

## THE LEGISLATIVE ASSEMBLY OF MANITOBA

2:30 o'clock, Monday, May 12, 1969

Opening Prayer by Mr. Speaker.

MATTERS OF URGENCE AND GRIEVANCES

MR. GILDAS MOLGAT (Leader of the Opposition) (Ste. Rose): Mr. Speaker, before any proceedings I rise on a matter of the privileges of the House. Mr. Speaker, this morning the Winnipeg Tribune in reporting the speech that I made on Saturday regarding South Indian Lake, inserted the following portion in the article. The portion reads as follows: "The Tribune will be pleased to allow Mr. Molgat or any other MLA to read the first volume of the secret Van Ginkel-Hedlin-Menzies report "Transition in the North," which was commissioned in connection with the Churchill River Diversion and the Southern Indian Lake project. A copy is available in the Tribune Newsroom. The Tribune published portions of the report some weeks ago."

Mr. Speaker, my matter of privilege of the House is that last year honourable members to my left specifically asked of the government for copies of that report "Transition in the North". During the course of the 1968 session, I introduced in the House an Address for Papers asking for all of the reports, studies, to be tabled relative to the Churchill River Diversion. We have had considerable debate already in the House during the course of this session relative to the South Indian Lake situation. Approximately ten days ago, the Minister of Mines and Natural Resources said that all reports would be available and when we went to see all the reports at Manitoba Hydro, these were not there. The Minister subsequently in this House, said "no, I didn't mean those reports, those are not available." But, Mr. Speaker, here is that very report available to someone who is not in this House.

Mr. Speaker, I want to make it very clear I am not in any way faulting the newspaper in this regard. On the contrary I compliment them; I compliment them for the position that they have taken, that this situation should come out. But, Mr. Speaker, it is inconceivable that that sort of information would be refused in this House by the government and would be available outside of this House. Mr. Speaker, I followed up on the suggestion of the Winnipeg Tribune. I went to their offices this morning and I have seen their copy of this report. Mr. Speaker, we cannot have a situation where the government through its majority, votes against the House being supplied information which is then available in other sources.

So, Mr. Speaker, I beg to move, seconded by the Honourable the Member for Lakeside, that in order to guarantee that the privileges of the Members of the Assembly shall not be again violated by the government refusing to give them information, reports of studies which are available to sources outside of the Assembly, this House directs the government to immediately table all studies and reports dealing with the proposed flooding of Southern Indian Lake and the effects of such flooding.

HON. STERLING R. LYON, Q. C. (Attorney-General) (Fort Garry): Perhaps, Sir, before you put the motion you will want some opportunity to consider it, because, of course, I don't see that it falls outside of the usual ambit of motions that require notification or notice in the usual way. Nor do I see that my honourable friend has raised any point that should intrude upon the regular proceedings of the House prior to our reaching the Orders of the Day, which is the first occasion upon which matters of this sort can be brought up. I would suggest in the circumstances which are unusual, that perhaps, Sir, you might wish to consider the matter before . . .

MR. MOLGAT: Mr. Speaker, on the point of order, raised by the Leader of the House, I would like to refer him to our own rule, Rule No. 24 which clearly states "the matter of privileges of the House will be brought up immediately and no intervening matters." Similarly, in Beuchesne, Mr. Speaker, the rule is quite clear, "a matter of privilege" - and this is citation 1043, Page 95, "A matter of privilege which claims precedence over other public business shall be the subject which has recently arisen and which calls for the immediate interposition of the House; the matter should be raised at the earliest opportunity." Similarly, 105, (2): "It is the practice in the House of Commons to bring up a question of privilege after prayers and before the House has taken up the Orders of the Day." Mr. Speaker, I think that if the point of order is not applicable, that the motion is proper and it's the proper time to bring it up.

MR. LYON: . . . again to the point raised by my honourable friend the Leader of the Opposition, We're all aware of what Beuchesne means and what our own rules mean "before

(MR. LYON cont'd) . . . . the Orders of the Day." That means before the Orders on the Order Paper are entered upon, and that time arises at what we falsely call, but what we do call, the question period. So first of all on the timing of it, there is no great urgency. Secondly, my honourable friend I think is arguing against himself when he deigns to suggest that there is some infringement of the privileges of the House, because by his own admission, he read copies of this report he said in the Winnipeg Tribune some several weeks ago. Why all of a sudden does it arise as a matter of privilege today, when in fact, it was printed, by his own admission - I'm not aware of the report he's talking about - several weeks ago. On that ground alone, it's rather patently obvious that there is no ground of privilege here. But I still suggest, without arguing the matter, as to its merits, Sir, that you might wish to consider as to whether or not the motion is in order, to say nothing of the manner in which it has been raised.

MR. MOLGAT: Mr. Speaker, on the point of order. The Attorney-General had best read the rules of the House and Beauchesne, because his argument is completely contrary to what the rule states. The rule is clear, it must be immediate. So far as the privilege of the House being abused - there is no question about it. I saw the report this morning; that report was not available to me before. It's been made available to me outside of this House and it's been refused to me inside of this House and there is no question about the privileges of the House being abused. On the third point, Mr. Speaker, if the Attorney-General would read Beauchesne, he'll also find out that citation 113, Page 102, "A question of privilege ought rarely to come up in parliament. It should be dealt with by a motion giving the House power to impose a reparation or apply a remedy." So the rule is very clear; that the timing must be immediate, as soon as it comes up; that it transcends other business and the proper way to do it is by motion applying a remedy. This is what this motion does.

MR. LYON: Well, Mr. Speaker, speaking further to the point, I think this point has been covered, although I've been absent from the House for some few days, but I think the point has been covered before, that if my honourable friend is referring to some report that was already published in the Tribune -- (Interjection) -- I'm going only on his word, Mr. Speaker. I'm not aware of what he's talking about. My honourable friend said that excerpts of this report were published in the Tribune some weeks ago.

MR. MOLGAT: The Tribune statement, which I read, was that they had published portions of the report some weeks ago. What I saw this morning, Mr. Speaker, was the photostatic copy of the report itself, which I have been able to see, thanks to the Winnipeg Tribune, refused in this House.

MR. LYON: Well my honourable friend surely isn't suggesting that the report was given to the Winnipeg Tribune by the government; because if that were the case, then there would be a legitimate case of privilege. In the absence of such an allegation, there is no case of privilege.

MR. SPEAKER: I appreciate the opinions of the honourable gentlemen, and the importance of the subject under discussion. I wonder if it might not be well for me to take this under advisement and I will report back to the House in due course.

Presenting Petitions; Reading and Receiving Petitions; Presenting Reports by Standing and Special Committees; Notices of Motion.

#### INTRODUCTION OF GUESTS

MR. SPEAKER: I'm sure honourable members would appreciate me acknowledging the honourable gentleman on my left and welcome him on behalf of all the honourable members. He had a great day on Saturday and I do wish you welcome on behalf of all the Honourable Members of the Legislature.

MR. RUSSELL PAULLEY (Leader of the New Democratic Party)(Radisson): Mr. Speaker, I wonder if onewho was attending another convention, namely, to select a new Archbishop or Bishop for the Diocese of Rupertsland, you might indicate what other event took place over the weekend.

MR. SPEAKER: I would like to add to that. May I introduce our young people that are with us today, which is our custom. We have 22 students of Grade - I believe it's 10 standing - of the Balsam High School. They are in my gallery and are visiting us from Port Arthur, Ontario. We also have with us today 55 students of Grade 5 standing of the Victoria Albert School. These students are under the direction of Mr. Suderman and Miss Widlake. This school is located in the constituency of the Honourable Member for Winnipeg Centre. We also have 70 students of Grade 11 standing of the Neepawa Collegiate. These students are under

(MR. SPEAKER cont'd) . . . . the direction of Messrs. Bailey, Tipper and Egesz. This school is located in the constituency of the Honourable Member for Gladstone. Also, there are 12 students of Grade 9 standing of the St. Joseph's School. These students are under the direction of Sister O'Halloran. This school is located in the constituency of the Honourable Member for Inkster. On behalf of all the Honourable Members of the Legislative Assembly I welcome you all here today.

I wonder if I might take a moment longer. I have a communication here that I'm sure all the honourable members would be interested in, addressed to me. "It is indeed an honour and a great privilege to appear before the Manitoba Legislative Assembly. I would like to take this opportunity to thank you for allowing me to appear and also express my thanks for the cordial reception from the people of Manitoba. The bond of friendship resulting from this trip, will be greatly cherished." That letter is signed by Frank L. Farrar, Governor of the State of South Dakota.

#### INTRODUCTION OF BILLS

HON. CHARLES H. WITNEY (Minister of Labour) (Flin Flon) introduced Bill No. 91, An Act to amend The Labour Relations Act.

MR. SAUL MILLER (Seven Oaks) introduced Bill No. 94, An Act to amend The West Kildonan Charter.

MR. SPEAKER: Orders of the Day. The Honourable Leader of the Opposition.

MR. MOLGAT: Mr. Speaker, before the Orders of the Day, I want to thank you for your courtesy in introducing our guest in the Speaker's Gallery to your left and to add my words of welcome to him on his return to this Assembly. I know he needs no introduction to a good number of the members here, with whom he has sat in the past. I know that he will be returning shortly to further work in this Assembly and be my pleasure to work with him as my new leader. I'm delighted to introduce to the House, Mr. Robert Bend, the Leader of the Liberal Party in Manitoba.

MR. LYON: Mr. Speaker, we would like to join in congratulations on this side of the House to the new leader of the Liberal Party of Manitoba. He's an experienced man, however, and he comes from a part of the country that is not too far from where I came from, or the First Minister or the Member of Lakeside. He's been in politics long enough to know that when I say that we "may" see him here in due course, he knows that I mean no personal affront because we all know the business of politics quite well. But we do join in congratulating him and wishing him success in his office, that is in terms of the reorganization work and the other things that he said on television that he wished to do; and for our part, we will do our best on this side of the House to make his job a very onerous one.

MR. PAULLEY: I think, Mr. Speaker, it is incumbent upon me as leader at the present time of my party, to extend greetings to my old friend Bobby Bend. I had the pleasure of sitting in the House with Bobby for one term of office. I wish him well in his new venture. I cannot, of course, join in the enthusiasm exhibited by my friend the former leader of the Liberal Party and I would suggest that it may be some considerable period of time before the new leader of the party may be privileged to sit in this House. I want to assure Bobby and the Liberal Party that we will be doing our utmost to bring about what was so widely predicted during the campaign for the leadership of the Liberal Party, that their fight is with the New Democratic Party rather than the government.

However, in all seriousness, and without jest, I wish the former member for Rockwood-Iberville every personal success, and I join in the sentiments of my honourable friend the Attorney-General, when we will continue our endeavour to see that the representative, the Liberal Party in Manitoba go into oblivion as was so freely predicted during the course of the contest for the leadership of the Liberal Party in Manitoba.

MR. SPEAKER: The Honourable Member for Rhineland.

MR. JACOB M. FROESE (Rhineland): Mr. Speaker, I too would like to join with other members who have spoken and congratulate Mr. Bend on his election as leader of the Liberal Party. I have not had the opportunity as some other members had of sitting with him in this House but I'm sure that he will be an asset to his group and lead his party well.

MR. DOUGLAS CAMPBELL (Lakeside): Mr. Speaker, I would like to announce to you, Sir, and through you, to the members of this House and to the public of Manitoba, that the Liberal caucus has unanimously elected the Honourable Member for Ste. Rose as House Leader

(MR. CAMPBELL cont'd) . . . and that this selection has been enthusiastically endorsed by the new leader of the Liberal Party.

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

#### ORAL QUESTION PERIOD

MR. RUSSELL DOERN (Elmwood): Mr. Speaker, in the absence of the Premier, I would like to direct a question to the House Leader. It is rumoured that the province is planning a provincial-municipal conference on taxation. Can the House Leader indicate as to when this conference may be held or give us any details, since it's now been leaked?

MR. LYON: I'd be happy to take that question as notice, Mr. Speaker.

MR. SPEAKER: The Honourable Member for St. George.

MR. ELMAN GUTTORMSON (St. George): Mr. Speaker, I'd like to direct a question to the Minister of Finance. It's being rumoured in circles downtown that the government is going to appoint Mr. Fred Groves as the provincial auditor. Could he tell the House whether this is an accuracy or not.

MR. SPEAKER: Order please. I wonder if rumours are the things that should be used by way of questioning the House. I wonder -- (Interjection) -- Order please. The Minister of course can answer the question if he so desires.

HON. GURNEY EVANS (Minister of Finance) (Fort Rouge): I'm not aware of what circles my honourable friend runs in.

MR. SPEAKER: The Honourable Member for Burrows.

MR. BEN HANUSCHAK (Burrows): Mr. Speaker, I wish to direct my question to the Honourable Minister of Mines and Natural Resources. What is the procedure to be followed for making claims as a result of damages suffered from any of the flooding of the rivers in Manitoba. Is the claim to be directed to the Federal Government or to the Provincial Government? And would he outline the procedure to be followed.

HON. HARRY J. ENNS (Minister of Mines and Natural Resources) (Rockwood-Iberville): Mr. Speaker, I believe the First Minister as well as my colleague, the Minister of Municipal Affairs, has indicated to the public at large that these claims whether by individuals or indeed municipalities should be forwarded to the Director of Water Control and that subsequent to that any further government action or policy decisions will be announced.

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. MOLGAT: Mr. Speaker, I wonder if I could be permitted just a statement which I'm sure all of the House would concur in, and that's congratulations to the 30,000 youngsters who yesterday participated in the very important march for millions. I think there are times when our young people are not given the best of publicity; there are times when our society is critical of their attitudes, and when one sees the enthusiasm, the selflessness which they exhibited yesterday in doing something for society and for other people, that this House would want to mark our appreciation and our deep understanding of a group who would do this in difficult circumstances for the benefit of others whom they do not even know.

