

## THE LEGISLATIVE ASSEMBLY OF MANITOBA

8:00 o'clock, Tuesday, March 31, 1970

MR. SPEAKER: The Honourable Minister of Finance.

MR. CHERNIACK: Mr. Speaker, I beg to move, seconded by the Honourable Member of Mines and Resources, that Mr. Speaker do now leave the Chair and the House resolve itself into Committee of the Whole to consider the following Bill, Bill No. 29, an Act to authorize the Expenditure of Moneys for Capital Purposes and authorize the Borrowing of the same.

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

COMMITTEE OF THE WHOLE HOUSE

MR. CHAIRMAN: Bill 29. Section 1 -- passed.

The Honourable Member from Rhineland:

MR. FROESE: Mr. Chairman, I do not intend to keep the members of the committee for any length of time. I want to thank them for holding it over so that I could present my views on the matter before us. I have already indicated on a previous occasion where I stand as far as borrowing money, and borrowing in large amounts, as far as the Province is concerned. Because we have Crown agencies and because these Crown agencies, if they want to expand, need certain monies, we know that this is a continuing affair, but when we take a look at the amounts that we are asked to approve tonight and as has been indicated on previous occasions -- for instance, just let's take the Telephone System which appears as the first item. It seems to me that we are putting the cart before the horse; that in my opinion, we should really hear from these agencies first as to their program. All that is presented to us is the amounts that they will need and that they are asking for.

Then the Minister of Finance gave an explanation the other day, as is found in Hansard, and some of these amounts that are being asked for will not be used in the current year. It could be the following year. Then, we also in 1966 approved something over \$300,000,000 for Manitoba Hydro to finish the project that they are working on at the present time. It seems as though there is no set pattern along which we go. One year we will approve a large amount which will suffice for a certain Crown agency for several years, the next time with another Crown agency we will supply the necessary capital for a given year. On other occasions we find that there are large carryovers and that only minor amounts are needed and that these are asked for. To me, it would appear that these requests for capital supply should be made later on in the Session when we have had a chance to deal with the estimates of the department concerned where the utility or the Crown corporation estimates appear, so that we have had a proper discussion. For instance, on Telephone, \$14,000,000. I'm not sure whether this is the correct amount at this time. No doubt they presented this request to the government and the government in turn is asking us to approve of this allocation. The same thing for the Water Supply Board, \$420,000. I would like to have had a chance to discuss the estimates, and of the Water Supply Board, whether their program is one that is growing fast enough or not. We might be going slow on certain things which should be speeded up, we might be going faster on some that probably need not expand as fast as they do.

Then take the Housing and Renewal Corporation, \$17,500,000, and I understand there is a considerable amount coming forth from the Federal authorities in this respect. Personally, I never subscribed to the idea embodied in the Urban Renewal Plan, that we should be building houses as a government and subsidizing interest rates and also capital payment as the Federal government does, because within that legislation there are limitations and only certain people can take advantage of the low rental housing. If you fall probably just a little below, or above the amount that a person can earn or so on, he is disqualified; he cannot take advantage of anything; and I feel that legislation of this type is not quite correct. The same holds true for a lot of the other social programs that we have; where a person doesn't qualify he is immediately excluded and probably he is having a much harder time of making things go, of supporting his family probably and trying to give them an education, not being able to comply or fall within the given category, and therefore I think these programs, while they may do a lot of good for certain people, also do harm to others, or at least are not in my opinion meeting up to the expectations that they should.

(MR. FROESE Cont'd).

The School Capital Financing Authority \$23,000,000. We haven't heard from the Minister whether he feels that this is satisfactory, that more money should be allocated, or that we are going overboard on this. The same thing applies here. I think we should hear from these departments and we should have been able to discuss the estimates first before we deal with Capital Supply.

The Agricultural Credit Corporation is asking for \$15,000,000. There is still a sum remaining but we are told that there will be a large demand on this corporation for financing. I already voiced some of my opinions on this particular corporation and its operations, whether we are not just catering to the corporate farm and we are not doing sufficiently enough for the individual farmer who is probably in a more destitute position and who should probably be assisted in a much greater way than the corporate farmer is being assisted in Manitoba, and this probably applies just as well to the federal Farm Loan Board, the way their assistance is meted out, whether it not also does the same thing and that we are catering to a group which probably does not need catering to and that could get its finances from places elsewhere than to having it subsidized by this government.

The Manitoba Development Fund already has received a lot of discussion in this House. No doubt more will be forthcoming when the estimates of that department are being considered and so I don't intend to dwell on that particular one.

But, Mr. Chairman, these are the requirements that are before us at the present time. These are the requirements that are asked for in the public sector. What about the private sector? How much are they going to spend? Is there any guide line that the government has at the present time as to how much is going to be spent by private industry and is this in accordance with it? Are we allocating more than the private sector will be spending? Are we doing less? What is the ratio, or is there no ratio established when the various Crown agencies ask for money?

I think these are just a few questions, Mr. Chairman, that I have at this point, and if the Honourable Minister would care to comment I would certainly appreciate it.

MR. SCHREYER: The honourable member was referring to what he considered to be the need for having some kind of ratio in mind as between the public sector capital financing and private sector. Does he have any kind of ideal ratio in mind that he would like us to take acknowledgment of?

