy in the New Democratic Party government. We had Keynesian people within the government and you will find them in every government, you will find them in your government. But Keynesian, by definition, means spend money but don't impose taxes. That has become the definition of John Maynard Keynes, because the people who propose it have never got the courage to go ahead and impose taxation.

The honourable member has indicated I said, "What is the fiscal policy of the Conservative administration?": He gave us one fiscal policy. Mr. Chairman, this is now the fiscal policy of the Conservative administration. You can have a \$500 million deficit, as long as you tell the people about it it's sound fiscal policy; that's what the Minister is saying. He's saying that the fiscal policy of the New Democratic Party was okay. The problem was that when the election came and there was an estimated deficit of \$225 million, as against \$130 million, the policy broke down; not because it wasn't a good policy, the honourable member would have us believe that if the Minister of Finance in September had come out and said, that although I estimated a capital deficit of \$100 million and a \$25 million or \$31 million deficit on current, that it now appears that because of federal shortfalls, mainly federal shortfalls, and some additional expenditures having to do with firefighting or something of that nature — Mr. Chairman, I'll deal with it, I'll deal with the effect of it in a moment because you've brought the figures back — that the Conservatives who were running for office would have said, "Oh, Mr. Miller is a fine man.

The New Democrats have a fine fiscal policy. They have now told us, on the day before the election, that there is a \$125 million deficit on current, instead of a \$31 million deficit. We think that because the Minister of Finance has come out and said that we are gracefully declining our nomination and we are saying that the New Democratic Party should be restored to office because they have an upright fiscal policy'.

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

**MR. RANSOM:** Without attempting to refute the arguments that the Member for Inkster is making I simply want to put on record that's not what I said.

**MR. GREEN:** The Minister did say that what was wrong was not the deficit, that the deficit is fine. That's exactly . . . Now we're getting back to it. The Minister says "hiding". Now, first of all, Mr. Chairman, —(Interjection)— Okay, now I'm better off, I'm better. I've not got the Minister of Finance, I've got the head of the world saying . . . —(Interjection)— The member asks why this was done? Well, Mr. Chairman, there are many reasons as to why that kind of thing is done. I want the chairman to note that when there was an bi-election on Tuesday in the Province of Manitoba, on Friday it was announced that there would no longer be any funding to pursue the certification of the Saunders Aircraft and it made headlines in the newspaper on Saturday. One of my very best friends was running in the election on Tuesday and that is the way the ball bounced. There was no way that we were going to wait until the election and announce it on Wednesday. That happens to be the way in which I believe things should be done.

The fact that the deficit was not announced was a normal procedure of government — whether it is the right procedure I'm not going to say at this point. But I am going to say, Mr. Chairman, that estimates of deficits are useless to announce, because why would one expect the Minister of Finance to announce a \$225 million deficit when it ultimately came in at 181 and the Member for Pembina says that had to do with good management. Mr. Chairman, the Minister of Finance said that the major part of the reduction had to do with the fact that the Federal Government was paying more than we expected; that's what he said. It had nothing to do with the change in management. Then, Mr. Chairman, did anybody in this House ever hear me say one bad word about restraint —(Interjection)— find it, find it. I believe in restraint, Mr. Chairman. Mr. Chairman, does the honourable member really say that the restraint that I criticized, the restraint program, because I asked the Minister of Health whether it was not a fact that a person who was in a hospital for six days without having your sheet changed, and is he now saying, which the Minister of Health thoroughly denied, that was the restraint program of the Conservative government? Can we now say, Mr. Chairman, that was the restraint program of the Conservative government to stop changing sheets in a hospital.

Mr. Chairman, I've not objected to restraint but I do not agree, Mr. Chairman. I do not agree that restraint means failing to change the sheets in a

hospital. You could go now and say that you are going to restrain by putting four beds in one room in a hospital. I would say that is not a reasonable restraint. So there is such a thing as restraint and there is such a thing as niggardliness and stupidity. Yes, Mr. Chairman, there is such a thing as niggardliness. (Interjection)— You don't know the word niggardliness? Well, Mr. Chairman, I say that these are two different things.

But let's go to what the Minister of Finance has indicated is the physical policy of the Conservative government. One, we are a victim of circumstances; two, we are going to continue to spend, we are going to try to keep our expenditures in relation to the increase in the natural economy. Right now I believe that the increase is zero, but the increase in expenditures is 16 percent.

**A MEMBER:** 15

**MR. GREEN:** Fifteen; the increase is zero but the increase in expenditures is 16 percent. So that's how close they have come to fulfilling their policy.

Secondly, Mr. Chairman, that they are going to announce their deficits and it doesn't matter what they are, if they announce them, that makes them clean, that makes them acceptable. Mr. Chairman, if you will honestly go to the people and say that you're going to have \$500 million — if the New Democrats honestly went to the people and said that they're going to have deficits of \$500 a year, I'm sure that the Member for Emerson would not say look at those wonderful honest New Democrats. He would say look at those spendthrifts — that's what he would say, Mr. Chairman.

Mr. Chairman, I'll come to our position in a moment. (Interjection)— Yes, I will. Mr. Chairman, I am dealing with my position in the House which is a part of a three-member group which is not different than the Liberal group that was here in the House some years ago.