HON. DONALD W. CRAIK (Minister of Youth and Education) (St. Vital): Mr. Speaker, might I just add my congratulations to the MAWD Organization for the very fine performance yesterday. It's always very encouraging to see a group of young people perform in a befitting manner such as they did yesterday and to go out and do their part on behalf of society, on behalf of the community in their immediate vicinity and the community abroad, in this very wholesome effort in which I had the pleasure to participate in, and had the wisdom to get out of before it became a contest, along with many other people who are also from the Legislature here today. The work which this organization is performing is commendable whether it's in Manitoba or outside.

MR. PAULLEY: If I may, Mr. Speaker, join the honourable gentlemen who have just spoken and add the congratulations of myself and my party for this venture. There was a certain amount of criticism prior to the event taking place. I've understood that since that the criticisms were not deemed to be too valid. Reference has been made to youngsters taking part in this march. I'm glad that one of the youngsters in my caucus, namely the Honourable Member for Burrows, marched, walked, he tells us, some 20-odd miles. I was more than pleased that he took my place, and he only took my place for reasons well known to the House. But I want to say, too, how much Manitoba should appreciate the contribution that the young, and those not so young, are making to showing true charity and true love to others in other areas less fortunate than ourselves. And on that note I, too, congratulate MAWD and those

(MR. PAULLEY cont'd) . . . that took part in the march, and may I publicly say thank you Ben Hanuschak, MLA for Burrows, for looking after the job that the old man of the party should have been doing himself.

MR. SPEAKER: Order please. The Honourable Leader for Rhineland I believe has an opinion.

MR. FROESE: Mr. Speaker, I, too, would like to join with other honourable members in congratulating the people that took part yesterday in this exercise. I'm sure that the purpose is a good one and a noble one at that to assist people in other countries. I'm wondering sometimes though whether the energy spent could not be spent in such a way that it could be serving a more useful purpose. Other than that I certainly wish them well.

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. MOLGAT: Mr. Speaker, I'd like to address a question to the House Leader. Could the House Leader inform the House when the Public Utility hearings on Bill 15 might start?

MR. LYON: No date has been set as yet. We'll endeavour to have the date for my honourable friend, and for the House, as soon as possible.

MR. SPEAKER: Orders of the Day. The Honourable Member for Churchill.

MR. JOE BOROWSKI (Churchill): Mr. Speaker, while home for the weekend I picked up some very interesting information that has to do with South Indian Lake. According to a story in a local paper there, "The Thompson Citizen," it seems there's a major ore body discovered there and it lies right in the path of the flooding. There was an announcement made by the Minister of Education on behalf of the Minister of Mines and Natural Resources . . .

MR. SPEAKER: Order please. I would be very pleased to hear the honourable gentleman's question. I believe he has one.

MR. BOROWSKI: Mr. Speaker, it would be pointless to ask the question unless I give some background. The Minister had indicated that this ore body was not in the path of the flooding. It appears it is and it appears it's worth approximately \$40 million according to the report, and in view of this I'm wondering if the Minister is going to go ahead with the flooding. It seems like it's a major find by Sherritt-Gordon Mines.

MR. ENNS: Mr. Speaker, I think in reply to the Honourable Member for Churchill's question that this probably better than in no other way will demonstrate that the development plans at Southern Indian Lake will in no way impede the mining developments that are also very important to this province.

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. MOLGAT: Mr. Speaker, I had a subsequent question to the House Leader regarding the committee hearings. Will he give a firm commitment to the House that public hearings will in fact be held on Bill 15?

MR. LYON: Mr. Speaker, when a date has been found it will be announced to the House.

MR. MOLGAT: Mr. Speaker, my question was: Will he give a firm commitment to the House that hearings will in fact be held?

MR. LYON: Mr. Speaker, if my honourable friend wants to cross-examine perhaps we can produce a Bible and then I'll have a chance at him. When the date for the sittings of the committee is ready to be announced, it will be announced.

MR. SPEAKER: The Honourable Member for Inkster.

MR. SIDNEY GREEN (Inkster): Mr. Speaker, a subsequent question to the Minister of Mines and Natural Resources, to the question that was put by the Member for Churchill. Is he aware that the new strike is one which will be accessible by surface mining and will flooding affect the ability to do surface mining, which is the kind of strike that is being mentioned?

MR. ENNS: Mr. Speaker, I believe it would be in order for us to await further explanation or announcements on this particular matter. I'm aware of the matters referred to by both the Honourable Member for Inkster and the Member for Churchill. I've attempted to indicate to you and to the House, Mr. Speaker, that the rumoured find, mineral find, is of no concern with respect to the -- does not concern me or this government with respect to the future flooding of that area. Technical matters as to how the particular ore body that is spoken of will be in fact mined are matters that I believe are best left to the company involved to announce in due course.

MR. GREEN: Mr. Speaker, a subsequent question. If the surface mining would be affected by the flooding would the Minister then consider a change in plans in view of the fact that we're talking about a \$40 million nickel strike?

MR. ENNS: Mr. Speaker, the Honourable Member for Inkster is asking a hypothetical question, if I may, that I'm not prepared or in a position to answer. I would suggest to you, Mr. Speaker, that indeed if there was reasonable concern for what seems to be bothering the Honourable Member for Inkster then certainly representations would be being made to me and indeed to the government on the very matter that he's referred to. I must report to you and to the House that no such representations have been made.

MR. SPEAKER: The Honourable Member for Churchill.

MR. BOROWSKI: Mr. Speaker, further to this same subject. I think about a month ago the Minister indicated that all staking was to cutoff in that area and apparently this staking has taken place in the last month. I'm waiting for a call from The Pas to confirm this but if this is true it seems that the Minister deliberately misinformed the House by saying that all the area was withdrawn from staking.

MR. LYON: . . . let that pass, with the honourable member making some hypothetical illusion to some statement that might have been made on the basis of some situation that might exist if he gets a phone call from The Pas; and I suggest that my honourable friend would do well to keep his allegations to himself about misinformation to the House. I think the House is quite able to judge that. My honourable friend the Minister has explained the situation. My honourable friend would do well to keep his allegations about impropriety to himself.

MR. SPEAKER: The Honourable Member for Elmwood.

MR. DOERN: Mr. Speaker, I'd like to direct a question to the Minister of Municipal Affairs concerning the Centennial. A few years ago there were donations made to the Centennial Centre by numerous municipalities and cities and so on within the Metro area, not all contributing to it. I wonder whether the government has reapproached areas or municipalities or cities that did not donate to the Centennial Centre in the hope of raising more money for it?

HON. OBIE BAIZLEY (Minister of Municipal Affairs) (Osborne): No, Mr. Speaker.

MR. DOERN: A supplementary question, Mr. Speaker. Could the Minister indicate how well the sale of 1970 licence plates is going?

MR. BAIZLEY: I'll take the question as notice, Mr. Speaker.

MR. SPEAKER: The Honourable Member for St. George.

MR. GUTTORMSON: Mr. Speaker, I'd like to direct a question to the House Leader. It was reported in The Winnipeg Tribune that Mr. Derek Bedson was leaving to join the staff of the Leader of the Opposition in Ottawa. Could he indicate to the House when he plans to move?

MR. LYON: Mr. Speaker, as with many other items that appear in newspapers, I don't know the source of their information and of course we're not prepared to comment upon it.

MR. SPEAKER: The Honourable Member for Wellington.

MR. PHILIP PETURSSON (Wellington): Mr. Chairman, could I direct a question to the Honourable Minister of Mines and Natural Resources. It has to do with the levels of Lake Winnipeg. Could the Minister give us any information about the present level of the lake say at Gimli or at Grand Beach in the southern end.

MR. ENNS: Yes, Mr. Speaker, if I can accept that question as notice. I receive monthly level readings from most of the important major lakes in Manitoba. I'd be happy to apprise the Honourable Member from Wellington of this information. I don't have it at hand.

MR. SPEAKER: The Honourable Member for Inkster.

MR. GREEN: Mr. Speaker, I'd like to direct a question to the Honourable Minister of Health and Social Services. Is there any reason why people phoning the Manitoba Health Services Corporation requesting the names of doctors who are in the Plan are required to give their names to the person whom they speak to on the telephone?

HON. GEORGE JOHNSON (Minister of Health and Social Services) (Gimli): Mr. Speaker, I'd have to take that question as notice.

MR. SPEAKER: The Honourable Member for St. George.

MR. GUTTORMSON: Mr. Speaker, last week I asked the Attorney-General what policy the government had with respect to civil servants who had their wages garnished by the court. Could he indicate at this time what the policy is of the government?

MR. LYON: No, Mr. Speaker. I passed that question along to the Department. I haven't had any response as yet.

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. MOLGAT: Mr. Speaker, I'd like to address a question to the House Leader. Could he indicate when the government proposes to give Royal Assent to the redistribution bill?

MR. LYON: Before the House is prorogued, Mr. Speaker.

MR. SPEAKER: The Honourable Member for Wellington.

MR. PETURSSON: Mr. Speaker, if I may direct a question to the Honourable the Minister of Education. There was a half hour film shown on television this morning on the subject of cigarettes, tobacco and their uses. Is it the plan of the Department of Education to have this film distributed and shown in the schools for the benefit of the students that are there, as part of the health program?

MR. CRAIK: Yes, Mr. Speaker. This was specially designed for distribution and viewing in the schools.

MR. SPEAKER: The Honourable Leader of the New Democratic Party.

MR. PAULLEY: Mr. Speaker, I would like to ask a follow-up question of that asked by the Honourable the Leader of the Opposition dealing with the Electoral Boundaries Commission and the answer given by the Honourable Attorney-General in his capacity as House Leader. If you recall the answer was: "Before the House is prorogued." Can the honourable gentleman indicate whether the House will be prorogued or dissolved?

MR. LYON: Well I defer to my honourable friend, Mr. Speaker, the nit-picker. Before the House adjourns, prorogues, is dissolved or whatever.

MR. SPEAKER: The Honourable Member for Churchill.

MR. BOROWSKI: Mr. Speaker, perhaps I could change that word, at the suggestion of the Member for Inkster, to "inadvertently" misled the House instead of "deliberately." I think this applies also to the Minister of Finance when I asked the question last week: How many men were working at South Indian Lake? On checking over the weekend I find that there is men working at Missi Falls, Natoogi Falls and South Indian Lake and there's well over 200 men. I'm just wondering if the Minister inadvertently misled the House.

MR. EVANS: Mr. Speaker, I didn't mislead the House at all.

MR. SPEAKER: The Honourable Member for Churchill.

MR. BOROWSKI: One last question, Mr. Speaker. We have a situation in Thompson where many -- I shouldn't say many -- several apartments don't have fire extinguishers and the town council and various people in town have tried to bring pressure on apartment owners to put in fire extinguishers. They refuse to do so because we have no by-laws. Now apparently there is a provincial by-law which compels apartment block owners to have fire extinguishers. I wonder if some Minister could indicate what action can be taken by the town to compel these apartment block owners to install fire extinguishers.

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

MR. LAURENT DESJARDINS (St. Boniface): Mr. Speaker, I'd like to address a question to the Honourable the Attorney-General. If a person is arrested and while waiting for his case or a charge to be laid I'm informed that he's entitled to make one phone call -- I'm sure it's meant to be a contact with a certain party. Now does that one phone call count if it's a wrong number or if the phone is busy?

MR. LYON: Mr. Speaker, these are administrative procedures that are followed by the various police departments. I couldn't presume to answer on behalf of all of them at all. I presume if he's entitled to make a phone call he's entitled to make one that's completed, but that's only my presumption.

MR. DESJARDINS: Mr. Speaker, may I ask a further question then. Is an arrested person entitled to make one phone call or is that left to the different municipalities or police forces?

MR. LYON: . . . matter as I said. It's an administrative procedure with respect to each of the police departments.

#### ORDERS OF THE DAY - MOTIONS FOR PAPERS

MR. SPEAKER: Orders for Return. The Honourable Member for Rhineland.

MR. FROESE: Mr. Speaker, I beg to move, seconded by the Honourable Member for Wellington, that an Order of the House do issue for a Return showing: The per diem rate charged by each of the hospitals in the Province of Manitoba for the years 1967, 1968 and 1969.

MR. SPEAKER presented the motion.

MR. DESJARDINS: Mr. Speaker, if the mover doesn't wish to speak, could I move the

(MR. DESJARDINS cont'd) . . . adjournment, and it will be moved till tomorrow, because I wish to speak on this resolution. So I would like to move, seconded by the Honourable Member from Gladstone that the debate be adjourned.

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

MR. NELSON SHOEMAKER (Gladstone): Mr. Speaker, I beg to move, seconded by the Honourable Member for St. Boniface,

THAT an Order of the House do issue for a Return showing:

- (1) The amount of money collected in Manitoba by the federal government through the various taxes in 1967; and
- (2) The amount of money received by the Provincial Government from the federal government under Federal-Provincial agreements in 1967.

MR. SPEAKER presented the motion.

MR. EVANS: Mr. Speaker, I would be glad to provide this information insofar as it's within the control of the Manitoba Government.

MR. SPEAKER put the question.

MR. SHOEMAKER: Mr. Speaker, I wish to move, seconded by the Honourable Member for St. Boniface, that the debate be adjourned, and I'll speak on it tomorrow.

MR. PAULLEY: Mr. Speaker, there was an intervention. If my honourable friend does take the adjournment it would preclude anybody else from taking part in the debate and if it is the desire of the group to my right to continue I would respectfully suggest somebody else should take the adjournment.