MR. FROESE: The figure of 86 percent is mentioned here. Well, I don't subscribe to that. -- (Interjection) -- No, but I've heard on occasion different speakers, and I think this applies to politicians and people in government, that once the economy is slackening off then government should be spending more. Is that the case? Are we subscribing to that, and are these capital allocations based on that line of thought, or just what is the situation? In my opinion, I think the private sector or the people in private business are slackening off. There will be less money spent, especially in rural Manitoba, this year on expansion programs and therefore, I put the question before, are we going along that line or are we just working in the reverse that we would be increasing development and expansion from the Crown agencies when we're slackening off or not?

MR. CRAIK: Well, what I wanted to determine was with regard to the \$23 million on capital for school construction, and I think we've got a general understanding that we're not going to go into detail at this point with regards to the capital - we'll get to it when we come to the actual estimates themselves, but one of the questions that's pertinent at this point is: where does the Federal money come in with regard to the composite school construction? It's not shown in the estimates, as far as I can see, and it's not included in capital expenditure here; and by what means or other is this now routed through the system into the composite school construction program?

MR. MILLER: Mr. Chairman, the \$23 million does not include the amounts referred to by the member. There will be in addition to this Capital Supply bill another Supply bill where the technical-vocational composite schools will be covered as a separate amount. That's the amounts where the Federal Government participates.

MR. CRAIK: . . . bill that comes in quite separate from Capital Supply.

MR. MILLER: It's an additional Capital Supply bill.

MR. CHAIRMAN: The Honourable Member for Birtle-Russell.

MR. GRAHAM: Does the Minister of Education mean that this educational program of

(MR. GRAHAM Cont'd). . .the Province of Manitoba is going to be bits and pieces?

MR. MILLER: Not any more than it was before, Mr. Chairman.

MR. CHAIRMAN: The Honourable Member for River Heights.

MR. SPIVAK: Mr. Chairman, before the Minister of Finance answers the questions of the Honourable Member for Rhineland, I wonder if I could ask a few questions and ask for clarification in connection with the Manitoba Development Fund. The amount of \$60 million that's being asked for, can he tell us approximately how much of that is committed or is to be allocated for monies that are already committed, and how much would be used for new purposes as envisaged by the board?

MR. CHERNIACK: Mr. Chairman, I want to repeat, for the benefit of the Honourable Member from Riel, that it was understood some time ago that because there was a certain amount of urgency in having this bill presented, there would not be any attempt to present discussions under the current estimates on these programs - maybe he wasn't present when his Leader mentioned that very point - and there was general agreement, firstly that there was no way to stop it, but secondly, that there should not be a way to stop it but that Ministers should be ready to deal with questions relating to their capital requirements and program as well as their current, so that I would expect that he will have co-operation in that respect from this side of the House.

Also, to clarify, since apparently he'd also missed that, I stated earlier that after discussions with his leader we were planning to present two Capital Supply bills; one would be for the self-sustaining, which is the one before us, and the other would be the item which I would call "general purposes" which would be brought in later and which could be discussed at that time, and that's the reference to the second Capital Supply bill.

The points made by the Honourable Member for Rhineland, firstly, the position that he took in regard to the opportunity to hear from the agencies and departments, sounds to me like a very sensible approach and one which I would hope that we will be able to carry out in the future. Naturally, the government has the responsibility and the right to bring in Supply bills at any time after the Throne Speech is completed, but I think that the point that was made by the Member for Rhineland has validity and it's, you know, it's something that I think would be worth trying to do in future years, and to the extent that I may have any influence over programming in future years, I would hope that I would remember the point made to see that we could do it. I was informed by my department that some of these items have to be put through rather quickly and that's why the member will recall there was some insistence that this matter be disposed of today, and hopefully it will be; but I would like to repeat to the honourable member that at this stage we are talking about authority for the expenditure of monies and I can undertake for him that the monies aren't going to be spent tomorrow; indeed they're not going to be borrowed tomorrow either; and again I would expect that when you talk about long-range programs such as the Manitoba Telephone System, that the Public Utilities Committee will meet soon enough so that a fuller explanation can be made of the progress. As the honourable member indicated, I've already put on record on Hansard that the moneys requested for the Telephone System in addition to what is already authorized, needs to be used for long-range commitments so that projects can be planned and carried out over the period of time, and I think hopefully that we can do that.

I was interrupted by a delivery to me of something entitled "A buck". Somebody passed me the buck. I would guess somehow that it comes from the Honourable Member for Lakeside, and if does -- I don't want to be unfair towards him but it looks like a phony buck to me and I'm just wondering whether there's any connection between the Member for Lakeside and what he has sent over to me. Nevertheless if he would like me to, I can check with the banks tomorrow to see just what value they would put on it. I see that it has the symbol of the Government of Manitoba and of course a picture of the Queen. I would hope that this was legally prepared because it looks something like legal tender. I would feel awfully bad if there is some offence committed by the honourable member or whoever may have printed what looks like that and possibly I should pass this to the Attorney-General for him to review in the future.

I apologize for the interruption, but then it wasn't I who am responsible for it.