Mr. Chairman, the actual fiscal policy that has been unveiled is one, we are a victim of circumstances, two, we intend to publish quarterly reports, and even if the Estimates are wrong we will publish the Estimates so that you will know what they are which is a change, and maybe, although I'm not certain, maybe it is of some value and maybe it would have been of some value at our . . . I don't know, but it doesn't change the dollars, it doesn't change the bottom line and that is the expenditure. And thirdly, that in some distant future when we are not a victim of circumstances which is a never-never day, which is a day that never arrives, we hope that the millennium will be here and there will be an attempt to budget expenditures and revenues.

The member has asked me what is the position of our party. I could tell you, Mr. Chairman, that the position of our party is one of fiscal responsibility. That means the following, Mr. Chairman: That means that government expenditures where they make sense will be made; that where it is cheaper to buy something by means of spending together rather than spending individually, like hospital care, like health care, like education, we will do it, Mr. Chairman. That if we are going to . . . you know that doesn't even come into it but I will deal with it if you want me to, that when we make expenditures we will collect revenue from the people of the Province of

Tuesday, 17 March, 1981

Manitoba to pay for those expenditures, that we will not make expenditures without the guts of picking them up from revenues. That is the policy of the Progressive Party and that's what fiscal responsibility means and that's what you ain't got, Mr. Chairman. That is a fact, that is shown by what you have done in the past three years.

Now the other thing, Mr. Chairman, so that there be no misunderstanding — that doesn't mean that from time to time you do not have a deficit as between revenue and expenditures, but you have to show that deficit will produce expenditures and if it will not produce expenditures you're going to have to tax for that money. That's fiscal responsibility, Mr. Chairman. That is not something which the Conservatives have. Now if you want to deal with the actual figures which these people said that they were powerless to deal with, the actual figures was as follows. I'm going to try to remember them and if I'm wrong I would even ask Mr. Curtis to indicate to the Minister that I'm wrong and the Minister can correct me, but I'll tell him as I remember them.

There was \$100 million deficit projected on capital. There was virtually a balanced budget. That supplementary supply was brought in conjunction with the budget as a separate item which brought in an operating deficit of roughly \$31 million, which was necessitated by a drought of employment in the Province of Manitoba — that was the projected deficit in 1977 — that the projected deficit when the Conservatives took power as they tell us and I'm willing to believe it, was \$100 million on capital and \$125 million on operating. So there was an average of \$105 million on operating — that was at the moment of the takeover, which was not as has been said, Mr. Chairman, an increase from 25 to 225; it was an increase from 131 to 225. It's not something to boast about; it's a problem; it's a \$90 million increase. That \$90 million dollars, that the major portion of it was a shortfall, not an increase in expenditure but a shortfall — listen for a moment — you've got two ears and one mouth, that's so you should listen twice as much as you talk — listen — that there was a shortfall of \$90 million. That of that amount it wasn't increased expenditures of \$90 million; there was roughly \$50 million, Mr. Chairman, that had to do with a shortfall in federal revenues and that the average was therefore \$40 million. But by the time the the Budget came out it was down to \$181 million and therefore the deficit, the actual difference was in the neighbourhood of \$50 million — \$50 million.

Now, Mr. Chairman, \$50 million is an awful lot of money. I'm not saying no, but those people said that it was financial chaos. Now \$50 million if it is amortized which it has to be, if it's a deficit it becomes part of your debt and you have to spend it, is approximately \$5 million a year. On a deficit, Mr. Chairman, \$5 million a year was the burden on a budget of \$1.5 billion and that made it impossible for the Conservatives to govern. I'm now believing them because they have shown a complete incapacity to govern and it stems from \$5 million on \$1.5 billion — can anybody tell me what that percentage is, because it's so small as not to make any sense.

The Minister of Finance has the nerve to say that we were having these expenditures of \$40 million in Saunders, that was all, Mr. Chairman, part of that

original deficit, and the borrowing that he talks about and were already built into the Budget. That wasn't an extra expense. They were all reserved, it was shown as a loss, it had to be financed through borrowing and was part of the money that was being spent. But, Mr. Chairman, the \$40 million wasn't the worst feature of it. There was much more than \$40 million that had to be financed in that same way. The amount that we had to borrow for the same purposes for CFI was far more than \$40 million; it was in the neighbourhood, Mr. Chairman. They took a capital loss of \$51 million and they also gave preferred shares which were again not self-reducing for many more millions of dollars. So what is this problem that they were faced with. Let's face up to it.

The Conservatives in Manitoba were the opposition, they wanted to take power. They used the argument that the government of the day were financial mismanagers. They won. I don't think it was because of the financial mismanagement argument. I think it was because the government had lost its conviction. The government refused to go to the public on the basis of which it had been elected in the first place. It would hide its development program under a bushel. It would not mention its mining program, which made money, didn't lose money, and which took a very apologetic attitude for what the Conservatives will do with aplomb. The Conservatives with aplomb will say that we're going to invest \$100 million in a forestry industry. The New Democrats if they had a business that was going bad and lost \$2 million took it very seriously despite the fact that it was worthwhile doing in its conception.