MR. SPEAKER: This has been a session of peculiar things happening so maybe we can get this straightened out.

MR. MOLGAT: Effectively it could be considered closing the debate. If that's so then we are prepared to have someone else - in fact I will move the adjournment, Mr. Speaker, to accommodate the situation.

MR. PAULLEY: Unless, of course, if I may again on the point, Mr. Speaker. If the honourable member wants to speak to his resolution and not close the debate, as I believe is within our new rule, it apparently being a partial rejection, then I would suggest that it would just stand in the name of the honourable member who introduced the resolution.

MR. MOLGAT: That would suit us even better. He would then be introducing it effectively tomorrow.

MR. SPEAKER: (Agreed). The Honourable Member for Gladstone.

MR. SHOEMAKER: Mr. Speaker, I beg to move, seconded by the Honourable Member for St. Boniface,

THAT an Order of the House do issue for a Return showing:

- (1) The number of students enrolled in each University in the province of Manitoba for the year 1968-69 who set forth their home residence at places other than within the boundaries of Canada; and
- (2) The number of full-time instructional personnel engaged in each University in the province of Manitoba for the year 1968-69 who set forth their home residence at places other than within the boundaries of Canada.

MR. SPEAKER presented the motion.

MR. SPEAKER: The Honourable Minister of Education.

MR. CRAIK: Mr. Speaker, I'd be happy to accept this request for information, subject to the approval of the Board of Governors of the University. I think with respect to No. 2, if I might be of assistance to the honourable member, that if he might explain what he was after, he might find that if he were to request the university from which the staff member's first degree was issued that it might be more meaningful than this. However, it's up to his discretion whether he wants that or not. It depends what he wants it for. But if he wants it for what I think he wants it for, it's not going to be very meaningful the way it's asked.

MR. SHOEMAKER: Mr. Speaker, I would then request the Honourable Minister to supply the information in the form that he has just presently recommended.

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

MR. LYON: Committee of Supply, Mr. Speaker.

MR. EVANS: Mr. Speaker, I beg to move, seconded by the Honourable Minister of Health and Social Services, that Mr. Speaker do now leave the Chair and the House resolve itself into a Committee to consider of the supply to be granted to Her Majesty.



MR. SPEAKER presented the motion and after a voice vote declared the motion carried, and the House resolved itself into a Committee of Supply, with the Honourable Member for Souris-Lansdowne in the Chair.

COMMITTEE OF SUPPLY

MR. CHAIRMAN: No. 8. Manitoba Hospital Commission. The Honourable Member for Gladstone.

MR. SHOEMAKER: Mr. Chairman, we are on Page 16, Manitoba Hospital Commission. Earlier in the session, in fact much earlier, I think it was on the Throne Speech debate, that I raised the point of the hospital budgets and suggested that so far as the Neepawa Hospital was concerned that it was quite evident that they had a very large deficit, particularly last year, and they have had one for several years, and as such the interest, the amount of interest that each of the boards have to pay on borrowed capital is quite substantial. I wonder whether this is just a problem that is peculiar to our hospital, or do you have it in your own area, Mr. Chairman, or is it just purely peculiar to the Neepawa area? I thought there was an Order for Return in but I can't find it - or perhaps the one that was - yes, in fact the one that was read this afternoon by the Honourable Member for Rhineland - apparently he's concerned about the same subject matter. I would like to know whether or not, or in addition to the Order for Return that the Honourable Member for Rhineland is asking, the percentage of the per diem rate that represents the total cost. That is, everyone knows that the amount paid by the Manitoba Hospital Commission does not represent the full cost of hospital care. In the case of Neepawa, for instance, several of the municipalities are asked to pick up the deficit, so I wonder if my honourable friend could give us some answers on this particular subject.

MR. EDWARD I. DOW (Turtle Mountain): Mr. Chairman, following along that same line, I understand it has been reported to hospitals that the 1969 deficit will not be picked up by the Hospital Commission as in previous years. I mentioned here some time ago that it comes into the picture where the Hospital Commission cuts down the budgets and then they end up with the same amount owing to them. This has created some concern in many hospitals that I'm aware of; that if the Hospital Commission is going to cut the budget and then not pick up deficits this puts an added load on the contributing areas, like municipalities are part of that hospital district. I wonder if the Minister could clarify that for me.

MR. CHAIRMAN: The Member for Rhineland.

MR. FROESE: Mr. Chairman, I must confess I haven't done my homework as I would have liked to on this very matter. I didn't get the report until very recently and I haven't been able to go through it the way I would like to. However, I was in touch over the weekend with one of the hospitals in my constituency and the problem is apparently still the same as ever, and that is if a hospital runs efficiently, then they find themselves, the next time they need further monies and a larger budget that they're judged by how they performed the previous years and as a result they're cut down. On the other hand, those that are using more money, running more flush, and probably not utilizing their staff as much as the ones that are operating more efficiently, that these are getting higher grants and getting more money to operate their hospital. I think this is working at cross purposes and it's not working the way it should. I think we should definitely look after those hospitals that are running very efficiently and that if they ask for an increase that that be granted and rather those that are spending more money per bed, that these if they're using too much, that they be cut-down. I think it's not working out the way it should be in this case in connection with the budget and that's why I wanted to raise this matter.

I had that in mind last Friday and I just wanted to contact the local hospitals over the weekend to have this confirmed and see whether there had been any change, but they claim that this is still the case and they feel that their budgets are being cut down at a time when they should not be, that when they've had a year where they really ran efficiently that they were judged by that in future years and therefore did not get the increases asked for in their particular budgets. I certainly would like to hear from the Minister on this point.

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

MR. DESJARDINS: Mr. Chairman, the reason why I adjourned the Order for Return just a few minutes ago is that I've asked the Minister while dealing with his estimates to give us the per diem rate of the hospitals. Now this was given to us on previous occasions, nearly every year, and I imagine the Minister can find this fairly soon and there won't be any need --

(MR. DESJARDINS cont'd) . . . if this is the case I will be satisfied tomorrow and there won't be any need for the - I'm sure the mover will agree - for this Order for Return to be accepted.

Now there's something else. The members of our Party were also thinking that we might amend this Order for Return - and this has been touched on by the Honourable Member for Gladstone, my deskmate here - would like to know what it cost, what the cost - the per diem rate as we know, and the Minister can correct me if this is not the case, is what is paid by the Hospital Commission to the different hospitals to administer, to run their plant. Now, I think what my honourable friend from Gladstone wants to know, it is a known fact that certain hospitals anyway, probably all of them, it costs a little more than the per diem rate, but they have other revenue, maybe such as parking lots and so on, and they are allowed to use this money. Now the main reason we want this, we feel that the people of Manitoba should be aware of the high cost of keeping this hospital services going and this is the information that we want. If the Minister could answer this, it would be preferable, if we can have it at this time under the estimates, so much the better.

But while I'm on my feet I wish to bring in something else, something else that I found out only over the weekend. And I would like to invite a comment from the Minister on this. I think that all the members of this House and certainly the Minister will agree with me that we are always searching for brains in the field of medicine - we lose some of our very top men no doubt, in all fields not only in medicine, and if we can entice, if we can encourage people to come here and live in Manitoba, people that have all the qualifications, that are leaders in their field - not necessarily medicine, but I am speaking about medicine now - it is something that we should do.

Now, it has come to my attention that there is a system, the medicine faculty at the university have certain rules, of course, that must be lived by by these doctors, the doctors who are placed in charge of a certain department, and I understand that at the present a doctor that will accept to head a department will be on a fixed or on a maximum salary, a maximum salary. Now if this doctor will go over his maximum - or this professor, this head of this department, goes over this maximum he must return this, whatever he's over, the amount over the maximum, to the university. Now this is something that some of them object to. Not only - I want to make it clear here - it's not just a question of being greedy, because the special doctor, that I was talking to -- and it would be a pity if we ever lost this man; I won't mention him I don't want to embarrass him at this time. I think that if I mentioned his name all of you here would recognize him, immediately, and you would say we can't afford to lose this man -- Now what he tells me, is, at least if he's going to work hard and if he's going to make more money than the maximum, he's not too worried about having to return this amount, but he would like to have it, if it's a gift, if it's a donation, he would like to be able to say this will go in my department to benefit my department. If I want to work harder, well if I want to make a contribution at least I would like to be able to say with this money we hire somebody else and we will try to proceed, to increase the efficiency of my department. I think this is certainly the right state of mind. I think that this is how we're going to achieve something, it's going to be an incentive for these people to work hard - at least if we say you have to return it, but let them say where they're going to return it. Right now this money will go to the Registrar, this money -- I'm not suggesting that it will, I'm just making a comparison -- but this money could be used to buy a carpet in the Registrar's office or it could be used anywhere, and the point that I'm trying to make, I feel that this should be changed, that we should say: All right, if we want to leave this maximum we'll leave this maximum, but this money that you will return will go back to your department to help you to increase the efficiency of your department, to help you promote new methods, and to progress in other words. I think that this is very important.

I understand that one of these doctors who is making very good money in the States - and this might be something that we could ask Dr. Shaw to have a look at this, to remember this, that maybe the traffic will come this way - there's a certain doctor who is very very anxious to come and practise in Manitoba. He feels that this is a much -- mind you there's not maybe as many benefits, there's certainly not the same remuneration or income, he will not make the same income here as he would if he remained in the States -- but he feels that there's a big advantage in bringing up his children in Manitoba, a big advantage over bringing up his children in the States. I'm told by very competent people, by the way, that he has all the qualifications, he has all the requirements needed, but he also was pretty well surprised when he heard that

(MR. DESJARDINS cont'd) . . . . this money, this surplus, would have to be returned.

Now I wish to say this at this time, I wish to say that if the University, if the Faculty of Medicine, say all right, we want you as a full time member, I feel that they should say, you're going to be a full time member, you're going to get this salary. I feel that they have the right and definitely they should say this comes first. Right now they can go ahead and practise and they don't say anything about hours or what they have to do first. I think that this should be the thing, you must give us so many hours, or you must accomplish this. In other words, do your job and then practise. I have no objection to this. In fact, I haven't too much objection if they say, well you are going to be on a maximum -- although I'd like to question this. Remember that now under Medicare, the medical people will have much more, much higher revenue. Now are we fair? Let us compare what we offer these full-time professors, the top man in the profession, let us examine what we are ready to offer them and will we have to compete? Of course we'll have to compete with the possible income that this doctor could make even here in Manitoba, if he was strictly on his own, his own private practice, so we have to make it fairly attractive, at least, try to compete. These people will not do it solely on a question of revenue; they are dedicated people, because there is no doubt that these people can get much more, can make much more and have a higher revenue if they stayed in private practice. I think we all agree with this. And they do not demand that their income be met. But I feel that we should study this - at least, if this year, if we could agree with this, if the Minister could agree with this, that we say all right, you have your maximum salary, but, over this you will have to return this to the University; but, please let them keep this money in their own department. I think that this is something that will certainly help progress and it will give some ambition to these people, because these people are certainly dedicated. I know by experience - I'm not going to become emotional at this time - but I've had experience in this, I have gone through this, and I know what these people have done and what they're doing now. I think that this is something that the Minister would do well to look into and I hope that this will be done at this session if at all possible.

MR. CHAIRMAN: The Honourable Member for Elmwood.

MR. DOERN: Mr. Chairman, we raised earlier in the debate, the question of the maximum salary allowable before the government will pay the Medicare premiums of senior citizens and the Minister has promised that he would give us a paper on this and so on, and although that's something to look forward to, nevertheless that information does not appear to be forthcoming before the conclusion of the debate. So I want to just say a word on that particular question, because I think that the old age pensioners in our province are facing an undue hardship with the introduction of medicare premiums -- and I'm thinking particularly here of people who are under this \$1,620 a year minimum that the government has set. If you are under that amount, then you have your medicare premium of \$102 a year paid for you, and unfortunately, the government up to this time, has not seen fit to readjust that minimum, and I would suggest that first of all, the least that the government should do is to increase that exemption to \$1,724 to take into account the Medicare premium. I say that's the first step, because I suggest that that is in fact, the very minimum.

But I would like to point out, Mr. Chairman, that when we look at the statistics of the Economic Council of Canada, and at their definition of poverty, then this figure is indeed, most unrealistic, because the Economic Council of Canada in its various reports has defined poverty as: "an insufficient access to certain goods, services and conditions of life, which are available to everyone else and have come to be accepted as basic to a decent minimum standard of living."

They also define this in two ways. One is if a person spends 70 percent of his income, his total income, on food, clothing and shelter, then that is a definition of poverty. They also have another definition which is along the same line, but there's a difference of interpretation. That if you spend 60 percent of your total income on food, clothing and shelter, then you are at the poverty line; and if we use that 60 percent total, then we find that 41 percent of Canadians are poor by a definition of the Economic Council of Canada. I just wanted to point out that when you take that as a figure, and you look at the fifth annual report or review of the Economic Councils of September 1968, that poverty for one person is defined at \$2,000 a year. Now I think anybody who lives in this day and age realizes that a single person living on \$2,000 a year is not exactly bathing in luxury; but that is their definition of poverty, \$2,000 a year. If you take a more stringent definition you get something like about \$1,800 a year, and this government's definition is \$1,620 a year; plus, they are now charging these people over 65, with an

(MR. DOERN cont'd) . . . additional premium which is spread throughout and falls most heavily on this segment of the population, of \$102 a year for their premium. So I would suggest to the Minister that the least that his government should do is to increase that minimum exemption to take into account the Medicare premium; that's the least. At best, they should raise that exemption to the \$2,000 figure, or, to \$2,000 plus \$102 which would take into account the federal definition plus the inclusion of medicare premium.