The Water Supply Board item, I want to point out to the Honourable Member for Rhineland, is an on-going program and is one which is really not related specifically to the inflationary or deflationary trend that may face us in the next year and is one which is required, as I say, as in the past for an on-going program. Now the honourable member spoke about housing, the

(MR. CHERNIACK Cont'd)... item set aside for the Manitoba Housing Renewal Corporation. It's, I'm sure, clear to him that it's a policy of this government to see to it that the housing needs of Manitobans are improved, developed. It is a matter that was of utmost importance to us and I hope it is to him. I think he was the one who asked early in the debate whether it was all going to be spent in Metro Winnipeg and I told him then that I was informed by the Minister of Municipal Affairs, who is the Minister for this Corporation, that the plans already before them would indicate that fully half would be spent outside of Metropolitan Winnipeg, which seems to me to be a very substantial proportion when one considers that the oldest parts of Manitoba and indeed those that require the greatest improvement are really in the centre core of Metropolitan Winnipeg. --(Interjection)-- Churchill has some pretty awful housing and then on the other hand it also has some pretty good housing which is subsidized apparently in Fort Churchill and which is being used by people who are there and I suppose there will be vacancies. Churchill of course is a particular problem. But if I remember correctly, the name of Churchill appears on the list of those towns that are being studied for renewal. The honourable members will recall that, I think it was only yesterday, that the Minister announced that we take this program seriously enough to feel that if municipalities, and I guess Churchill might well be one, are unable to put up their portion of the formula, then the provincial government would be prepared to do it, so that the poor municipalities will not suffer because of their inability to participate in the program but indeed would be helped in housing, which hopefully will not have to be subsidized too much. But certainly we feel that the Housing and Renewal Corporation plans need a great deal of support and we feel they should be given that support so that there again, they can plan ahead.

I pointed out earlier that in this connection too, it was going to be a pretty tough job for the corporation to make use of all the moneys that are being made available under Central Mortgage and Housing Corporation. The 90 percent roughly that is being up by the Federal Government through CMHC as loan capital is, of course, included in the item before us and really this is authority to raise the money and spend the money, but the money itself, this part of it, would come 90 percent from the Federal Government and we are most anxious that we take advantage of as much money as we can possibly use of federal funds for what we consider a pretty necessary purpose.

The School Capital Financing Authority is I think the same amount - I'm quite sure is the same amount as - yes it is - it's the same amount required as was required last year but the request is \$2 million less because there is an expected recapture or repayment of \$2 million to be received by the School Capital Financing Authority so that the net of \$23 million is what is required.

Now the honourable member speaks about what is coming in from private enterprise, is there a balance? Is there some way of economic planning involving that and I can't really give him figures; I don't really know what we can expect from private investment in Manitoba in the coming year. But when I come to the Manitoba Agricultural Credit Corporation, surely the very purpose of this Fund is to create the possibility for people in those areas of the agricultural community that needs help, to get some help in order to diversify and in order to make themselves much more self-sufficient. I can't conceive that this is an item which would have...., I think the others as well, would have any real relationship to private enterprise in-put in the coming year in Manitoba.

Before I move on to the Development Fund in answer to the Honourable Member from River Heights, I just want to tell the Honourable Member from Rhineland, who of course is concerned about what's going on in Alberta and British Columbia, that British Columbia has been borrowing for quite some time, that Alberta has finally used up its accumulated moneys that were paid in from the Federal Government under the Canada Pension Plan and have borrowed - just within the last month, wasn't it? I don't know if they consulted the Honourable Member for Rhineland but they did go out to the market. As a matter of fact they, I believe that they borrowed some \$20 million quite recently, so that the principle of borrowing is not unique and is not refused or rejected by governments, all governments including those which give the greatest pleasure and satisfaction to the Honourable Member for Rhineland.

Now the question asked by the Honourable Member for River Heights on the Manitoba Development Fund was, how much of the money requested, which is some \$60 million, is already committed and how much is uncommitted to be made available for the Board for the future? Was that the question?

MR. SPIVAK: Yes.

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(MR. CHERNIACK Cont'd).

Well, I previously informed the House that approximately 35 million is already committed money for projects that the Board has approved and which has yet to be expended, and 25 million is the amount that the Board has informed us they would like to have authorized for future needs.

MR. CHAIRMAN: The Honourable Member for River Heights.

MR. SPIVAK: Mr. Speaker, my purpose is not necessarily to enter into the debate but to certainly be able to obtain information. One newspaper reported today that there have been negotiations between the government and Versatile Manufacturing for a sum of \$40 million and I take it that either two possibilities exist if the statement is correct. One would be that it was not intended -- the two possibilities are, one, that \$40 million is not what is being negotiated, or secondly, the amount that would be required in the next fiscal year would be less than \$40 million, and I think it would be important for the Honourable Minister at least to indicate whether the negotiations now underway with Versatile would go beyond the borrowing power requirements for this year. That would be one point, Mr. Chairman. The other point which I think is significant is the possibility of the Development Fund using Part 2 of the Fund Act for a Crown corporation. Now there has been some discussion by members on the opposite side, albeit at different . . . . and some are only in the caucus rather than the Minister's, but they've indicated that it was the government's intention to do what they referred as selective economic planning which Crown corporations would be a portion of the activity. Now, Crown corporations are eligible under Part 2 of the present Manitoba Development Fund Act and it would appear that if anything of a major importance was to be done that the amount that is being asked for the borrowing power would have been a much greater amount than is proposed. So I think it would be important because I think there has to be some clarification of the government's intention, and in the event that all the government is asking in this request for capital funds for the Development Fund for the coming fiscal year is only \$25 million of uncommitted funds, that there be some clarification that: (a) The negotiations with Versatile will not in fact be jeopardized because of the inability of the government to meet a commitment of \$40 million. And I may say as well that I don't quarrel with the argument of in fact advancing \$40 million if in fact it will create and develop 2,000 jobs as suggested, and in the event that there is that possibility then I think we should have some clarification on this or some indication that this kind of money would not be realized. I think we should also have some indication from the government as to what Crown corporations, if any, are contemplating in the coming year and what, if any, financial requirements would be required based on the 25 million dollar leeway in the capital fund authorization.