When we talk about Gimli and the aircraft factory which you say imposed a burden. (Interjection)— Well, Mr. Chairman, Saunders — I can tell the honourable member that prior to Saunders being going into Gimli which over a period of eight years including interest, lost \$40 million and I'm not happy about that — I don't like losing 40 cents as the member knows, let alone \$40 million. But I'll tell the member something that prior to that happening he and the rest of the citizens of Canada were putting into Gimli every year \$9 million a year for which the population received nothing. There was no aircraft bill, we housed, clothed, fed, supplied, an air base there and I'm not taking that away but, Mr. Chairman, it was a service on which you were spending \$9 million a year every year which is double what was being spent at Gimli after that in public funds. (Interjection)— Well of course, Mr. Chairman.

So when we are talking about national defense, when we are talking about this item, it is spent, \$9 million a year, nobody feels that it's a waste, nobody feels that there is an unfair financial burden. But when the National Defence decided to leave and when we said instead of National Defence we are going to say we're going to take a feasibility study, put it in the hands of a board of directors and say that they're going to try to develop this industry which is going to employ 500 people, train 100 more and hope that it succeeds and when it doesn't, it's locked up, all of a sudden the members see that financial expenditures are a burden on them which they cannot bear.

Well, I'm going to tell the members something, the Member for Emerson and the Member for

Charleswood, the First Minister, that by his form of economics and I've said this to the House before — I said it from that side and I had no fear of saying it — by his form of economics and what you can spend publicly without it hurting you, Saunders could have been a 100 percent success. (Interjection)— The member wants to know how. Slide the planes up and shoot them down; fly them up and shoot them down. (Interjection)— Mr. Chairman, the United States is in financial trouble now. I tell you that for eight years the United States did exactly that, spent \$30 billion a year on destroying what people produced. Not that they wanted to do it, but they never complained about the financial burden. It was a financial success. As a matter of fact, Mr. Chairman, I believe that the danger in the United States today is that when their economy does not succeed, which it won't . . .

**A MEMBER:** Why not?

**MR. GREEN:** . . . because it is conservatism which has never succeeded and when it does not succeed, which it surely will not, Mr. Chairman, we have a danger. We have a danger, Mr. Chairman, because war will make it succeed and the wish might become father to the deed. That is what has happened. (Interjection)— Pardon me?

**A MEMBER:** How many wars within Russia over the last few years?

**MR. GREEN:** Well, Mr. Chairman, it may be that the Russians are just as obtuse as some of the people in this room. (Interjection)— Maybe, it may be. All I'm suggesting to you, Mr. Chairman, and I am not advocating nor will I advocate a conscious investment program on the basis of the fact that there is no viability in the project. I will not advocate that. I say that there is room for public investment, but that public investment has to make economic sense. If you are engaging in an employment program, if you are engaging in a program which is designed to produce jobs out of people who are not working, which is also worthwhile, then you have to set aside funds and direct it for that and not confuse that with a program which is engaged on the basis of economic viability. That's fair, Mr. Chairman.

The Conservative administration has done that; they got in on it in a peculiar way. They got the crazy notion that if the government gives money to a private person to create a job, no matter what that job is, it's better than the government hiring somebody to do a useful job. That if you put public money into massage parlours, that's wonderful, because it's a private sector job, but if you put public money into providing more nurses aides or nurses in the hospitals —(Interjection)— Eating at the public trough. Terrible, jobs in the public service, no value, Mr. Chairman. (Interjection)— I didn't hear.

**A MEMBER:** Which is better — a job at Versatile or a job in the Civil Service?

**MR. CHAIRMAN:** Order please. Order please. Order please. The honourable member has two minutes.

**MR. GREEN:** The member has asked a question: Which is better, a job at Versatile or a job in the Civil

Service? To my mind, Mr. Chairman, either of the two positions could be very socially useful to society and if the honourable member is saying that a job in the Civil Service is by definition not as productive as a job at Versatile, then I disagree with him. Which is better, Mr. Chairman, a job at Versatile or a job in CFI? Which is better? Because the CFI is all public money, it is all public money that is going to employ the people at Churchill Forest Industries. Not only that, Mr. Chairman, if you kept the books properly, they run a huge loss every year, every year. Everybody knows that, the Member for Rhineland would not disagree with me, but I believe that the two jobs are productive jobs and furthermore, Mr. Chairman, the Member for Gladstone says that Versatile never drew down a cent. What difference does that make? Versatile was saved by the public of the Province of Manitoba. Mr. Chairman, Versatile went —(Interjection)— you know, you have to rewrite history. It's the Conservative School of Falsification. I was there, Mr. Chairman, Versatile came to the public of Manitoba because not a single private financial institution in the province or in the country would lend them anything. Mr. Chairman, . . .

**A MEMBER:** What did Robertson say to you?

**MR. GREEN:** Mr. Robertson, what did he say to me? I don't know what he said to me, but they came and begged for money. Begged, Mr. Chairman, and what we did is make a deal with them that we would guarantee a loan at the bank for 6 . . .