I think that the Minister owes us an explanation as to whether or not in fact the government is going to up that minimum, because I think it's too low and the Economic Council of Canada certainly in looking at our minimum levels, disagrees with the Minister by \$400 or \$500 a year, depending on how you look at it.

MR. CHAIRMAN: The Honourable Member from Rhineland.

MR. FROESE: Mr. Chairman, before the Minister gets up to reply, I would make a few further comments. I would like to have from the Minister a budget for the Manitoba Hospital Services Fund for the ensuing year. We have this report covering the year 1968 and we find that the receipts from premiums are almost identical to the year before. In 1967 the premiums earned were \$13,122,000 compared to \$13,657,000 in 1968. But these were premiums when the rate was \$2.00 for singles and \$4.00 for a family. Now these have been increased from \$2.00 to \$3.60 and from \$4.00 to \$7.20 and this will mean increased premiums for the Hospital Services Fund.

Then we find, as far as the provincial government's contribution, was budgeted for last year \$21,015,000. The actual receipt shown here is \$100,000 more. I wonder if the Minister could explain this. Then too, we find that our estimates call for the same figures that were allocated last year. Surely enough when we increased the premiums by the amount that we have for the year 1969, where is the difference staying? Are we going to spend that much more under the Hospital Services Fund? The Government of Canada's contribution last year was \$35,319,000 and then the third party recoveries were \$331,000, giving us a total of \$70,292,000 in total. Then that \$70,000,000 didn't quite suffice, we ended up with a deficit of \$2.6 million.

I would like to know from the Minister the accumulated deficits over the years -- if I recall correctly, we've had deficits in previous years -- and what the situation actually is. Nowhere can I find anything in the report on this as to accumulated deficits and what happens to them? Are they just carried forward year to year? Then, too, because of the increased premiums, is the total budget for the ensuing year or for the year 1969 going to that much larger by that amount? I would like to know the total that we will be spending and the sources of these revenues and also whether we are budgeting for a surplus in this area or not. Is it that we are budgeting for such a surplus to recover all past deficits; is that the case? Surely enough I think we should have a complete statement as to the budget for the Manitoba Hospital Services Fund for the coming year.

I already mentioned some previous questions in connection with hospital budgeting. There is the matter raised by the Honourable Member for St. Boniface, the comments he made on my Order for Return. I still feel that I want that information. I made a similar request in 1966 and I at that time received the information for the years from 62 to 66 inclusive and I would just like to bring this up to date, because we find that there is a tremendous difference in the per diem rates from one hospital to the other across the province, and that the city hospitals are costing much more according to those figures given at that time. Is it because of the additional facilities and services that are being given or is it that the services in the city cost more? And to what extent does this difference apply? I rather feel that we are not getting our just share as far as the hospitals in the country are concerned; that we are contributing on the same basis as the people across the province and that we should get our just share; and when budgets are cut down in rural Manitoba, whether this is done correctly. I certainly want to hear from the Minister on these points that I have been raising.

MR. JOHNSON: Mr. Chairman, I want to be as helpful as possible. I think we have covered some of the ground before the last speaker. The per diem rates are very often not necessarily a good indicator of the cost of operating any hospital. It's really the figure based on dividing the total operating costs of the hospital by the number of patient days that that hospital experienced. The amount of the per diem is in one hand dependent to a great extent on the occupancy of the Hospital; a low occupancy could produce a high per diem as you see and a high occupancy could produce a low per diem. Also, in the major teaching hospitals, the bigger city hospitals, you have a tremendous amount of technology built in, more so than in a smaller hospital which is serving say, a couple of doctors in Gimli or Winkler, versus the

(MR. JOHNSON cont'd) . . . . technology in a large facility where many of our central services that service the entire province are centred. This is one of the big and growing items in hospital patient care.

Now you have put in an Order for Return. I prepared the Order for Return, if the honourable member would like them now. I have here the '67-'68 per diem and the tentative '69. You understand that they're subject to final adjustment and appeal and discussion, because we don't like to do anything that arbitrarily with hospitals. The Commission sit down and point out why they have come to these figures and they come to a finalization. As you know, I did spell out during the earlier course of the debate, the dates on which they come in and how, when they get the interim report on a deficit they may pay 50 percent of it, 75 percent on the final audit and so on. I outlined that in the House. There is a procedure which was improved somewhat last year.

A small number of hospitals I am informed do have some small amounts of deficits which the Commission doesn't cover and they're generally minor items which exceed in amount the criteria established by the commission as the ground rules and budgetary rules for all of the hospitals. Now you will get variations such as the Member from Neepawa pointed out; you will get a bad experience in one item in one hospital in one year, which if it shows up the Commission may disallow. In one case here they were able to sit down with the Board concerned and after some meetings they resolved their problem. In one case, for example, in a hospital they found the drug costs in a hospital of so many beds away over the average and in looking into it they found that it was just something which the Board and the Commission could both see an improvement upon and this was corrected. If these deficits fit these criteria they can be adjusted accordingly; because nobody is perfect in this world.

But the significant thing is that our per diem costs and our budgetary criteria and so on, conform with the same kind of criteria that are being adopted across Canada as a whole. Our costs in these fields are just slightly below and at the National average in any one year, and this, as I mentioned earlier in the House, the Task Forces under the National Minister are looking at again. They are becoming concerned with the rising costs in the hospital field and we are putting our heads together with the people in the hospital field, not necessarily all - many outside administrators are drafted on these Task Force committees looking at these costs.

But these are some of the things I would like the honourable member to keep in mind in looking at these per diem rates, and I think they can be understood. I have four copies here. I'd be happy to give one to the Member from St. Boniface and yourself and the Leader of the New Democratic Party. -- (Interjection) -- Well these are just the per diem rates for two years with the '69 interim rates. I see no harm in giving them to you. They indicate the rates in the hospitals but with the explanations that I have just enunciated and the interpretation of these rates. This is public information, so there is no -- give one to each of the other three parties. I would have had them earlier only - I must have misinterpreted the Member from St. Boniface. I wasn't sure you wanted the per diem rates because I didn't know how meaningful they would be to members of the Committee, but I spoke to the Commission over the weekend and had these prepared and they just arrived on my desk now. I haven't had too much time to look at them closely myself but they do reflect the -- I just want to point out some of the input into these per diem rates.

The other matter I would point out to the honourable member is that with respect to the annual report, if the honourable member looks at page -- well it's Exhibit C at the end there -- that is really the cash in and out as I understand it in budgeting in any one year, like 1968, this is the cash in and out. Now on the page just before that Exhibit B, this is really the profit and loss statement. It's sort of the actual profit and loss statement and here - if there's dollars owing or coming to you it appears in this column which shows the cost of the plan last year. The cash in and out is the following page. If the honourable member recalls the grey book on the forecasts of costs of financial requirements that was tabled last year in the House - remember the grey book - and the Minister at that time announced the premium increase and the financing over the next three years. He anticipated a deficit this year, a surplus in 1969, a break even point in 1970 and moving toward a deficit position in 1971, and that premium increase spread over those four years was to keep the plan on balance over that period of time. There was a deficit this year as predicted in that grey book plus an anticipated surplus in the current year which carried over to the following year results in a break even position, so the commission are budgeting their costs over the four years with the anticipated income federally

(MR. JOHNSON cont'd) . . . and provincially. And it's pretty well outlined in that grey book which is as explanatory as I could make it.

The Member from St. Boniface brought up the question of the salaries in the teaching units. There is an agreement, master agreement, between the universities and the teaching hospitals concerning the method by which full-time and part-time teachers would be paid in these teaching units. And the university contracts or is the -- the Dean of Medicine is the one I guess, and the university people, the university board, who determine the maximum income of a professor, both teaching surgery say and rendering care to people, treatment services. This arrangement and variations of it exist across the country in other teaching centres; you know, other jurisdictions have similar kinds of arrangements and the most satisfactory according to the university and so on would be that they set the maximum salaries, not the government -- the University, the General, the St. Boniface Hospital; there's an agreement between, for example, the Hospital Board and the University with respect to the employment of these people, and maximum salaries are recommended. There are also part-time people there, and as they generate treatment dollars this goes into the treatment pool and when the chap makes the maximum in that, then it is determined, as I understand it, that the part-time and full time people who are contributing to that program, they in turn determine how the excess monies are to be distributed. The Corporation, I believe, are saying to the universities and hospitals; it's very important that we know the parameters of this teaching; that is, how many are involved in each of these arrangements in each of the hospitals. I think that as this money is collected for treatment purposes it should be spent, in my opinion, on treatment purposes, and what is left over should be reported to the Corporation so that we know at any one year just how they are arranging this. As far as I'm concerned from my last enquiry this is where the Dean of Medicine and the University people are still talking to the hospital people as to the exact final arrangements within their jurisdiction.

I think that's about all I could report to the honourable member at this time, but I hope he understands that these ceilings are determined between, as I understand it under the agreement, between the university authorities and the hospital people, because these men, a full-time professor receives certain of his monies from the University and certain from the Corporation. In the past, he's also received some from the hospital for administrative purposes, the administrative load which he or she may carry. I would agree with the honourable member that -- of course these full-time professors in this role who are clinical teachers will want to keep up their expertise and do a certain amount of practising in order to keep current, and as I understand it, the same kind of arrangement exists, with variations, in other teaching centres.

MR. DESJARDINS: Mr. Chairman, if I may, on this last answer that the Minister has made. I understand and I accept that the ceiling must be placed, and it is correct to say that the ceiling is arrived at in conjunction with the University teaching faculty, the Medicine, and the hospital and the doctor, and of course that has to be approved by the Commission. This is not the point that I object to. Now if the answer that the Minister gave me is correct, well then my information is not correct and I'm pleased. Mind you, some doctors do not understand it as such. Now the Minister said that the system that they have here in Manitoba is pretty well one of the systems that is accepted. Now I'm told that there's very very few, there might be one or two universities or states in all North America, or hospitals I should say, that have this system outside of Manitoba. I am told that this is not common, and the point that I'm making is that they have a ceiling - we accept this - but the Minister said that there's a pool and these people determine where that money will be used. Well this is not the way that I had it explained to me, that this money was just turned over, any maximum, and I don't object to that that much. Some of them would no doubt like to keep this money, but the big thing is that they would like -- it's more or less -- it's their money; they earned it; unless the University would say, well, you've got to give us so many hours - that is required in the contract. But that's not the case. They say go ahead; this is fine; there's nothing broken. It's just that this person will go ahead and work and will make more money.

So now this money, in turn, that they have to refund, it's more or less a donation. In fact, at times I think they had to pay taxes on that because it was supposed to be a fund. I think that this has been rectified but this money will go to Mr. Condo, I am told, the University, and that could be used any way that they determine, that the University would determine; that this doctor would have nothing to say. He couldn't say, well I want this in the -- well, surgery of a certain hospital, the Surgery Department, to improve facilities, to hire people. Now they say well, if we haven't got this ambition, if there's not some incentive - because they're all

(MR. DESJARDINS cont'd.) . . . . . interested in that department, which is terrific, which is good; they're all these dedicated people. They say well, one temptation that they have - and I must hasten to say that they said, "We couldn't do that, but what we'll tell our colleagues, well, all right, when you see that you're approaching the maximum, well stop. Don't see anybody else." I mean you can see that this would be the case. You're just going to have to -- you're working for nothing. I mean "Go and play golf, or go home with your family; don't see any more people because you'll have to refund this money." Now they say that this is what they'd like to say but they can't. I think I must say this is to their credit because they're all dedicated people.

But you can see that there's no -- my point is that there's no incentive there if my information is correct. And the only thing that -- I don't want to mix this up with the maximum and who determines the maximum and should there be a maximum; I'll agree to all this. But the point is I wish that the Minister can make sure that this money is turned to the University who can do what they wish with it. And if this is the case, I think that there should be a change. I think the doctor could say - let's say that it's the Chief of Surgery at General Hospital - that he can say, "I want this in this department." I think we should allow this. I think we should allow this. It might be a little extra, to put a little gravy to make things a little better, to improve his department, and I think this is good. I mean this is some form of competition between the different hospitals maybe, and I think this must remain; and this is the only point that I want to make on this, Mr. Chairman.

MR. PAULLEY: Did I understand the Honourable Minister to say that he had some documents, per diem rates and that, he was going to send over?

MR. CHAIRMAN: . . . . one. They should have passed out three.

MR. FROESE: Mr. Chairman, I thank the Honourable Minister for the information he gave us before, but it doesn't completely suffice. I still would like to have the budget figures for the year 1969. We have what they're allocating under the estimates, \$21, 015, 000, but what about the other figures? The premiums that will be earned and the Government of Canada's share that they will be paying, and what do they set up in the way of third party recoveries? I would like to know the total amount that they are budgetting for in the coming year.

I note from Exhibit A, now that I've had a little more time to look at it, that there are deficits of past years of 7.7 million and this last year of 2.6 million, giving us a total deficit of \$10.3 million. But, Mr. Chairman, when you look at the cash flow statement or Exhibit C, according to that statement the government did not contribute its full share of 21 million. According to that, the total amount that was received by the Hospital Services Fund from grants from the Province of Manitoba was \$18, 665, 000 and if you take the difference between 18 million and the 21 million on the previous page of Exhibit B, it gives you 2.2 million 450 thousand, which almost wipes out your deficit of the past year, so that if the total monies were received, according to that we would show a very slight deficit. But I would like to know the total amount budgetted for in the coming year and if we are budgetting for a surplus -- I'm sure we must -- and whether that surplus will wipe out the total accrued deficit as it stands on the balance sheet under Exhibit A. I'd first like to get this information.

MR. CHAIRMAN: The Honourable Member for St. John's.