MR. CHAIRMAN: The Honourable Member for Rhineland.

MR. FROESE: One further comment in connection with the Telephone, and this might apply to Hydro, I don't know, but I would like to know from the Minister just how much flexibility do we have? Do these Crown corporations, for instance, telephone, how many people do they have on staff that are dependent on capital expenditure? Supposing we cut down to five million capital expenditure, would they have to reduce their own staff that they have on hand or that they employ, or is the work being contracted, let out, so that this would not affect the people that are under the direct employ of the Crown agency? I think this is something I would like to know for my own satisfaction because I would not like the Crown corporation to put this House or the government into such a position that certain amounts would have to be provided regardless year after year for expansion purposes, just to keep them employed. I think this is something we should guard, I think this is something we should know about because certainly I would not want to have the Crown agencies of this province put the government in a straitjacket where they had to supply certain funds year by year regardless of whether they wanted to do so. I feel that these jobs, large jobs, should naturally be contracted and most likely they do, but I would like to hear from the Minister on this whether there is sufficient flexibility for this.

MR. CHAIRMAN: The Honourable Minister of Finance.

MR. CHERNIACK: Mr. Chairman, I would say to the Honourable Member for Rhineland that it would be a shocking situation if any government agency would spend money just to keep their people working. I would think that the suggestion --(Interjection)-- well, it may not be unheard of but it's a thought that I would reject absolutely. I don't pretend to know the management of Telephones that well but I just can't believe that the management or the board of the Manitoba Telephone System would plan to do work just in order to keep their people at work and earning money. I don't even know if I should insult them by asking them if indeed that could be

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(MR. CHERNIACK Cont'd)...the situation; but again I would imagine that they read Hansard and will note what the Member for Rhineland said, and I would....

MR. FROESE:....about anyone, but certainly when we hear that the CBC, I think that this can happen.

MR. SCHREYER: The Honourable Member surely must know that the CBC is not to be compared with any other....

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

MR. WEIR: Mr. Chairman, it might be interpreted as a facetious remark and I recognize that estimates of this kind are general and you really can't get very close with them, but with that amount of money I'm sure that there's some of it going to be spent in the Interlake; and considering the generosity of my friend from Woodlands I wondered if the Honourable Minister would consider a reduction in the amount by \$1.00 and bring it down to \$129,499,999, and just which appropriation he would think the reduction would be appropriate in.

MR. CHERNIACK: I appreciate the suggestion very much. If I can save \$100.00 I would, although - \$1.00 I mean, even \$1.00 I would - although I would guess that it might cost a little more than \$1.00 to do whatever reprinting job there might be required. As a matter of fact I imagine that the time it took the Honourable Leader of the Official Opposition to make this statement cost us more than \$1.00 in terms of the overhead that we're running although I do think that it was....--(Interjection)-- I was just going to make some similar sort of suggestion along the same line so that again we're thinking together. Well, of course the ... --(Interjection)--of course the CBC is in the communications business as is the Telephone System and they are working together. The Member for Swan River is most interested in the Telephone System's plans of working together with the CBC in order to have Manitoba television rather than the Saskatchewan television I think which is now being received.

The Telephone System report, I believe - well I'm quite certain was distributed. Of course these reports are dated. But the indications that we have from the Telephone System is that they have an on-going program of improvement. In this electronic age I think there's no question about it that not only replacement but improvement is required. I can tell the honourable member what so many of the rural representatives know, maybe not from his area but certainly from the area somewhat north of here, and I'm not speaking of the north country alone, of the real need for the provision of a communication service because the only way that people in isolated communities have of contacting the rest of the world is through the Manitoba Telephone System and now we talk about the needs, we're not talking about amusement or recreation, we're talking about the needs for doctors, for ambulance services, for air ambulances, and the pressures on the Telephone System I know are much greater than the monies that they are requesting for their on-going program, and I know that they would like to be able to spend substantially more than they are asking for because of the demands that are being made by people who make the demands, and I don't for a moment suggest that they shouldn't be making them, because I do think that communications are vital, so that I feel that the Telephone System has fully justified its needs and its service, and I think that the service that we get from the Telephone, as we do from Hydro, are excellent and I hope that as Crown corporations rise in their ascendancy in the future, as indicated by the Honourable the Member for River Heights, that indeed they will continue to perform this kind of service to the community of Manitoba for the benefit of the people of Manitoba.

Now, Mr. Chairman, questions were asked in relation to the Manitoba Development Fund.

MR. CHAIRMAN: The Honourable Member for Rhineland.

MR. FROESE: If I may, just before he starts off with the Development Fund. When we were discussing needs, I could certainly tell him that I'm probably the only member in this House that has a party line telephone. --(Interjection)--No, at home. --(Interjection)--I'm glad to hear that I'm not - I'll take comfort from that, that I'm not the only one, because so often I would get a phone call at home on a party line and it's confidential matters; I'll have to tell him to hang up and I go to town and make my phone call afterward; so if there are other members who are asked to do the same thing, well then it's a little different, but I thought if I was the only one, then certainly I should probably have a private line.