**MR. CHAIRMAN:** Order please. The honourable member's time is up.

The Honourable Member for St. Johns.

**MR. CHERNIACK:** Mr. Chairman, thank you, — (Interjections)— I'll just continue — I can't continue the exact sentence but there isn't the slightest doubt —(Interjections)

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

**MR. CHERNIACK:** Mr. Chairman, those who don't know the history of Versatile should know it. Those that do know it, should at least recognize what happened and it's on the record. The Government of Manitoba guaranteed that they would back moneys that were needed by Versatile. On the strength of that guarantee in writing, the Bank of Montreal advanced money and would not have done so had the Government of Manitoba not stated in writing formally that it was committed to help Versatile, and it's not that the government went looking for Versatile to help them. Versatile came to the government and said we have no other recourse, we will have to fold up if we can't get this support. That's what happened.

Now money did not change hands, the money didn't have to change hands. The guarantee of the Province of Manitoba signed by any government is one of the best guarantees in this province and, Mr. Chairman, I've mentioned it with such strength to tell you that when the Province of Manitoba signed guarantees, contracts —(Interjections)—

**MR. CHAIRMAN:** Order please. Order please. Again I suggest, you're not going to drive me back to

smoking, I might start drinking, but I won't go back to smoking. Could we have a little consideration for the member who is speaking?

The Honourable Member for St. Johns.

**MR. CHERNIACK:** Mr. Chairman, it is so foolish to say that you didn't spend money, it didn't cost you anything, when to our great credit we were able to sustain an industry like Versatile without spending money or incurring a debt. But the fact is that when anybody, government or anybody else, makes a guarantee, that goes on the balance sheet. That's shown as a potential liability and if it's repaid, that's good and if it's a loss, then you recognize it as such and announce it. I'm not going to spend any more time on Versatile in that respect. The record speaks for itself and those who want to lie about it will do so.

Mr. Chairman, I wanted to mention something about this new system of accounting. For some years —(Interjection)— Mr. Chairman, I would ask the Member for Rock Lake to tell the story on his feet in an accountable way rather than jabbering from his seat when I get finished. I have to tell the gentleman who used to be one of my Sergeants that he has to behave sometimes too. (Interjection)— Never mind, Serge, somebody else's sergeant. All right, my battery.

Mr. Chairman, the question of changing an accounting took a great deal of discussion and I recall, I believe it started with the Institute of Chartered Accountants; it started with the Auditor-General of Canada who said that there should be a system of national accounting where you are showing all liabilities and all expenditure and where you have your money set aside for capital should lapse if not spent, and it should be renewed year by year so that the government can announce its expected needs for the coming year.

The big problem, Mr. Chairman, was that people could not understand that there's a vast difference between government accounting and private industry accounting. The main difference is the recognition of assets. Now any normal business with a financial statement which has physical assets lists the assets, depreciates the assets, charges the depreciation against profit and shows what is ostensibly the actual value of the assets that it holds. Those assets are then shown on the same side of the column as cash on hand. Governments don't work that way, Mr. Chairman, governments do not depreciate assets in accordance with their deterioration or in accordance to the extent to which they are used up or in accordance with a tax formula which is artificial. Governments show, in my understanding, the assets on the basis of the outstanding debt against them. That's the way it used to be and this building which costs a certain sum of money — I don't know — \$15 million say, was gradually reduced not on the basis that it deteriorated but on the basis that the debt against it was being paid off. When it was paid off, the building no longer showed as an asset of the Province of Manitoba. Well, you go tell it to the Marines that this isn't an asset of Manitoba but on a financial statement it didn't show up. The falsehood perpetrated by the present First Minister when stood right beside where I'm standing now, when he screamed about the per capita debt in 1976 of the New Democratic Government was, I think he said

\$3,400.00. The false feature was there was never a recognition of the asset which was right up against that debt. All the roads that are being built by the Minister of Highways; all the schools that are being built out of the funds of the people of Manitoba has advanced through the Minister of Education; all the hospitals that are being built; all the assets in educational improvement of the people of Manitoba are assets, some tangible, some intangible. They do not show up.

Mr. Chairman, when some of us on this side stand up and say, now, truthfully, and in the same sense as the present First Minister used to say that the per capita debt has grown and it's now, what? Is it \$4,000 per capita? I think it's higher than that.

**MR. USKIW:** Four thousand and eight.

**MR. CHERNIACK:** \$4,008 per capita. (Interjection)— Well, the Member for Lac du Bonnet says \$4,200.00. The fact is that it's an empty figure if one does not put up alongside of it the assets that have accumulated as it grew. But, Mr. Chairman, we are using sometimes the propaganda that was perpetrated by the present First Minister where he made it appear as if there were no assets, just debt. He went to the people and said there's great debt and that's why, Mr. Chairman, although some of us became persuaded sooner than others that national accounting is a good system because then it doesn't confuse the issue, because very often it is difficult to understand just what should be a capital expenditure and what is a current expenditure, it's better just to wipe out the difference. The important thing is that one should recognize that there is a difference and recognize the asset behind it. I only say that because it's irritating sometimes to be reminded of the way people have been misled. They were misled mainly, mainly, by the present First Minister when he was on the campaign trail back prior to the last election.