MR. SAUL M. CHERNIACK, Q. C. (St. John's): Mr. Chairman, I followed with interest the discussion and mainly the position taken by the Honourable Member for St. Boniface on the question of the use of the funds in the teaching portions of the hospitals, and I think it will be of interest, if we get reports on this in future years, just to see what is the amount of money involved and how it's working out. I'm also interested in knowing whether it would be possible to keep a separate record of the payments that are made to the opted-in doctors and those that have been permitted to accept assignments for the opted-out doctors, and this kind of study I think would be of some value.

Now there's another study I'm interested in, Mr. Chairman, which I imagine is an on-going study about which I really know very little, but I'm sure that there must be such a study. We have been discussing questions of per diem rates and I'm interested in knowing what studies are being made and what discussions are being held on the question of days per patient because having some little experience with patients in hospital, I am under the definite impression that doctors are under tremendous pressure to keep patients in hospital longer than doctors really feel is necessary, and of course the converse is also true where patients insist on leaving hospital before the doctor is quite ready to let them go, and this is an understandable conflict that must take place. But the Honourable Member for Lakeside the other day spoke about that

(MR. CHERNIACK cont'd.) . . . . group that is not covered by the Hospital Commission, and that is the people who have to leave the hospital because they're not sick enough for an intensive care or for an acute hospital but do need continuous institutional treatment and who are not covered and yet have a tremendous burden on them, and I know and I'm sure the Minister knows that there are cases when, because of this, people are kept in hospital in expensive beds whereas they could be taken out of hospital to release these beds to others. I imagine we will always have a shortage of beds and there always has to be a balance kept. But I'd like to know whether the Hospital Commission, which I'm sure gets the information, keeps it for statistical purposes only or whether there's actually a constant discussion with the hospitals about what should be the number of days per patient staying in the hospital as compared with others. I know that the situation is improving and has been for quite some time, partly because of progress in the science or the skill of medicine and partly because of the need to evaluate whether patients are overstaying their need in hospitals. I'd like to hear from the Minister as to what concrete effort is made and what success is achieved, because I imagine that it's pretty tough. I have been on a hospital board and I know that the board finds it impossible to try to tell the medical staff how long a patient should stay in the hospital, and yet someone has to call the medical staff to account when there are abuses - as I am certain there are, although I don't suggest that they are excessive in number but still there must be abuses - and I would like to know how the Hospital Commission works on this. Does it work through the Executive Staff? Does it work through the Board itself? Does it work directly with the Medical Staff? I would also like to know whether there is any liaison between the Hospital Commission and the lay board, other than just by representation of a person appointed by the Minister which may not apply in all cases.

I would also like to know whether the Minister - and now I know that at the Winnipeg General Hospital the Minister did have and maybe still has the right to appoint one or two members on to the Board of Directors of the Hospital. This policy I think is a good one, and I wonder to what extent it carries through in other hospitals. I would also like to know whether there is just an appointment or whether there is some direction given, some discussions held, some points to be made on behalf of the government, through the Board of Directors, of the administrative problems of hospitals. If the Minister can deal with that, I'd appreciate hearing; if he cannot, then I would hope that at a future time we will get a report along those lines.

MR. CHAIRMAN: The Member for Kildonan.

MR. PETER FOX (Kildonan): Mr. Chairman, I would just like to ask the Minister, and remind him that he had a number of questions he had taken, whether he is going to answer them at this time or later?

MR. JOHNSON: I have noted two or three questions the Honourable Member asked me with respect to other divisions of the department. Is that what he is referring to? -- (Interjection) -- Yes I will, on my honour, dig up these answers and give them to him.

With respect to average lengths of stay, I came across some Canada-wide statistics. This is where the Ministers of Health across Canada - and I'm just saying this in the most general terms because I haven't got all the detail in front of me - but this is what we all discussed at our last meeting. I think all provinces face the same kind of situation we did in Manitoba when we came into universal hospitalization, namely the research had not been done on the back door of acute hospital beds. We did not have the resources and the facilities. Now these have been met by the home care type of programs which do fit into certain kinds of patients and certain medical conditions, as the honourable member well knows, and the doctors at the General Hospital have done a very interesting study which has captured the imagination of other jurisdictions, under Dr. Cherniack his name is.

The other type we also find is the development of Elderly Persons Housing in itself - hostels, personal care homes. All these facilities are very important as an adjunct in the whole ambit of care facilities, and as I expressed earlier, it was our opinion, from all our studies, that when people need continuous medical care, not necessarily an acute hospital, the extended treatment facilities are more ideally built adjacent to the acute hospital as part of the hospital system. As you know, when the plan came in we took over so many T. B. beds that were abandoned or no longer required in that area on the interim basis, and of course the Municipal Hospitals have filled a large void here in the Greater Winnipeg area.

But the situation has to continue to improve and in this whole picture, one of the -- I think all of the provinces find themselves much in the same position in the sense that the average length of stay in hospitals in the different provinces is almost identical statistically, and that is



(MR. JOHNSON cont'd.) . . . . in the neighborhood of - the average length of stay - between 5 and 6 days, that is per patient across the country. For example, in Canada as a whole the average length of stay was 5.7 to 6.4 - oh, as high as -- I'd like to check these roughly, but it's in this area. I'd say the median was around 6.4 for Canada. Manitoba was 6 for example; Saskatchewan - 6; B. C. - 6.6; Quebec - 6.3; that is, on all hospital days. These are the best figures that I have at my fingertips.

But this is the area where the task forces want to look and are working at the present time under the National Minister whose concern, and everyone's concern, is the continuing high cost and escalation of hospital costs, where we recognize that salaries set by collective bargaining and so on, and other methods, are going to gradually rise. So the secret, I think, of maintaining our ability to give the standard of care we want in its most involved and general terms, I think rests in adequate planning and researching of the alternative methods of facility.

MR. CHERNIACK: I wonder if the Minister, while he is dealing with this very point, could indicate whether statistics are being kept separate insofar as, let's say, patients per private doctor as compared to patients that come into the hospital to be treated by staff or a teaching institution, whether there is any recognizable difference in the length of stay with patients that are being treated in different ways or in different categories. Is that part of the study?

MR. CHAIRMAN: The Honourable Member for Rhineland.

MR. FROESE: Mr. Chairman, I am still waiting for a reply to the total budget on the Hospital Services Fund, because I want to know whether the deficit that we have will be covered, because if you take a close look at it, we have accumulated these deficits now over the years and the only way we are going to cover them is by increased premiums. This is the only time that this will be covered, and I take it that if this is the government's policy, the same will apply to Medicare, that if we are going to have deficits in Medicare then the premiums will be increased every so often to cover those differences. I want to know from the Minister in this regard as to what the total budget is going to be and whether this deficit is going to be taken care of and covered, and whether this is the policy that whenever we do have deficits that these have to be covered by increased premiums.

..... continued on next page

MR. CHAIRMAN: The Member for Gladstone.

MR. SHOEMAKER: Mr. Chairman, I was happy to receive the Order for Return that was given to us by the Minister a few minutes ago, but it does not answer the question that I put to the Minister this afternoon, and it was this. While the Order for Return shows the per diem cost as paid for by the Commission, it still does not show what the actual cost was in most cases. I mean if there was a deficit, if a hospital had a deficit that was picked up by the Corporation - or the town or municipal corporations, then what percentage of the overall cost does the per diem cost amount to? That was my question. For instance, Mr. Chairman, in your own area, I note that Souris Hospital for instance in 1967 operated at I guess the lowest in the province, \$16.30 per diem, whereas Churchill cost \$56.00. Now I know there is probably a good reason for that, but even at \$16.30 for Souris, did they have a deficit I wonder? I know the figures here vary as I said from \$16.00 to \$56.00, and it makes a fellow wonder what, for instance, is the Souris Board doing in order to maintain a per diem of \$16.00, and what are the hospitals failing to do that have a per diem of \$40.00 say. These are some of the questions that I would like asked.

Now another question that is not on this particular area, but I noticed in the report, the Manitoba Hospital Commission Annual Report, under the heading "Finance Division", it says approximately 54,500 insured persons were exempt from the payment of premiums in 1968 - that's last year. Now is it a fact that in the current year one of the municipalities, or all of them in total, will be paying the premiums for this same number of persons; and if this is so, then let us use the figure of \$102 as was used by the member from Elmwood, then this would seem to me to result in a further revenue to the Commission of \$5 1/2 million. Am I correct in that statement?

Another point that has been raised by several members is this: Has the schedule of payments under the needs test changed with the implementation of Medicare, or could we during the estimates, our present estimates, receive the new schedule of payments for Social Allowances? I think in every previous session, sometime during the session the Minister of Welfare did present members of the House with the new needs test yardstick, or the payments. Surely they should be upgraded to take care of the Medicare premiums.

Another question that I think deserves some clarification, under Hospital Services Division Claims - under claims, it records that the total cost of care paid on behalf of Manitoba residents amounted to \$70,900,000. Of this amounts, \$914,000 was paid for care incurred outside Manitoba. This compares, it says, with 7,400 admissions of non-residents cared for in Manitoba hospitals, representing 79,000 days at a value of \$3,350,000. That is, that 400 percent more people from outside of the province seeked care in Manitoba than did Manitobans outside the province. Now probably there is a good reason for it. Probably it's because our hospitals are better able to take care of patients than Saskatchewan for instance, perhaps there are a lot of people coming from Saskatchewan to seek medical care in Manitoba, but surely there must be an explanation for that.

MR. DESJARDINS: Mr. Chairman, before the Minister answers, I have something on the same subject that I would like to ask and I hope then that my friend the Minister will answer fairly soon, especially will answer the member from Gladstone, because he has got this marked in pencil that he's waving around and I'm all covered. I don't know if he sits so close to me, but he sure speaks like a Frenchman.

Mr. Chairman, I also wish to comment on this per diem rate. Of course there are a lot of factors, as we know, in this per diem rate. It is quite difficult to establish - well, if you take care of a patient in Neepawa or in Churchill, why the difference. There is, especially in the Metropolitan area, I think, because the per diem rate of course pays for everything. There is the research in this; there is special treatments, for instance if there's a certain hospital that do cardiac surgery and so on, this is very costly; and also if they have an extended care department - not extended care, but special care anyway - this is quite costly. And of course the new hospitals, there is less depreciation and this is another factor.

But it is very difficult for me to know why St. Boniface Hospital - mind you, I'm interested in all the Hospitals in Manitoba, but maybe a little more in St. Boniface - but why St. Boniface, who is without a doubt, I'd say, not counting Children's Hospital, the second hospital in Manitoba - they have some pretty costly work that they do there, they have research, it's a university, it's a teaching hospital and so on - why do they, in per diem rate, do they come after General, Grace, Victoria, those three hospitals? It seems to me, I don't know if I'm

(MR. DESJARDINS cont'd.).... wrong, but it seems to me that there was such when this plan came into effect that the Grey Nuns were so good at operating the hospital, they operated very economically compared to other people - I'm not suggesting that other people are not dedicated - but maybe those nuns, this is all their life I guess and maybe they were a little more dedicated, but should that go against them? Is it because they can operate at this cost, should that go against them and should they receive a lower per diem rate? This is not an accusation that I make, this is a question that I'm asking.

I understand of course the Grace Hospital was a new hospital, but it wasn't new in 1967 and Victoria is not a new hospital, and there's certainly a lot more being done, more action - and again I'm not suggesting for one second that Victoria is not doing good work or that Grace isn't or General - but it seems odd that St. Boniface, for instance, in 1967 had 33.95 and their per diem rate was increased in 1968 only by 4.05; where Grace that was already at 37.45 went to 44.20, or for 6.85; and so on. It seems to me that there must be an answer. Is this just a feather in the hat of the St. Boniface hospital who are operating, who can run their hospital as well as they do with less money? Maybe this is one way of looking at it, but I'm sure that the Minister will have some satisfactory answer.

MR. JOHNSON: I think St. Boniface is one of Canada's great hospitals. I mean that, and I think what you -- you know per diem rates, as I said earlier, are not necessarily a good indicator of the cost of operating any hospital. You will notice that Grace is a new hospital, the General is new, probably when St. Boniface get its new facilities and the increased output there, it will go up. A budget is sent in, and according to the ground rules the budget is set. I think the best answer is that it's really just the amount of money they generate through the budget divided into the number of patient days they experience and then you get a per diem rate, which is used as the best figure you can come up with, ball park figure to charge third party liability, out-of-province benefits and so on. So really it is quite meaningless in that respect, but it just indicates to the honourable members the kind of costs really that we're getting into across the province, and these are comparable across the nation. In fact our costs are very comparable at the national level; we're holding about even Steven on the Canadian average.

In answer to the member from Neepawa, the best of information I can get is that a small number of hospitals, as I said earlier, do have small deficits from time to time which the Commission doesn't cover, but I'm told that these are usually minor items which exceed the criteria by which the budget is set. Now I think very few, as you know, rural hospitals are levying for current operating. In fact they tend to borrow even for capital requirements from time to time rather than put on, or strike a mill rate. So we're operating pretty close to the line and we've had excellent co-operation from the hospitals, and the Commission, as I understand it, don't try to be that arbitrary. They do have their criteria and must do that.

I would appear from the annual report that there are more people treated in the province than are treated outside the province, and of course this comes into the -- I don't know the significance of this, I'd have to seek more detail before expressing an opinion, and I read this but it didn't strike me at the time as being too significant -- I think this has pretty well been the picture from the beginning, namely that we tend to attract people from the northern United States and western Manitoba, where such revenue is generated.

With respect to the total budget, I'm told by my staff this comes in because - Winnipeg's a major centre as a referral centre. We have reciprocity with the other provinces, and when our people go to Toronto, Ontario, or other places, they're cared for under this agreement. But there are apparently somewhat more coming into the province than are being treated outside the province in that particular year.