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

MR. HARDY: Thank you, Mr. Chairman. While the Honourable Member from Rhineland is going to town this is just going to cost a few dollars, but there is one area here, and I

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(MR. HARDY CONT'D): . . . can appreciate, as has been stated, that we're dealing in generalities, but there is one particular area that has to do with the Manitoba Housing and Renewal Corporation. Now, I understand from the Minister that 90 percent of this, or 15.75, is C.M. H.C. money - he can answer that if that is correct - and presumably it is the intention of the department on a development, or in a development, I believe the Minister of Municipal Affairs indicated this the other day, yesterday or today, that insofar as municipalities are concerned, or urban areas, or otherwise, that the cost of services for development will not be borne by a municipality itself if in fact a development is undertaken. It will not be the responsibility of the municipality.

Now this is one area of concern. Another area of concern has to do with the pride of ownership. Now I think all members are well aware that one of the biggest problems insofar as housing is concerned is in the low-income groups - I cite as an example perhaps \$5000 annually. Now is it the intention to utilize this fund in such a manner that this pride of ownership can in fact be maintained, and are loans going to be made available to individuals whereby they can do a certain amount of in-filling in urban areas and retain this pride of ownership, and by the same token at the same time assist urban areas in development of this type?

MR. PAWLEY: Mr. Chairman, in respect to the payment of the cost of services to municipalities, the reference was to -- there are three methods now by which low rental housing is proceeded with in the province. One of the methods is by way of the province undertaking, up until recently, an agreement with the municipality that it would bear 25 percent of the operating loss of operating the low-rental housing unit. The province would pick up 25 percent and the Federal Government would pick up the remaining 50 percent. This type of procedure, of course, meant a certain cost factor to the municipality and before they would want to enter into a scheme, low-rental housing scheme, they would want to consider this in their budgeting as to whether or not they wish to involve themselves in this type of undertaking. The province now is agreed that it would pick up that share which originally would be the responsibility of the municipality, that 25 percent, so that any operating loss in respect to the operation of the low-rental units will now be borne equally by the federal and by the province, without any municipal involvement. So it's not a matter involving services; it's a matter that involves the operating loss insofar as the low-rental units are concerned, in order to permit the subsidized rents.

Under this system, the title of ownership - I believe this was your second question - to low-rental units, would rest in the name of the Manitoba Housing and Renewal Corporation under this type of method. The municipal involvement financially is nil, capital or operating, and the title would remain with the province. Now there are other methods, of course, by which low-rental housing can be proceeded with. Partnership method, involving the province and the municipalities; methods by which the ownership can be, not necessarily kept in the title of the province but in fact can be held by the town or the municipality in question. But if they are to receive the benefits of the subsidy operating loss, then the title would have to rest with the Manitoba Housing Renewal Corporation.

MR. HARDY: Thank you, Mr. Chairman, I appreciate the comments of the Honourable Minister, but unfortunately perhaps he misunderstood me. I was not referring to the title of ownership but to the retention and the promotion of pride of ownership, whereby in fact are some of these monies going to be made available to individuals?

MR. PAWLEY: No, these monies are utilized for low-rental housing, public housing. These monies will not be used for private housing. The purpose of these monies is to meet a specific purpose, and that is to assist those low-wage areas within the community. In respect to the private ownership of homes we would hope that these monies would be provided by other means, but these monies are meant for a particular purpose to assist low earning groups within the community. We trust that there will be mortgage monies made available from other sources insofar as private housing development is concerned.

MR. CHAIRMAN: The Honourable Member for Rhineland.

MR. FROESE: Mr. Chairman, could the Minister just give me . . .

MR. PAWLEY: . . . that there's a condition by which monies were provided to the Provincial Government under this plan, that they would be used for this particular purpose in this method.

MR. FROESE: One further question of the Honourable the Minister of Municipal Affairs. This 50-50 arrangement of the Province and the Federal Government - does that

(MR. FROESE Cont'd) . . . . apply on existing contracts as well or just on future contracts?

MR. PAWLEY: That arrangement will pertain only to housing starts under this procedure and this year. It is not a policy that necessarily will be continued next year, and it's not retroactive.

MR. SPIVAK: Mr. Chairman, I wonder if the Honourable Minister of Finance would answer the questions concerning the Fund before we become involved in other . . . .

MR. BEARD: I would like to pose a question to the Minister of Municipal Affairs. Could he tell us how much the maximum wage earned would be to qualify -- or how much you could earn and still live in this low-dividend housing?

MR. PAWLEY: I am not sure of the exact figures in respect to that. It's in the area of \$5,000. The scale of rental is based upon the earnings so that your rent goes up with the increase in earnings. If memory serves me right, it's in the area of \$5,000; I couldn't give you the exact figure dollar for dollar, but it's in the area of \$5,000 earning.

MR. BEARD: At one time I understood that in the northern areas -- and I speak of Thompson -- at this time they had the privilege of earning an additional 25 percent in respect of the high living cost. Will he look into it and see if this is still one of the built-in clauses?

MR. SPIVAK: Well, Mr. Chairman, I wonder if the Minister of Finance would answer the questions -- I realize the Minister of Municipal Affairs has been answering a series of questions but there were certain questions . . . by the Fund, and I would appreciate if the answer would be given now.