Mr. Chairman, I'm sorry the Minister of Government Services just left because he supported the Minister of Highways when he asked the question — what's better, a job that's versatile or a job in the Civil Service, and it triggered for me the recognition, Mr. Chairman, of a real difference between Conservatives and, I'll say the people on this side of the House. And that is Mr. Chairman, that the Conservatives, like Reagan, like their great leader, new leader Ronald Reagan, seemed to believe that a civil servant performs a lowly function, is a wasteful member of the community and is one who should be eliminated as quickly as possible. That is the attitude that was projected by Conservatives who said we must cut down the Civil Service, but Reagan says we must cut down the Civil Service, not just to cut them because there is no need for some of them but that the mere fact of reducing the Civil Service is a good deed. And that is why it is possible for Conservatives to talk about reduction of Civil Service being good, civil servants not performing a function, comparing the value of a civil servant to an employee of versatile and that is an indication, it's a symptom of something that's absolutely wrong in the concept of the responsibility of government and the provision of services to the people.

Is it, can it be conceived that when the Manitoba Medical Service was in operation and was collecting

premiums and disbursing moneys to the medical profession on an insured scheme that those employees, and I think there were 400 employees, were doing a really important worthwhile job for the people of Manitoba? Why, they were members of a private industry. And when the whole Medicare scheme came in and those 400 or 200 employees, whatever number they were, came into the Civil Service, you know, Mr. Chairman, they became a bad statistic; oh, that's awful, look, Civil Service is going, people doing exactly the same job and it is stupidity to say that a person who is a civil servant is not doing an important job for the people of Manitoba and it is stupidity to try to compare the validity or the value of a civil servant with a member of any other job.

**MR. CHAIRMAN:** Order please. Could I remind the honourable member that the Civil Service is not under discussion at this point, it's the Department of Finance. I know that has been brought up and we got away from it.

The Honourable Member for St. Johns.

**MR. CHERNIACK:** I'm sorry. I appreciate your point and I want to point out to you that it was the Minister of Highways who asked the question but the important thing to me was the question of Conservative fiscal policy because, you know, we all interpret what we hear. And I agree with the Member for Inkster's interpretation of what he understood is the fiscal policy of the Conservative Government and of this Finance Minister in the way he heard it, the way he understood it. I heard a few other things that I want to mention and one of them is the exact attitude of the value of a civil servant as compared to the value of a person in private enterprise and I want to tell you more specifically that there is no particular credit coming for keeping government expenditures at the same growth rate as that of say, expenditures in Canada or higher or lower. This seems to be the point and this is my interpretation of the Minister of Finance's comment, that if he could keep the growth of government expenditures, the rate of growth, below the rate of growth in the rest of Canada, then that's good. And I say that doesn't mean that it's good. It depends how the money is being spent and what services are being provided. It may well be. I'm trying to think of a comparison. I know there are many, it just doesn't come to mind.

There are certain provinces where certain service is delivered to the private system and others where it's delivered through the public system. And let me suggest that nurses aides, who work in a personal care home operated under the private enterprise system are no better and I hope no worse, I mean, are certainly no worse and I hope not better than those people who are doing exactly the same job in a publicly funded and publicly operated personal care home. It is absolute stupidity to say that because some are in the private sector, those that do the same job with the same responsibility in the public sector are of some lesser breed of people and therefore less able to participate in service to society. But I do believe that Conservatives, and now I believe that this Minister, seems to place a value just on the concept of the rate of growth of government expenditures as compared with other places. and I say it has to do with what service you

provide. If you cut your staff by cutting program and in that way reduce the rate of growth, you're doing harm to the people and that is what I think this government has done.

The comments that I would like to make about the Minister's statement where he talked about history, very interesting historically, and we all can recount history but coming to the essence of the fiscal policy of this government, he did reveal a few things and that was when he spoke about the importance of removing impediments from people's ability to earn. He used that expression in relation to succession duties. You mustn't remove initiative and all that is true, but the philosophy that I gathered from him was that he justified a reduction in income taxes on the basis of initiative and, Mr. Chairman, I have to point out to you that income tax is amongst the progressive forms of taxation which have become recognized throughout the western world, and compare very favourably in terms of real value to society, much more so than do taxes of a punitive nature or taxes which are proportional to the income such as sales tax or regressive taxes which of course are worse, of course they're good when they tax cigarettes, aren't they, Mr. Chairman? That's a regressive tax. It taxes all users of tobacco at a high rate and those that don't use it are not taxing at all and therefore not contributing to the coffers of the government in that respect. Of course, if they drink, that's another form of regressive taxation and the government catches up in that way. The real value of that kind of taxation is that it's an easy tax because it's a sin tax and people can't really complain — (Interjection)— Pardon?

**MR. RANSON:** Then you can quit drinking and smoking.

**MR. CHERNIACK:** Yes, well you see, that's silly because a lot of people can't quit that easily — (Interjection)— Well, no, the fact is I quite five years ago, and it was very very difficult and many people can't quit and they can't quit because of the nervous strain under which some of us put them. But I want to support the Chairman. The fact that you say that they can quit doesn't justify it. If you want to force them to quit, raise the taxes even more or make it illegal and then it will become a crime and then you'll get rid of them that way.