MR. SHOEMAKER: Mr. Chairman, where do you find that \$3,353,000 for out-of-province patient care in the balance sheet?

MR. JOHNSON: Well, I'm sure there's an explanation for it which I'll certainly try and get. I can't put my finger on just where it....

MR. CHAIRMAN: ... it would appear on fire there right below you. I think if you'd look for a cigarette, isn't there....

MR. JOHNSON: No, there's nothing on fire.

MR. CHAIRMAN: Oh, I just smelled something.

MR. JOHNSON: That's just the smoke emanating from the....

MR. CHAIRMAN: There it is right there - there it is right there, there's a cigarette burning.

MR. JOHNSON: There's no fire, Mr. Chairman.

MR. CHAIRMAN: I could smell something.

MR. JOHNSON: Where that comes in on the revenue side, I'd have to ask my staff to -- well now, I'd have to get an explanation for that frankly and I'd be happy to do that. That's one item I'll have to get hold of.

Now with respect to the budget, the Member from Rhineland advised me that the projections this year are 79 million. Now I think it's pretty hard to follow the actual accounting in the Commission unless you have the financial projections in that grey book we had last year, which I could explain to the honourable member would show that in the 1969 year, with the income of premiums for that full year, there would be a deficit of 2.6 million. When the plan was initiated, you recall we had a carrying deficit of \$5 million which we incurred when we gave the first six months' free -- right? Yes, and that has been carried and would only have to be paid if the plan ever stopped, because as that money came in the bills started to be paid. My understanding is that quite apart from that deficit which is still being carried, last year there was a deficit in this past year of 2.6 million in the financial statement. That was the income of \$13 million brought in during the last year of earned income, earned premium in that particular profit and loss statement. On the profit and loss statement, Exhibit B, you see the actual profit and loss statement, and this was on the net earned premium at the top of 13.6 which is the premiums it actually brought in, and I explained the 18 million in Exhibit C last Friday as being the income received in the last half of last year.

Now this year there would be the 21 million that's in these estimates subsidizing the plan; there would be the federal revenues which are estimated at approximately 38 million; and then there are the premiums of the current year in the neighbourhood of somewhat less than 24 million. This gives you a surplus in the current year, which surplus is reflected in the grey book as a surplus position this year, of break even next, a deficit in 1971, and over the three years you would have enough cash flow to budget at those anticipated levels. That is the picture which the Commission has given to me, and I can't explain it too much further except that in the 1969 budget, the budget hospitals as is estimated will cost 68,379,000; the other Manitoba hospitals, 3,089,000 - by other Manitoba hospitals is meant the Deer Lodge, the Indian hospitals and nursing stations throughout the province; and out-of-province benefits, 1.1 million; insured out-patient services, this year an expenditure of 2,537,000; the hospital construction grants - matching grants - one million; organized out-patient departments, 523,000; and home care programs, 259,000.

Now when the annual report shows the out-patients costing 950,000, that's made up of the direct grants for salaries of people in out-patients of 523, plus the indirect costs that are reflected in the general hospital budgets which make it up to 950.

The total hospital costs with administration and so on this year would be 79 million. Now the in-patient costs, the rough breakdown is that 69.8 percent are salaries; 6.6 percent are drugs; 4 percent are roughly - these are approximate figures - four percent capital costs; 5.5 other lab supplies; repairs of electricity and so on, approximately 14 percent; for 100 percent of the budget. So this is the amount of money which is up from 72 million last year to 79 million in 1969 - and this is in the calendar year - so if you're looking at figures in the budgetary book you would have to realize there's a three-month differential there that I could explain. So those figures come into concert when you just look at the calendar versus a fiscal year.

Now that's as frank a statement as I can make. I'm told that the 3.3 million, which the staff advised me that appears in here, is collected directly from other plans and non-residents of the province and does not enter into the accounting of the Commission. I don't know what that means. Apparently I need a lesson in accounting here too, but I'll get that figure for the honourable member. I just don't know what that means.

MR. DESJARDINS: Mr. Chairman, before we leave this item and leave the Minister to a well deserved rest, there are certain requests that I made of the Minister - and he started to answer last Thursday and he might have the notes. I wanted, as I like every year, a breakdown on the grants from the provincial government especially and from the government of Canada. The government of Canada, what I want to know - and I'm referring now to the report, the Manitoba Hospital Services Fund, Exhibit B, that's the statement of revenue and expenditure - and the government of Canada, the only thing I want to know on this, that is only for operating, this is not capital costs for new construction, and if he has that figure I would like to see it.

Now in the same page the government, the Province of Manitoba, I would like to have the

(MR. DESJARDINS cont'd.).... breakdown and I would like to know - mind you I have this, what we collected through the premiums - and then I would like to know what came in under this five percent provincial income tax and one percent corporation tax, and also what came in from the Consolidated Fund. I wonder if I can have that.

Then I would ask the Minister to comment. The reason we were given -- we had an amendment to this Act, to the Act bringing in this plan this year, and I congratulate the Minister, I think this is good, that we have - and this is something that I suggested last year - that the premiums of both the hospital and medicare plan, part of the administration anyway is done by the same people. Now I would like to know if the Minister could give us a projected saving on the administration expense, that is Schedule I on this. I mean what are we going to save under the hospital now that it's done -- we can't say what we are going to save now on Medicare because this is the first time we have it. Now if we can have this, what we're going to save on this?

And finally, on this same Schedule I of the administrative expenses on the statement there, there's a few things I would like to question. It's practically doubled, this miscellaneous, now we're up to 9,841. I wonder if - this might not be too serious - and there's a big jump though in the publicity for this plan. We spent in 1967 a little over 9,000; now we've got close to 39,000, practically a \$30,000 increase. I wonder if the Minister could tell us what this is. And there's something that I see that is about the same, it's the rental of offices' premises. Of course this is 1967 and 1968, but will there be a reduction now in 1969, again in view of the fact that there'll be some kind of combining of the administration work under the two plans. The main thing that I would like is the breakdown on the grants from the government.

MR. JOHNSON: Mr. Chairman, the breakdown - that is for current operating, the 35 million that's reported in that sheet - it'll probably be, the ball park figure in the estimate is 38 million for this year in the annual treasurer's report. -- (Interjection) -- Well, we get -- we'll be cut off, you see they're pulling out, but the last word from the Federal Minister is -- the original idea was, we've been getting about 1.3 million a year through health grants for capital construction from Ottawa, and they say that this would phase out in 1970 if we didn't have the spade in the ground by June, 1970, but we have been hitting that health resources problem as you know and we've been trying to emphasize to the federal authorities that we'd like a little leeway on that, that if it's approved and in the planning stage and it's started, not necessarily the spade in the ground, wouldn't they give us the benefit of the doubt and continue that grant to help us through critical period of expansion that we're going to be faced with. -- (Interjection) -- They're giving consideration to not necessarily having the spade in the ground, but that's the latest word I have from the federal government on that. I would hope they would reconsider that original decision.

I couldn't get anything too accurate on this from the actuaries who set up the plan. We'll certainly know in the coming year just how effective the savings will be with respect to the combined premium, but I expect they will be there and we can certainly use it under the hospital scheme if there is savings and they will be reported.

With respect to the matter of the interest and miscellaneous income, I haven't got that breakdown in front of me but I know I could get in short order. The other question as to -- oh yes, well I couldn't see this, I don't know just what that refers to unless it was the increased notification this year with respect to the increase in premium in the last few months.

MR. DESJARDINS: What about the breakdown of grants from the provincial government though. This is the last one that I - this 21 million something.

MR. JOHNSON: Well, my recollection is that this comes from the Consolidated Revenue. If you remember, originally the income tax raised about 10 million and then we had to put another million in. Do you remember, originally the five points on provincial income tax was estimated to raise ten million, and the total subsidy from the Consolidated Revenue is \$21 million.

MR. DESJARDINS: I wouldn't want to hold the Minister on this but every other year we've been able to get exactly the breakdown. In other words, the five percent brought so much to the province and the one percent brought so much. I'm ready to let the estimates go, but I wonder if at another date, before the Orders of the Day or sometime or if the Minister wants to send it to the different parties, the actual breakdown. If the Minister will. -- (Interjection) --

MR. CHAIRMAN: (Resolution 56 passed.) Page 17, Department IX - Industry and Commerce.

HON. SIDNEY SPIVAK, Q. C. (Minister of Industry and Commerce)(River Heights): Mr.

(MR. SPIVAK cont'd.)... Chairman, I have a fairly lengthy but very brief statement I'd like to make in connection with my estimates. I'd like to, if I may, deal with my estimates this year by dealing first with the state of the economy; secondly in a very brief summary to present the goals of the government and the Department of Industry and Commerce, particularly after this has been asked for by the Honourable Member from Elmwood who is absent at the present time; and I'd like to deal if I may at the same time with the Department reorganization and some program highlights for 1968, and then deal with the TED Report and the action that has been undertaken in connection with that report.

Manitoba's economy experienced strong growth in 1968, and we established new records of levels in employment, in manufacturing and in retail sales.

Employment in Manitoba expanded by 12,000 persons to 360,000 in 1968, and although unemployment in the Canadian economy was more of a problem in 1968 than in previous years, the unemployment rate in Manitoba was 3.5%, considerably below the 4.8% level for Canada as a whole. For the second year in a row, wages and salaries have increased more in Manitoba than in Canada in the percentage increase. In 1968, wages and salaries increased 9.3% in Manitoba compared with 6.9% for Canada.

Manitoba's value of manufacturing shipments increased by 3.6% over the previous year, reaching a record of \$1,090,000,000. This is a larger increase than in 1967 which was 3.2% and exceeded in only four other provinces. In the five year period since 1963 the value of shipments from manufacturing industries in Manitoba have increased by 37% from about \$800 million. Sixty-six new manufacturers established in Manitoba in 1968, one-third of them in rural communities. Two hundred and forty establishments expanded their facilities in 1968 for a total new investment by manufacturers of \$86 million.

In the past year, the major growth industries were non-metallic minerals, chemicals, and chemical products, leather industries and the furniture and primary metal industries. Substantial gains were also made in the electrical products, paper and allied products, machinery and the very large food and beverage group of industries.

Total capital and repair investment intentions in Manitoba are forecast to be \$1,081,000,000 for 1969, 6.1% greater than in 1968. In the past year total investment expenditures in Manitoba, including capital and repair, were strongest in the manufacturing sector which was 25% greater than in 1967, reaching a total of 112 million. This was followed by substantial increases in the housing and utility sectors which had an increase of 8% and 13%. Investment intentions for the current year are forecast to be a further 12% in both the housing and the trade, finance and commercial sectors.

Construction expenditures in Manitoba reached 545 million in 1968, 21% over 1967. Construction investment intentions for 1969 are forecast at 624 million, a further 14% increase. Including construction and machinery and equipment expenditures, new capital investment intentions in Manitoba in 1969 are 861 million. Last year's capital expenditures in the province were 808 million, 12.6% greater than in 1967.

Last year the value of retail sales reached 1,146,000,000, a 3.2% increase over 1967, the previous record year when Manitoba's growth rate exceeded that of any other province.

The Targets for Economic Development Commission has set challenging goals for growth to 1980. It's important to assess the progress that has been made so far towards the TED goals. Now the government is going to make every effort to do its part to achieve these targets, and I'd like to advise the House that Manitoba has made good progress so far towards the major targets in the TED Report that can be found listed on Page 524 of the report.

Dealing with population, as of January 1, 1969, Manitoba's population was 976,000, up 8,000 over the previous year. In 1966 Manitoba's population stood at 963,000. TED called for a growth rate of 25.6% by 1980 to achieve a population of 1,200,000 people. The rate of growth called for in the period to 1970 was 1.71% for the first two years. The actual growth for 1967 and 1968 was 1.77%, slightly ahead of the TED target. This arose from increases in immigration from 5,132 in 1966 to 9,313 in 1967 and 8,723 in 1968; and reductions in interprovincial out-migration of over 50% in 1967 and a further 21% in 1968.

In 1966 Manitoba was 4% below the Canadian level of per capita income. While the Manitoba figures may be expected to vary considerably due to an influence of crop yields and farm income in the years to come, the experience to date exceeded the TED target of 3.5% average annual increase in constant dollars. In other words, we've closed the gap. The preliminary per capita income figures for 1968 stand at \$2,533 for Manitoba, up 5.6% compared

(MR. SPIVAK cont'd.).... with \$2,489 for Canada, up 3.9%. In the past two years Manitoba's average annual increase was 6.7% compared with 3.8 for Canada as a whole, and this is in 1966 dollars. TED called for, as a minimum target, Manitoba's personal income to equal that of Canada by 1980 - the Canadian average. Thus the province has been able to meet both the TED targets of increasing at a rate greater than 3.5% per year as well as exceeding the Canadian average income per person.

In 1968 the labour force grew to 372,000, which was up 3.9% compared with a 2.9% increase for Canada as a whole. The labour force target for Manitoba in 1980 is 489,000, a 37% increase over the 1966 figures. In the two year period since 1966, Manitoba's labour force has increased by 15,000 people or 4.2%, which puts it ahead of the TED target of a 3.2% increase by 1968. In the long run the TED Report expects the Canadian labour force to increase by 45% to 1980, which is greater than for Manitoba due to the national trend of increasing participation rate.

The TED Commission used as a constant level of unemployment for Manitoba 2.5% so that the province's employment was expected to increase by 37%, the same amount as the labour force. Manitoba's employment reached 360,000, an increase of 12,000 persons or 3.5% over the 1966 figure, and ahead of the growth rate of 3.2% called for by TED. Unemployment in Manitoba in 1968 was 3.5%, an increase over the low 1967 figure, but considerably below the Canadian level of 4.8.