MR. CHERNIACK: I just thought it a matter of courtesy that since the Member for Churchill was talking to the Honourable Minister, but --(Interjection)--Oh.

MR. SPIVAK: Mr. Chairman, I recognize that the Honourable Member from Churchill asked a question but it was obvious the Honourable Minister of Municipal Affairs didn't know it and was trying to obtain it from someone else.

MR. CHERNIACK: All right, Mr. Chairman, but I'm sure that the Honourable Member for River Heights can withhold his impatience just long enough to have me refer again to telephones, and the fact that, on a quick canvass, four people have now volunteered information that they're on party lines, one of whom is a Minister of the Crown, and that is part of the problem obviously. I should mention, in fairness to the Telephone System, that they are also involved in the Telestar program, which is a rather exciting one, which is sponsored by the Federal Government and by all the telephone systems across Canada, with provision for private capital investment in the projection to make full use of the air above us and the space around us to improve communication system.

Now the Honourable Member for River Heights is asking questions, two questions, and the first one is relating to a newspaper story that appeared in the -- I think I saw it in the Winnipeg Tribune this evening, referring to Versatile and referring to some figure in the \$40 million range, and I would like to get clarification whether the Member for River Heights is inviting me to discuss negotiations that are taking place currently between the MDF and a private lender involving sums of money, and whether he wants me to discuss that.

MR. SPIVAK: Mr. Chairman, I must -- and in fact I'm a little surprised at the Minister of Finance's question of me; I would simply pose this question to him. In the event that such a negotiation as reported in the paper is taking place, and in the event that the present Capital Expenditure Bill is passed today, how is it possible that such a negotiation become completed within this fiscal year when you have already only indicated that there would only be \$25,000,000 available. And this is my question to you: are negotiations taking place for a sum of money for a capital amount that in fact is higher than the amount of borrowing that will be allocated by this House through the passage of this Bill? And if so, it's a question of how and in what way the money would be raised in connection with that.

MR. CHERNIACK: I appreciate the concern of the Honourable Member for River Heights. This fiscal year, of course, will end in about three hours, and the next fiscal year is the one that would be involved as a result of negotiations. Let me assure the Honourable Member for River Heights that the MDF will be able to handle such commitments as it needs to make in connection with any negotiations that are now going on of which I am aware, and I think he can rely on the government to see to it that this will prove possible. If indeed it proves difficult, we'll be in session for a while yet and I'll be glad to come back to the Honourable Member for River Heights and the other members of the House in order to ask for more monies unless, of course, he would like to move some kind of an amendment now to provide for larger sums of



(MR. CHERNIACK Cont'd)....money for the MDF, but the amount requested by the MDF is the amount we have before us and I have already made the assurance that anything that I'm aware of can be handled by the MDF, anything I'm aware of that is being negotiated by the MDF can be handled by the MDF, and I would like to reassure him not to be too concerned about that problem he poses.

The other problem he poses is more interesting to me and that is his suggestion - at least I take it as his assumption and I shouldn't be the one that makes assumptions for him because he usually makes assumptions for us - that in our Selective Economic Planning Program, under Part II, we're not providing ourselves with sufficient funds in order to carry out those plans that we may develop. Again, let me assure the honourable member that we intend to proceed with - what is the expression - with due, deliberate haste, to accomplish that which we think we can do within the limits of the availability of funds and the limits of the presentation and development of a program which we feel will be viable and which will be able to be justifiable to the people of the province of Manitoba. Under those circumstances --(Interjection) -- about a dollar and twenty-two cents, but the import of it was worth a great deal more and the Honourable Member for River Heights is the one who brought it up and made the suggestion that we might well need much more than the monies we're asking for to carry out those programs which we feel are important. Certainly we will want to study carefully, make these ability studies, see what it is that we think we ought to do, and then proceed to do it again within the limitations of our abilities. I hope that satisfies the Honourable Member for River Heights but certainly if it doesn't he will be the first to say so.

MR. SPIVAK: Mr. Chairman, the Minister of Finance is so right. Well, I take it - and wonder if I could have confirmation of this before I express my few remarks - I take it the \$25,000,000 over and above the \$35,000,000 that has been committed, was requested by the Board of Directors of the Manitoba Development Fund. This is the assumption based on the statements earlier made by the Minister of Finance. Now is that correct or not?

MR. CHERNIACK: Yes, the amount requested is requested by the Manitoba Development Fund.

MR. SPIVAK: Well. Then, Mr. Chairman, we have before us a sum of \$60,000,000 as requested by the Manitoba Development Fund Board. Now, in contemplation of their requirements as they saw it. Now again, for the purpose of information and for the purpose because we have a responsibility in this House to understand government policy and because we are both an opposition government responsible to the citizens of Manitoba to see how the public purse is spent, it would seem to me that there is either some inconsistency in some of the statements that have been made in the past or even some inconsistency in the rhetoric of the Minister of Finance. I'm not quarrelling with the fact; the government is quite capable of enunciating its own policy and developing its own programs, that's what they're there for, and we on this side may or may not want to cheer, as the Minister of Mines and Natural Resources said today, and I'm one who is not cheering, but that has nothing to do with the issue. There have been suggestions, public suggestions, by the Minister of Industry and Commerce and others and including the Premier that Crown corporations could conceivably develop in a variety of fields.