But the point that I want to make is that I interpret from what the Minister said, that reduction that they brought in back in 1977, you know, they brought it in because they thought that they would find so much fat they could afford to reduce expenditures and still deliver the same service and discover they couldn't find what they thought they would. But meanwhile they did reduce income tax and they said this will be a stimulus. And we pointed out then, I don't have the figures, but as I recall it, it was something like a reduction of \$14 or \$15 for a lower income taxpayer, and when I say taxpayer I mean a person who is liable for taxation and it meant something like \$500 for a person in the high income brackets, and I say, and we said then, that that was regressive taxation, that change was to benefit the rich and I have to assume, and I didn't say filthy rich, I just said those who are rich, who are wealthy; they were the beneficiaries of that.

Now, if that was designed to create initiative, to encourage growth, to create an economic climate

Tuesday, 17 March, 1981

that would be good and that theoretically is why they did it, then why were people going out to other provinces because of economic opportunities, which is what the Minister said, why they went to places where the economic climate was more attractive, where they could get jobs, but they laid their stress on reduction of taxation, elimination of succession duties. All of this designed to create a better economic climate so that Manitoba's economy could grow. Well, it didn't grow, it suffered, and one of the results was that people who were employed in Manitoba had to go elsewhere. The Minister can quote figures which he admitted were one-sided figures about the number of people who left Manitoba in that eight-year plan. We were talking about the net loss to Manitoba and he knows what that means. And I say that it had to do with the economic stagnation. Pardon? —(Interjection)— Well, that's fine. He can be righteous about it too. He is apologetic about the problems that the Conservatives faced in the world climate, Manitoba's climate, but comparisons of Manitoba as compared to Canada have a different relationship than does the unfortunate problem that the Conservatives have of meeting unknown and unheard of barriers that did not exist before they came in.

But he did talk about those too as being, I believe, Conservative philosophy; reduce taxations so that it increases the income in the higher brackets, those are my words not his, but that's what they did when they reduced income tax and reduced succession duties; create greater sums at the top and use tax moneys in such a way as to help the needy as they determine who are the needy and that means reduce the property tax credit plan, reduce the cost of living tax credit plan, because that's what they've done. That's what they've done by just exchanging one simple word in this form, where in the 1979 form they use the term — subtract one percent of taxable income, in the 1980 form they say subtract one percent of family income. And when they talk about family income you calculate it by adding the two net incomes of the two members of the family, the income producing, and by that it's just arithmetic, it's clear. But they say we brought in the SAFER Program or the CRISP Program. The fact is they reduced the costs in these fields, when they did something about housing which they tried to do to some extent. I don't know the details too well of the SAFER Program but I do believe that there are good features to it. They also cut the construction of low-cost and subsidized housing and they've had their savings in other ways.

I want to mention one thing. The succession duty, the removal of succession duties was inevitable, Mr. Chairman. It was known that they would do it, I don't know how well known it was that we would do it, but the fact was it was on its way. It was happening right across Canada and I think only Quebec has any remnant of succession duty and I deplore that, Mr. Chairman. I deplore it because I lived during the time when the Federal Government decided to get out of succession duties and let me remind you that the Federal Government had made an arrangement, years gone by, with all the provinces to take over, to rent the rights to tax succession duties across Canada. That was sensible because of the fact that Canada is one country. And when they did that they

did it by saying to the provinces — we will rebate to you, we will give to you 75 percent of what we collect but we'll do the collection across Canada. And as I recall it the three provinces, Quebec, Ontario and B.C. had additional taxation of their own. But when the Federal Government found several things — one was that Alberta with this new found wealth was starting to rebate its portion back to the payers of the tax, and when they found that they were getting all the flack and none of the credit they said we're going out of it. I recall a meeting of Provincial First Ministers where nine provinces gathered together to ask the Federal Government to retain taxation of its succession duty taxation, the 10th province did not vote because the Premier of Newfoundland had left just before the vote took place. So it was virtually unanimous. But as there was a gradual deterioration in the tax structure across Canada, I say the removal was inevitable and I'm sorry about it.

I do believe in spite of what the Minister said, that succession duty taxation is probably the most progressive form of taxation. It taxes those who are the windfall beneficiaries of money; people who never did anything to earn the money were now being taxed on the basis that they received money.

Now the Minister of Highways, whom I usually ignore for good reason, asked would we bring it back. The answer is no. I said it was inevitable and it's nothing new. The Minister of Highways must be out floating somewhere in the Never Never Land to pretend that he now knows that. The fact is, Mr. Chairman, if we had it, it would have been vote grabbing in a cheap way, so don't overlook that.

Mr. Chairman, the fact is that it would be foolhardy at this stage, in my opinion, for Manitoba to stand alone amongst all the other provinces with succession duty. But, Mr. Chairman, I do think that federally it ought to come back; that's my own opinion and that's my comment in that respect.