Now with a target participation rate in Manitoba's labour force of 40.4% of the province's population, which is less than that for Canada as a whole, Manitoba will have to exceed the Canadian average with respect to net output per person employed if it is to equal the Canadian level of personal income per capita by 1980. In 1966, the Manitoba value of net output per employee of \$5,770 was considerably below the \$6,055 for Canada. Using constant dollars, the net output per person employed in Manitoba in 1968 was \$6,242, an 8.2% increase over the 1966 figure in the TED Report. This compares with the Canadian increase of 3.4% and a value of \$6,260 of net output per employee. The gap that existed in 1966, amounting to almost 5%, has almost been closed.

The net output per employee in Manitoba has increased at an average rate of 4% per year since 1966 compared with the 1.7% increase for Canada as a whole. Manitoba's growth is considerably above the 2% annual increase called for by the TED Commission. While the net output per employee in Manitoba is slightly below the Canadian level for 1968, it has virtually closed the gap which existed in 1966 and is increasing at a rate greater than the national average, as called for in the TED Report

Gross output for Manitoba reached 3,280,000,000 in 1968. The interim target for gross output in Manitoba, as defined by the TED Commission was an increase of 8% over the 2,663,000,000 in 1966. The estimated gross output for 1968 - and again in 1966 dollars - is 3,057,000,000, an increase of 14.8%, well ahead of the TED target. The annual growth rate for Manitoba has been 7.1% per year, compared with a 3.9% annual increase for Canada as a whole.

The TED target for fixed capital investment in Manitoba is to equal 5.2% of Canada's total capital expenditures and to increase by 10% per year in current dollars. In 1968, capital investment in Manitoba reached both these targets with an increase of 12.6% over 1967. Total capital investment in the province reached \$808 million, which was 5.2% of Canada's total capital expenditures.

Now Manitoba's progress in the first two years along TED's pathway for growth has been heartening. The province has exceeded every single one of the TED major targets. But while there can be satisfaction, there certainly cannot be any complacency. We cannot relax. Because the path along which TED is guiding us is an ever-steepening road. For example, in the four years of 1966-70, TED called for a 3.4% increase in population. In the five years between 1970 and 1975 the increase called for is 10.2%. It's the same in total personal income and output; up 16.1% in the first four years, up 33% in the next five years. All the other major targets call for the same sort of increasing growth rate.

So the challenges become more demanding and the efforts needed become greater as we move along into the seventies. But in this province we've made a good start so far, and in 1968 Manitoba proved that "it can be done".

At the Nelson River power project in northern Manitoba the construction of the power house and the 565 mile DC transmission line will be well advanced in 1969. Last year, new

(MR. SPIVAK cont'd.)... mines began production in the Snow Lake and Thompson areas while at other locations work is continuing that will bring several new mines into production. The forest resource development centred at The Pas is gaining momentum. These primary resource developments have already stimulated new commercial and social activities in the region such as shopping centres, schools, hospitals and communication links.

In the southern part of the province new chemical, metal fabricating and food processing plants have begun operation. The development of the manufacturing industry last year was greater than in any other prairie province. Employment in manufacturing is expected to exceed 50,000 persons in 1969.

The high level of investment expenditures throughout Manitoba in the past two years are now providing new capabilities and opportunities. The value of construction in 1968 was approximately 545 million, 21% more than the previous year, and the 1969 intended expenditures amount to 624 million, a further 14% increase. Evidence of this is seen in the new building activities in Metro Winnipeg with the completion of the first phase of Lombard Place and the construction of hotels, commercial developments, apartment buildings that are changing the skyline of Metropolitan Winnipeg.

Let me now deal with the goals. Accelerating economic development in Manitoba is not easy. It is my belief, and it is the belief certainly of the authors and contributors to the TED Commission, that it's not impossible.

The government has shown the leadership in the past and it intends to show the leadership in the future. It commissioned the COMEF Report. It adopted many of the recommendations of that report. I cite for example such important agencies as the Manitoba Export Corporation, the Manitoba Design Institute, the Manitoba Research Council, and the regional development corporations that are forming throughout our province.

Our fundamental goals have not changed. They remain much the same. They are to increase the number of jobs and particularly the number of high paying jobs for Manitobans as broadly as possible throughout the regions of this province. These basic goals were enunciated by COMEF and have been outlined clearly by this government on a number of occasions in this House, and have now been even more clearly defined through the work of the TED Commission.

To realize these goals will not be easy. Success will require the co-operative efforts of all sectors of the economy. Government may show leadership but it is the private sector that actually has to make the individual decisions necessary for accelerated growth. It is the private sector that creates new jobs, not government. It is the private sector that creates high paying jobs and not government. And it is the private sector that locates and expands in rural areas of the province and not government.

It was to encourage the vital participation with the private sector that the government established the Targets for Economic Development Commission, and I believe that the contents of the report, the widespread enthusiasm and interest generated throughout the province, nationally and internationally, and the practical and realistic recommendations it has made to help Manitoba achieve her economic goals, stand testimony to the value of this initiative.

I want to assure the members of this House that the government recognizes its role of leadership and accepts that, as much as has been achieved in the past, more has to be achieved. But don't expect this government to charge ahead willy-nilly, making pronouncements and committing programs without consultation. Let there be no misunderstanding on the main point that rang out loud and clear in the TED Report: "co-operative effort" is the key.

We're not going to achieve our goals simply by standing up in this Legislature making hurried statements of intentions, ignoring the essential consultations with the private sector and other levels of government. This is why we sought early discussions with the Federal Government. This is why we're planning early consultations with the various industry groups, and this is why we are planning major discussions with the regional corporations and other groups throughout Manitoba.

The programs that are going to bring us progress in the '70's must be developed carefully, working with the support and involvement of all sectors of the economy.

Now I'd like to deal with the department reorganization and I'd like to inform the members of the House and the Committee that a business handbook, which explains the department reorganization and also has a department reorganization sheet on the back, will be forwarded to you so that you can peruse this at your leisure.

Since the last session, a major reorganization has been completed. It recognized the



(MR. SPIVAK cont'd.).... following factors:

First: There is a vastly increasing complexity and sophistication in industrial production requiring increased specialization of government agencies working with industry.

Secondly: International trade is growing faster than world production, and trade in manufactured products is increasing at a rate faster than trade in basic foods and raw materials. It's vital that we process more goods in Manitoba for the purpose of selling them in export markets, and for this reason it is essential that we link together production and processing with marketing and export sales activity.

Thirdly: By organizing our activities into industry groups, it is possible to more effectively relate export sales opportunities to managers and producers in Manitoba.

The Department's professional staff was completely reorganized from its previous functional groups with a branch each for industrial development, trade development, industrial engineering and market research.

We have found that it is far better to be organized on an industry group basis. For each sector of the industry there is assembled in one branch a team of specialists in the various functions of financial analysis, business management, industrial engineering, market research, marketing and trade development. This team deals with both the attraction of new industry and the expansion of existing industry and is concerned with all aspects of production from fundamental management to export sales.

In addition to this basic reorganizational change to industry groups, we have also pulled together the secretarial functions of the Design Institute and the Research Council into a new Product and Process Development Branch to help focus attention on the need for increased technical efficiency in our plants and to ensure the effective co-ordination of the activities of these two government agencies. This branch also administers the technical research, design improvement and research and development grants programs.

The organizational concept behind the new Department structure is the provision of industry specialization combined with comprehensive program support. The Department's broad activities are carried out by a combination of branches and associated agencies. The departmental branches are divided into two groups according to function: the Industry Group and the Program Group.

The Industry Group first. The Industry Group deals and consists of five branches. Each is charged with the responsibility of fostering maximum economic growth of its sector, through expansion of existing firms and the attraction of new investment. The functions include: study of trends in the sector, identifying business opportunities, assisting firms through market research, business development, trade development and casework. The five Industry Group branches are as follows: Food Products, Chemicals, Machinery and Equipment, Industrial Materials and Services, and Textiles and Consumer Goods.

The Programs Group consists of four branches directly concerned with the implementation of the department's programs in the areas of economic research, product development, production efficiency, immigration and regional development. The four Programs Group branches are as follows: Economic and Business Research, Product and Process Development, Regional Development, Industrial Training and Immigration.

In addition, co-ordination and liaison functions are performed by two branch operations: Urban and Business Development, and Trade Development. The latter provides the Secretariat for the Manitoba Export Corporation. There are special purpose operations designed to guide and reinforce other department functions, with a role primarily in the policy and communications area. The Administration and Special Services branches provide support facilities by way of personnel, accounting, publications, library and special projects and events administration.

The Department's budget for the coming year is slightly over \$3 million, less than 1% of the total provincial budget, and a very small increase over the year before. Revisions within the estimates permit us to expand substantially our efforts in three important areas, and they are: Expanded export merchandising programs - we have been able to increase that by \$100,000; increased industrial development by \$140,000; more product and process development assistance by an additional \$100,000. These increases have been made possible because the Federal Government is paying the bulk of the cost of in-plant training programs. As a result, funds previously allocated for this purpose can be diverted to these new priorities without in any way reducing our effectiveness in the Manpower and Immigration field.

(MR. SPIVAK cont'd.)

The budget for Industry and Commerce for the coming year is broken down approximately as follows: one-sixth for broad industrial development and trade development promotional programs, on a province-wide or industry group basis; one-sixth for specific firm industrial and trade development activities for both new and existing industries; one-sixth for productivity improvement through the application of improved managerial and technological techniques and through the improvement of products and production processes; one-sixth for productivity improvement through manpower development and training programs and immigration; one-twelfth for the purpose of helping communities to help themselves for economic expansion including both community assistance and grants to regional development corporations. It should be remembered that all the preceding items and in fact, all the items of the department apply to effective regional development in Manitoba. One-twelfth for economic and business research to assess trends and study growth potentials to be sure that our efforts are directed as efficiently as possible; one-twelfth for financing of the Manitoba Development Fund, the vital financial instrument in our development program; and one-twelfth for the administration and special services, including all the internal and centralized management services for all sectors of the department.

In the Legislature last year, before this Committee, I presented the members with a statement highlighting over 60 programs that were to be carried out by the department. Now I can report to the members that almost every one of these programs has been completed, or is in the process of being carried out. Programs of the same sort and magnitude will be carried out this year. I would, however, like to emphasize some particular aspects of new or changed programs that will also be undertaken in the next twelve months.

Industrial development is a major economic objective for Manitoba. The rate of progress and success of the province's industrial development will be a direct result of the quality of staff and the amount of research that can be applied, to identify, prove out and assist in the development and attraction of specific opportunities.

To carry out Manitoba's development program, at an even faster rate, to help Manitoba become more competitive by being "first" at new opportunities as they arise, a substantial increase in budget is provided for the five industry groups primarily concerned with industrial development efforts. This will enable the branches to more rapidly and more intensively investigate the many problems now being evaluated and in addition, will enable them to carry out new research to uncover additional potential developments.

The Minister, that is myself, and the Deputy Minister of the Department and the Chairman and General Manager of the Manitoba Development Fund will, this June, travel to Japan and the far East to seek business investments. A business mission to the United Kingdom and Europe will be held in October of this year. Business development information in Winnipeg will be published this summer, including a revised Industrial Map, an Industrial Parks Brochure, a Transportation and Distribution Services Brochure, and an Investment Opportunities Portfolio. A series of four Location Cost Comparison Studies will be completed this May, identifying advantages of a Manitoba location compared to others in North America for industries in the following fields: electrical equipment, agricultural implements, canning and freezing, garment industry, including foundation garments and men's and women's underwear. Business missions will visit Milwaukee, Des Moines, Omaha and Chicago. Further presentations will be made to senior officials of the Canadian banks and financial institutions; and to other business groups in Eastern Canada.

For Manitoba products to sell on export markets they must be merchandised. The Manitoba product must be promoted and recognized as an item of quality and good value. Many Manitoba firms are small. Professional advertising, sales promotion and merchandising assistance are beyond their means, especially in their early years in the export market. They need practical sales promotion assistance, as well as help in the techniques of exporting.

Much greater effort will be made in the coming year to assist our companies with practical export merchandising incentives. The proposed budget for export sales assistance is more than tripled for the coming year; from \$42,000 last year to \$142,000 this year. Such incentives must of necessity be framed in a way to leave the bulk of the initiative with industry; to enable the company to advertise its product clearly and directly in its market; and to ensure the effort is highly professional and under the broad "Manitoba" brand image. The incentives would apply for advertising and sales promotion in export markets.

(MR. SPIVAK cont'd.)

The incentives would be developed on a sliding scale to embrace the following principles: More help for small firms with more modest programs; more help for groups than for individual companies; and maximum limits for any one company or for a group.

Incentives would cover such costs as: Advertising; major sales promotion; trade show participation; and other major merchandising promotions; provided they were part of a professionally developed campaign.

This incentive program is designed to encourage increased effort by industry, with financial input from firms benefitting, towards selling more Manitoba products in export markets. In addition, there would be a simultaneous extension of general promotion outside the province, of an overall value to Manitoba business growth.

Export of professional services in the architectural, engineering and construction field will be stepped up. A special assistance program will be introduced to help such Manitoba firms do a more effective selling job in world markets. Sales trips will be carried out in the U.S. Mid-West to introduce more Manitoba products to this great giant market to our south. Buyers will be encouraged to visit the province to consider purchasing Manitoba products. Twelve such missions came here last year -- more will be invited in 1969. Participation in trade shows in export markets will be stepped up. A major business/trade mission will be made to St. Louis in October of this year to coincide with the Stix-Baer-Fuller department store promotion of "Canada" week in that community.

With the current focus of attention on increased export opportunities and the attention of stiffer competition, it is critical that Manitoba firms be encouraged to greater efforts to achieve increased efficiency and productivity. Innovation and the application of new technology are key ingredients to the growth of many Manitoba firms.