Now, obviously, Crown corporations could be developed either as a result of a direct act in this Assembly or could in fact be developed under Part 2 of the Development Fund Act, and based on the statements of the Minister of Industry and Commerce it would appear to me that Part 2 of the Development Fund Act will either be enacted again or in fact will be utilized. Now I'm not quarrelling with the government's right to do this, I'm not suggesting the government does not have the right to do this, but I think that it's important that we on this side know what their intention is, and we have here before us the capital requirements of the Manitoba Development Fund with no indication other than the fact that there is \$35 million already committed, \$25 million desired by the board in contemplation of their operation, there is no sum of money that would be allocated for major Crown corporation activity, nor does there appear to be any sum of money allocated for the kinds of negotiation that apparently are taking place - and I realize I'm only at this point guessing at it and I have to guess on it based on the newspaper report because that's the only information I have. Now my concern is that at least the facts are on the table and at least we have a proper way of evaluating and judging what in fact we're passing today. Now, if the Minister of Finance is going to indicate that while the previous board had believed \$25 million would be required, but it's the

(MR. SPIVAK Cont'd)...government's intention to have the new board contemplate the spending of or the loaning of that money for Crown corporations or what have you, then that's a government policy that we should know on this side at this time before we pass it. If the Minister of Finance says no, the \$25 million will be used by the board as they see fit, we still may or may not go into Crown corporations, then I think we then at that point can assume because this is the capital requirements that are being allocated, that there is really no serious intent of going into a Crown corporation within this fiscal year. And in addition, if the Minister of Finance indicates that there is an ability on the part of the Fund and negotiate with, Versatile is one, for sums of money that are fairly significant, we have to assume that they are within the ambit of the \$25 million; and if that's the case, then again I pose the question, is there any money being allocated for Crown corporations, and it appears that there is not, and then at least we now can assume, and I think this is the question, not that I want to assume, but I think the people of Manitoba have a right to assume based on your financial requirements as posed in this House, that there is really no intention this fiscal year of entering into Crown corporations, and I think then the rhetoric that we've heard in the last little while as the answer to the economic problems that we're going to Crown corporations can be dismissed, because then I think it's far more important for us to look at the actual facts and see what's happening.

.....continued

**MR. CHERNIACK:** Mr. Chairman, the Honourable the Leader of the Official Opposition must be seeing those dollars just rushing away from us because we're now involved in a sort of a high school type debate where we're making all sorts of assumptions, we're therefore coming to conclusions, the conclusions are no longer those of the Honourable Member for River Heights as they usually are, but now they're becoming that of the entire Province of Manitoba, and therefore as I've done in the past I again reject his assumptions and I do not associate myself with them.

It seems to me that as a member of a government which had committed itself to some \$92 million in connection with one project over a period of some two to three years without having made provision for that money in its Capital Supply during those years, without having informed the people of Manitoba or the members of this Legislature of the commitment that was being made, for a member of that former government to stand here and make assumptions about what we're going to do and come to conclusions based on the fact that we're asking for \$25 million is a bit of a much. For him to tell us that because we are asking for \$25 million for the next fiscal year, and there's still three hours in this one I remind him, that that is an indication that we are already committing ourselves about the program that we would hope or think about for the future is really ridiculous; because he knows full well that when he — and if not he, his then Premier, and I speak about Premier Roblin — was involved in making very substantial commitments, and nobody that I'm aware of was given any information about that, no estimates were provided for the House to discuss or debate, nothing was done insofar as the public disclosure was concerned, and yet it was done in such a way as to commit not only his government but the government which followed him — and I mean the new Premier who followed him, who of course is as I pointed out earlier, the only person who is still in the House whose signature appears on that first agreement with Monoca, but the commitment he made was not only for his successor in his own party but for any future government that would come into being following the failure of that government. And for the Member from River Heights knowing that, and I assume he knew it because he was Minister of Industry and Commerce and I think the Manitoba Development Fund did report to him, and certainly it would be an awful shock to me to learn that he was not aware of commitments made by the Manitoba Development Fund for some \$92 million to be spent starting this year — for him to make assumptions now as to what our program will be is ludicrous and brings us back to that high school debate in which I am now losing interest.

The enactment of Part 2 — he spoke about re-enacting it. Part 2 of The Manitoba Development Fund Act was passed, enacted by the government of which he formed part, with the enthusiastic support of the New Democratic Party, which was one which showed we thought that the former government was prepared to do things, was prepared to put its money where its mouth was — that's the expression that I've heard used here — and do something for the development of Manitoba without relying on private enterprise. But in spite of the fact that we enthusiastically supported the previous government in bringing in Part 2, nothing was done. But that will in no way inhibit us from doing what we think is the proper thing to do, and the lack of funds as seems to concern the Honourable Member for River Heights so much is one that we will have to cope with, and we will.

But before he jumps up may I just ask him again, because he again raised the question of Versatile, does he want us to debate openly here the kinds of negotiations that apparently are taking place — and I use the word "apparently" because those are his words.

**MR. SPIVAK:** Mr. Chairman, I think it's a little bit ridiculous for the Minister of Finance to suggest that they apparently are taking place because I have to assume that he knows about it one way or the other.

**MR. CHERNIACK:** Well, the word used apparently was the word which the Honourable Member used. I did say that I was aware that negotiations were taking place. Now I'm asking him again, does he want me to discuss and reveal the kinds of information that I've been able to learn about in connection with that? Does he want that discussed during negotiations?