Mr. Chairman, my final comment is that the Minister did, I believe, to the best of his ability describe to us his fiscal policy. The fact that on this side we have found it wanting is not surprising nor should it be disappointing to the Minister of Finance because we have started with different philosophic approaches. I find it wanting because it was almost a non-policy. The Member for Inkster described pretty how it was a non-policy; to me it was an attitude, not a policy, but the attitude is bad. It's nothing new because we have seen previous Conservative governments and they have no fiscal policy either. But what the Minister did not give us the benefit of was his comments, which I asked for, and that is the principle of the Property Tax Credit Plan and his comments on his predecessor's statements as to what a Conservative Government would do about Property Tax Credits. He said we would wash it out; we would eliminate it; give us the chance to change the Foundation Program, which meant the financing of education, give us a chance to do it, we would eliminate it because he said, it's a very cheap vote-buying technique.

Now I ask the Minister and I can ask it now for the first time, now that you have a new Foundation Program, now that you've come up with what you think is a big step forward in the assisting to the financing of education, what are you going to do about the Property Tax Credit Plan? Are you going

to keep it? If so, what do you say about the former Minister of Finance had to say about it? If you're not going to keep it, is it your way to destroy it by gradually eliminating and reducing the benefits that are to be derived therefrom?

The final word, Mr. Chairman, I was about to sit down. I was reminded. What do we do with the Member for St. Matthews, whose credibility we have to question now, when I saw his T.V. performance when he said that it was a stupid error and will be corrected soon but it will not be possible to do it for this coming year. Now what about that? That's a real problem, Mr. Chairman, because when he said it he didn't say, I hope it will be, I will recommend that it will be — he said it will be. That is a problem which I think the people who watched the T.V. program are entitled to have an answer to.

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

**MR. RANSOM:** Mr. Chairman, the Member for St. Johns seems to be quite concerned about statements being made by one of our colleagues on this side. I find that somewhat amusing that he should be concerned about a statement that one of our colleagues makes that may not be 100 percent consistent with statements that I've made or actions of the government. We see differences among the members opposite day after day after day. We see the weak links being split off and forming their own party. I don't find any great difficulty with the Member for St. Matthews expressing his concern over things that affect his constituents. If he happens to see a particular action of the government as being a stupid action, I don't say to the Member for St. Matthews that you're not free to make those kinds of comments. I'm concerned about the program, Mr. Chairman. I don't share the Member for St. John's concern about the actions of a particular member of our caucus. I'll just let that issue rest at that, Mr. Chairman.

He's concerned about Property Tax Credits. It's a good question. I don't really intend to go back and carefully examine the statements and the circumstances that were made by the former Minister of Finance back in 1976.

**A MEMBER:** We don't blame you for that.

**MR. RANSOM:** I know that at any time that an action is taken or a statement is made that it is always made in the context of the circumstances that exist at that time, and that circumstances change. I see very little advantage for me to go back and look at that statement and try and rationalize it. There may be advantages to the members opposite to go back and look at it and attempt to make what points they can from it. I think without having looked in depth at the concept of a Property Tax Credit, I look at it from the point of view of a system that is in place and was in place at the time that I came into this Chamber, and so it becomes from my perspective a question of what might be done to improve the system and indeed one has to address the question of whether the system should be changed radically or not. But I think the First Minister had previously used an expression of pointing out the difficulty of unscrambling an egg once it had been scrambled. That perhaps is the

situation with a number of government programs, that given the opportunity to start afresh with the circumstances of the day, one wouldn't necessarily reimplement a system of that nature. But the system is there, we have not eliminated the system, we don't intend to eliminate it by the back door, but there may be improvements made to the system.

I find it a little bit interesting — the Member for Inkster, his fiscal policies. On the one hand he seemed to say that government sometimes undertakes expenditures for which there is no return and therefore any government expenditure need not show a return. Then he subsequently moved to the position and said no, really there had to be the opportunity to get a return.

There was a time when I first came into the House during the Session in 1978 when the Member for Inkster expounded a rather interesting philosophy on about two occasions, which I haven't heard from him since. That was that the problem didn't lie with our inability to produce, the problem lay with our inability to spend. It wasn't a question of not having learned how to produce, it was a question of not having learned how to spend. Now I haven't heard that expounded since but, Mr. . . .

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

**MR. GREEN:** I have never made such a remark. I've said we have not learned how to consume, not how to spend.

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

**MR. RANSOM:** Did the member have a point of order, Mr. Chairman?

**MR. CHAIRMAN:** No.

**MR. RANSOM:** It was just another interruption then.

**MR. CHAIRMAN:** To the honourable members, a point of order is when a correction takes place. A difference of opinion doesn't constitute a . . .

**MR. GREEN:** The Honourable Minister has attributed to me a statement which I'd never made, Mr. Chairman.

**MR. CHAIRMAN:** I'm trying to recollect the exact wording and if it was so then it would be a point of order.

**MR. RANSOM:** Mr. Chairman, the Member for Inkster obviously did not have a point of order. He wishes to rise every time that anyone makes an interruption of what he said that isn't precisely the interpretation that he intended.