To ensure that Manitoba firms are in the best possible position to take advantage of new techniques and product development opportunities, it is proposed that the budget for incentives under the Technical Assistance Grant program, the Design Improvement Grant program and the Research and Development program will be increased by some 40 percent over the last year. Since the program's inception in 1966, more than 136 studies have been carried out at the request of 100 firms. At a cost to the province of approximately \$300,000, almost \$1 million of professional advice has been bought by Manitoba companies to improve their manufacturing efficiency, lower operating costs, and enhance their competitive position.

The work that has been done under the auspices of the Manitoba Research Council shows that:

First. Small and medium sized manufacturing establishments can be helped by assistance to them of technical advice from consultants, and to acquire advice and technology through licensing.

Two. That there is need to promote in-house product development. It has been shown by the hearings of the Senate Committee on Science Policy, and the reports by the Economic Council of Canada, that research and development can most effectively be carried out at the point of production, by individual companies.

At present, there is a gap in the Federal research assistance programs, such as: The N.R.C. - the National Research Council Industrial Research Assistance Grants, the Program for the Advancement of Industrial Technology, the new Industrial Research and Development Incentives Grants.

The Federal programs are intended to create additional research facilities, or help larger firms with well-established research and development laboratories undertake programs that will result in a significant technological advance. There is no program of assistance that will help small and medium sized firms do the engineering and development necessary to modify their product range, or introduce conventional products that may be new to them, but do not represent a significant advance in technology. It is essential that the capabilities of Manitoba firms be strengthened by programs aimed at enhancing in-house research and development.

Practical research that could be carried out by the proposed Institute of Development and Applied Research, at the University of Manitoba for various Manitoba manufacturing establishments, would be an important auxiliary benefit. It would create opportunities for the employment of local engineering graduates, as well as strengthening the capabilities of Manitoba industry to compete in regional, national and international markets.

(MR. SPIVAK cont'd.)

Expansion of "in-house research capability" of Manitoba firms will be encouraged through a cost-sharing grants formula. Such a program will encourage industry to increase its own inputs into research and technology, to the long-term benefit of Manitoba companies.

Manitoba's concern for the application of technical research to regional development will be expressed in a Brief to be presented to the Senate Science Committee during its current hearings this spring. The Manitoba Brief will not be made public until it is presented to the Committee of the Senate, but in general it deals in principle and makes recommendations on the desired adjustments in the federal research programs and seeks attention to the problem of regional disparities and the special requirements of smaller firms and how the national inputs for scientific research may be used to encourage regional economic expansion.

The Executive Committee of the Manitoba Design Institute has just travelled to Ottawa to meet with the Executive Committee of the National Design Council to pursue further discussions and make specific proposals to the National Design Council on programs of significance to Manitoba development. And if you recall, I have already tabled in this House, before the Orders of the Day, a copy of the submission that was made on the day that they travelled to Ottawa.

Increased liaison will be carried out with the University to encourage an increased partnership between the skill resources of the University and the needs of Manitoba industry.

Now vital to the achievement of Manitoba's goals is a skilled workforce. This requires not only the training and up-grading of people already in the workforce, or those in Manitoba ready to join the workforce; but also the immigration of those skills which are not available in adequate supply in this province. The co-operation and support of the Federal Department of Manpower and Immigration has made it possible for this department to pursue these programs with increased vigour and without incurring increased costs to the province. In keeping with this co-operative endeavour, the department will be undertaking revised programs in the coming year.

The department is now working with industry groups on programs involving increased productivity in their workforce. Comprehensive manpower productivity studies embracing all aspects of the company's operations involving manpower will be undertaken where manufacturers are prepared to get together as a group to plan and undertake programs that will, first, provide training programs for the workforce; provide technical training and upgrading programs for supervisors; and thirdly, provide on-going educational and development programs for management.

In planning and executing these comprehensive training programs co-operation and assistance will be sought from the University of Manitoba, Manitoba Institute of Management, and the Federal Department of Manpower and Immigration.

Manitoba manufacturers and processors will be assisted in sending their staff to enroll in formal training courses of not more than four weeks of duration, outside the province when this training is not available in Manitoba. Under this revised program the province will reimburse employers for 50% of the return economy air fare of the employee to the training location and 50% of the total cost involving tuition fees, meals, hotel accommodation, with the total provincial share for this portion not exceeding \$15.00 per day. The employer will be responsible for the other costs involved in the programs. To qualify, employers must supply complete course curriculum as established by the training centre - provide information as to what extent the training will increase plant production efficiency and provide data to indicate that Manitoba training institutions are not able to provide the kind of instruction required.

To ensure adequate supplies are available to meet the needs of industry in Manitoba, the Department will continue to identify shortages of labour; continue to carry out promotional campaigns in overseas countries; encourage employers to combine in joint recruiting ventures; continue to provide financial assistance to cover, in part, recruiting costs incurred by employers with respect to advertising and transportation; and increase our assistance to the Citizenship Council for the purpose of operating an International Centre for new citizens.

1968 was a signal year for regional and community development programs in Manitoba. Quite apart from progress made in new investments and the opening of new plants in rural areas, the organization of communities and regions to better equip themselves for development moved forward at the most rapid pace in the province's history. At the start of 1968 there were only two regional development corporations established in Manitoba. At the end of this

(MR. SPIVAK cont'd.)... year there were five regional development corporations, covering almost all the province's organized areas. In addition, the two remaining areas are both actively considering regional development corporations.

The increased support for Regional Corporations introduced last year will be maintained. In addition, financial support will be made available to each regional corporation to carry out an economic base study of the region to provide a clear platform for planning activities. Special efforts will be made to work closely with the new Department of Regional Economic Expansion of the Federal Government to ensure that the new programs developed by that agency are planned on a basis that recognizes Manitoba as a unique region of Canada and each region of Manitoba as having individual development opportunities and challenges.

Now let me deal with the TED report. The Premier has already written to the Prime Minister - we are all aware of this - to seek a joint effort to establish a uranium enrichment plant in Manitoba. Certainly one of the very significant and challenging and exciting projects that have been identified by the TED Commission.

Plans are now under way to establish within our department a Food Products Market Development Unit, and this will be done in co-operation with the Department of Agriculture, the University of Manitoba and with private industry.

Now we have already asked the University of Manitoba to consider ways in which it and its proposed Institute of Development and Applied Research, in co-operation with the department, might undertake specific research programs to achieve the TED goals. As a first project, the Institute will be asked to undertake, with the Department's assistance, research and pilot type production relating to poplar dimension stock as outlined in the TED report.

Investigations are under way regarding the feasibility of a rough fish processing plant and a pet food plant, two items that were mentioned in the TED report.

The Department has initiated discussions with the City of Winnipeg, the apparel industry and parties in Eastern Canada regarding the construction of a garment centre in Greater Winnipeg.

TED has proposed a Material Research Institute to combine our existing skills and needs at the University, the Whiteshell Nuclear Research Institute, our mining industry and our aerospace industry. This suggestion, as well as similar proposals for institutes in building materials research, agricultural machinery and implements research, and food products research have been included in the Manitoba brief that will be presented very shortly to the Senate Sub-Committee on Science Policy. The specific proposals will be pursued actively with the Federal Government Departments to "sell" Manitoba as a location for such establishments.

The Manitoba Export Corporation has been asked to review the TED findings specifically with a view to the following: having industry sectors consider the establishment of joint sales organizations, particularly in the midwestern area of the United States; seeking establishment in Manitoba of buying offices; studying new export opportunities arising out of changes in transportation technology.

The Chartered banks, the Industrial Development Bank, the Manitoba Development Fund, the Export Credit Corporation and other financial interests will be called together with the Manitoba Export Corporation in June to discuss action on the TED recommendation on export financing.

MR. CHAIRMAN: I interrupt the Honourable Minister to tell him he has two minutes left.

MR. SPIVAK: Well I'm just almost completed. The Manitoba Development Fund has been asked to review the TED Report. They have done so, and with the consent of the government will take action on the following recommendations: to enlarge and diversify the present MDF programs by adopting a more aggressive policy toward capital supply; engaging in research to develop major new projects; undertaking financial packaging and counselling; engaging in leasing of plant and equipment; provide management assistance to firms in which it has an investment; and supplying financial support to export of manufactured goods.

The Pilot Enterprise Program, which is referred to as P.E.P. in the TED Report - as set forth in the report - will be established within the Manitoba Development Fund to assist small businesses in this province.

To encourage the development of Winnipeg as an important air centre the Manitoba Development Fund has been authorized to proceed with negotiations to provide modern hangar facilities on a lease-back basis, to regional airlines based in Winnipeg.

(MR. SPIVAK cont'd.)

To enhance Manitoba's distribution capability, the Technical Assistance Grants program is to be extended to include firms in the Wholesale and Distribution industries who serve markets outside the province.

MR. PAULLEY: I wonder if I may be permitted just to interject at this time. I can appreciate the fact that the Minister is trying to crowd in a statement in a short period of time and he's going rather rapidly. It's hard to really follow, and as far as we're concerned, if the rule is with a Minister presenting a statement in Committee, the forty-minute rule - I hadn't heard of it being applied before - if that is the case and permission is required, in order to fully comprehend what my honourable friend is saying, I'd be more than happy to give him more time.

MR. EARL DAWSON (Hamiota): Mr. Chairman, ever since you told the Minister that he has two minutes left I haven't heard a thing, so I would appreciate him slowing down.

MR. SPIVAK: Mr. Chairman, I assume that there's consent, and with leave that I can -- I apologize. I've dealt with several items and it may be of interest to repeat some of them for the benefit of those who may have missed. If I have permission, and I think I could do this in the time that's allotted to me, because the action -- (Interjection) -- Well let me start -- we'll go back to the item on the chartered banks.

The Chartered banks, the Industrial Development Bank, the Manitoba Development Fund, the Export Credit Corporation and other financial interests will be called together with the Manitoba Export Corporation in June to discuss the action on TED recommendations.

The Manitoba Development Fund has been asked to review the TED Report. They have done so, and with the consent of the government will take action on the following recommendations: they will enlarge and diversify the present M.D.F. programs by adopting a more aggressive policy towards capital supply; they are going to engage in research and develop major new projects; undertake financial packaging and counselling; engage in leasing of plant and equipment; providing management assistance to firms in which it has an investment; and supplying financial support to exports of manufactured goods. These are the basic recommendations for the M.D.F. in the TED Report.

The Pilot Enterprise Program, which is also referred to in the Report, will be established within the Manitoba Development Fund to assist small businesses in the province.

To encourage the development of Winnipeg as an important air centre the Manitoba Development Fund has been authorized to proceed with negotiations to provide modern hangar facilities on a lease-back basis, to regional airlines based in Winnipeg.

To enhance Manitoba's distribution capability, the Technical Assistance Grants program of the department is to be extended to include firms in the Wholesale and Distribution industries who serve markets outside the province.

Now the establishment of Winnipeg as a vital international air centre is a major objective in Manitoba's regional development. . . .

MR. DOERN: Mr. Chairman, I just ask the Minister whether he mentioned equity investment as part of the M.D.F.'s new role?

MR. SPIVAK: No, Mr. Chairman, because that is their power right now. Mr. Chairman, I believe that I filed the report of the Manitoba Development Fund which deals with their activities now. I'd be prepared to answer any questions afterwards.

The establishment of Winnipeg as a vital international air centre is a major objective in Manitoba's regional development strategy. Proposals have been submitted to the federal government regarding improved transborder service, better overseas connections for Winnipeg, improved regional air services, and adjustments in fares to appropriately reflect Manitoba's location. Over the next two months the department officials will call on all carriers connecting now or able to connect with Manitoba to seek new or improved freight and passenger schedules. A full-scale study of opportunities for Winnipeg as an air centre, to provide specific and detailed recommendations for improved service, has already been commissioned.

The program announced this spring to help regional development corporations carry out economic base studies is the first step in TED's recommended program for regional development. A major regional expansion conference will be held later this year on the subject of regional development to examine the role of the federal and provincial governments, regional development associations and other interested groups and parties.

The Regional Development Corporations will be consulted to establish specific regional statistical needs. The Department will then work with the Dominion Bureau of Statistics so as

May 12, 1969

2093

(MR. SPIVAK cont'd.)... to be able to provide the information through a Regional Statistical Desk in the Regional Development Branch of the department.

The department's existing professional services directory will be expanded this year to include management and other professional consulting services as suggested by the TED Report.

The Department will this summer convene a Citizens' Committee to discuss ways to expand Manitoba's role as a financial centre; and particularly to seek expanded funds for financing capital investments in Manitoba.

TED proposed increased efforts to improve productivity of Manitoba companies, and funds are already included in our estimates for an expanded technical assistance grants program as recommended by TED.

Productivity improvement is also the goal of the comprehensive manpower development program announced as part of the activities by the Industrial Training and Immigration Branch of our Department.

Preparation will start immediately for a series of seminars to be held in September for those industry sectors which were commented on by the TED Report, to review in detail and plan action on the TED recommendations. These will include the following industry groups: food and beverage, agricultural machinery and equipment, furniture and wood products, apparel, chemical and allied products, metals and metal fabricating, aerospace and electronics, building materials and construction, wholesale and distribution, and professional services.

It will be expected at that time that the Department would then furnish to the private sector a presentation of the TED Report, an analysis of the opportunities, and try to work with them in co-operation to increase their operations so that they can exceed the TED objectives.

MR. DAWSON: Mr. Chairman, could we call it 5:30? I hate to start with just two minutes.

MR. CHAIRMAN: Committee rise and report. -- (Interjection) -- Oh, pardon me. I'll call it 5:30 and leave the Chair until 8:00 o'clock.