**MR. CHAIRMAN:** On a point of order?

**MR. GREEN:** Yes. Mr. Chairman.

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

**MR. GREEN:** Mr. Chairman, on the point of order, and you indicated that if he said that I said

something which I didn't say it was a point of order. I tell the Minister I never said that. If he would have said that this is my interpretation of what he said, I wouldn't have risen. He said that I said we have learned how to produce but not how to spend. I have never made any such statement. He will not find such a statement. I said we have learned how to produce, we have not learned how to consume.

**MR. RANSOM:** Mr. Chairman, I expect that to be rising frequently to make certain that the Member for Inkster has stated my positions correctly as I see those positions. I accept his . . .

**MR. CHAIRMAN:** The Honourable Member for Winnipeg Centre on a point of order.

**MR. J.R. (Bud) BOYCE:** It is traditional in this House and it is a rule of this House when one member attributes words to another, and the member rises in his place and says he did not say those words, that it is a rule of this House that those words be withdrawn. I would expect you, Sr., to rule that the Minister withdraw those remarks, not to be cute about it and proceed. Because if he said that's his interpretation to the member's words that's one thing, but he persists in his position that it is not, it is what the member said. I would ask you, Mr. Chairman, to maintain order in the House and uphold the rules.

**MR. CHAIRMAN:** It is difficult to maintain order when there is a lack of co-operation and I'm not going to go back to smoking. I will make a ruling after I've had a chance to read what has been said, whether the Minister in fact had made the statement and attributed it to the Honourable Member for Inkster and I will make a ruling on it at that point.

The Honourable Minister.

**MR. RANSOM:** On the same point of order, Mr. Chairman, I would ask that when you make your ruling tomorrow that you provide us with some direction as to where in the rules the provision is for people to rise to correct a misinterpretation or misstatement of what someone has said.

To continue with what I was saying previously, Mr. Chairman, I will accept what the Member for Inkster says, if he says that we haven't learned to consume then as opposed to we haven't learned to spend, I don't see that it changes the position substantially. Mr. Chairman, if I have the occasion I'll go back and look up the remarks that the member made to get the gist of his argument. I find it to be somewhat inconsistent with his present policy of the Progressive Party.

There's only two things that I would like to respond to concerning what the Member for St. Johns said in his last presentation. He said, I believe, that he saw no merit in keeping government expenditures at the level of growth in the economy — that as a target in itself was something in which he saw no merit. I accept that he has said that, but I simply point out to him and to the House that was a target that was accepted by the 11 First Ministers of the country when they met in February of 1978 as being a desirable target for governments to work towards. If the Member for St. Johns is outlining the position of the NDP, that they do not see that as a

target of merit, then fine, we accept that and I'm sure it's something we would return to from time to time.

One other thing that he said that I must correct, because it certainly was a misstatement or a misinterpretation of what I said, what we on this side had said, and it related to the question of jobs in the public service and jobs in the private sector. The members opposite, the Member for St. Johns, continues to interpret our position, or my position, as being one that somehow sees public servants as being second class. Mr. Chairman, that is as far from being the position that I take, and that this government takes. We have high regard for civil servants, people in the public service, who perform valuable service, Mr. Chairman, but what the members opposite misinterpret or fail to recognize is the distinction that must be drawn between someone whose salary is paid involuntarily by taxpayers, and those whose salary — (interjection) — Well, the Member for Lac du Bonnet says, "Oh, come on!". He doesn't draw the difference between someone who is paid by choice, some service industry in the private sector for instance, who is supported because the public is prepared to buy the service or the product that those people produce and they do it voluntarily, and if they don't wish to continue to do it, that person will no longer be there. They pay taxes and support government.

People who are employed in the public sector are of a different nature. Mr. Chairman, because by definition, they are paid for involuntarily by the taxpayers. They are essentially consumers of the tax dollars that are available to the public.

No, I'm not trying to entertain the question at this point, Mr. Chairman, because if one follows the argument that the honourable members opposite make, that there is no difference between private sector and public sector employees, then it simply stands to reason that everyone could be a public sector employee. We all know what happens when everybody is a public sector employee.

During the last three years of the time when those gentlemen opposite were in government, and there were 10,000 jobs created in this province, 7,000 of those jobs, Mr. Chairman, were in the public sector, 3,000 were in the private sector. Now that is not a ratio that can be sustained, 3,000 people in the private sector, and 7,000 in the public, unless of course, the policy of the Socialists is pursued whereby the government controls the means of production and then perhaps you have an opportunity to produce that.

I'm pleased to see that the honourable members opposite have such a difficult time in drawing a distinction between people employed in the public service and people employed in the private service, because I know that the people on the street and on the farms and in the forests and on the lakes of this province, have no trouble distinguishing between those two. They want public servants to deliver services that they want. They know that the more public servants there are, the more taxation there will be in order to support those servants to deliver services. The argument that the honourable members opposite are putting forward is that somehow a person who works to produce mineral wealth, or produce tractors or whatever, is in the

**Tuesday, 17 March, 1981**

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same category as someone who is providing a planning service. for instance, in the public service. They're not the same. Mr. Chairman, and I'm pleased to see that the honourable members opposite don't recognize the distinction between them.

I move, Mr. Chairman, that Committee rise.

**MR. CHAIRMAN:** Committee rise. Agreed? (Agreed)  
Committee rise.