**MR. SPIVAK:** Mr. Chairman, the question that's asked me, of course not, but I would suggest as well I would want the opportunity for other Manitoba firms to be offered whatever was being offered to Versatile and I think that's important, and I think that should be said at this time. I don't mean in terms of an amount, I'm not talking in terms of an amount, but if negotiations are taking place and the government's involved then I would suggest as well that consideration should be given to other firms — and I've no idea what we're talking about at this

(MR. SPIVAK cont'd.).... point. — (Interjection) — I say, I do not know what we're talking about because I'm not party to those agreements and I don't think that that in itself is as humorous as the Minister of Finance would like to indicate. — (Interjection) — Yes, if the Premier will just wait for one moment. Let me just say this, I realize, of course, that the question of the commitments in connection with Churchill Forests are going to be the answers on the other side for almost anything that is suggested to them. But again I come back to a very basic question, and I do not think that the question is improper and I think it indicates.....

MR. CHAIRMAN: ..... interrupt the member for a moment and point out that I really have a feeling that this debate is bogging down, that the member has made his point two or three times and the Minister has made several points repetitively. I might remind honourable members that there is a rule on repetition and that I think it serves no useful purpose to continue emphasizing the same points repeatedly because we've been doing that for a certain number of minutes and I would ask the members to bear in mind that to simply repeat the same point a number of times is not accomplishing anything.

MR. SPIVAK: Mr. Chairman, my purpose is to restate the points rather than repeat them, and I would suggest, I would suggest -- (Interjection) — Well, let me suggest that.....

MR. G. JOHNSTON: What's the difference between restate and repeat?

MR. SPIVAK: As a matter of fact the difference between restating and repeating is a very subjective opinion, and I know the member on the other side will disagree with me in connection with that.

Let me say this to the Honourable Minister of Finance. I recognize, of course, the commitments are made and capital borrowing can take place in the years to come. This is what happened in connection with the Churchill Forest transaction and there is nothing mysterious or wrong in that. This will happen with the present government as well. I'm not quarrelling with that. It would therefore be pretty obvious by a deductive process that if the board is after \$25 million in contemplation of its operation as it sees it at that time for this coming year, and without any major change of that operation but maybe adding to it in the way that the government sees fit, it would appear that that \$25 million probably would be used. It would also through a process of deduction would indicate that in terms of the commitment that could be made for a major transaction such as Versatile, that that would require borrowing in years to come; and I'm not quarrelling with that. It also would by a deductive process indicate that substantial sums of money for Crown corporations are not really being contemplated at this time, and the conclusion - and you can quarrel with my conclusion, and I accept the right that you can quarrel with my conclusion - but the conclusion that one would have is that in effect the government at this point has really not arrived at a position where it can determine in its own mind what it's going to do vis-a-vis the Crown corporation except to talk about it. And that's fine, I'm accepting that; but I think this is a point where we have to at least understand when we pass the borrowing of \$60 million, 35 of which is committed, 25 which was asked by the old board, which doesn't obviously contemplate, as far as I can see, the present transaction or future transactions in a Crown corporation, you may very well in turn have Crown corporations and you may commit monies for years to come and you may then require borrowing for those corporations, I'm not quarrelling with that; but there is a conclusion that can be drawn and I'm sorry it's been necessary to go through this process, but it's the only way in which we can arrive at what your intentions really are.

MR. CHAIRMAN: The Honourable Member for Rhineland.

MR. FROESE: Mr. Chairman, before we leave the item that is under discussion. Some time before the session started one of the Ministers of the present government made an announcement that they would put Part 2 of the Development Fund Act to use in that monies would be put to use in acquiring equity in certain corporations or companies that needed assistance in some way or another, not just making loans but acquiring equity. Do we differentiate in this 60 million between what is going to be spent under Part 1 of the Act and Part 2 of the Act? How much, if any, of it will be used under Part 2 of the Development Fund Act?

MR. CHERNIACK: The answer to the Honourable Member for Rhineland is no. The only comment I wish to restate for the Honourable Member for River Heights is that this government would not have any hesitation in coming back to this Legislature for more authority in the event that it feels it needs it.

MR. CHAIRMAN: (Bill No. 29 was read section by section and passed.)

MR. CHERNIACK: Committee rise and report.

MR. CHAIRMAN: Committee rise. Call in the Speaker. Mr. Speaker, the Committee of the Whole House has considered a certain bill and has directed me to report same.

IN SESSION

MR. DOERN: Mr. Speaker, I move, seconded by the Honourable Member for Kildonan, that the report of the Committee be received.

MR. SPEAKER presented the motion and after a voice vote declared the motion carried. BILL No. 29 was read a third time and passed.

MR. CHERNIACK: 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 Elmwood in the Chair.

COMMITTEE OF SUPPLY

MR. CHAIRMAN: We are now considering the Department of Health and Social Services. The Honourable Minister of Health and Social Services.

HON. RENE E. TOUPIN (Minister of Health and Social Services)(Springfield): Mr. Chairman, it is my duty and my privilege to introduce the ensuing year's estimates for the largest department in government: The Department of Health and Social Services.

This is my maiden voyage with regard to introducing the estimates and it is only the second time that this committee will consider the estimates of the department under its present name. It is also the last, since I anticipate changing the name of the integrated department to the Department of Health and Social Development. You will note that the estimates for the department have increased over the last year. Indeed in total dollars it represents the largest single increase over the last year for any department. We have in effect set a record on the monies allocated for the Health and Social well-being of Manitobans. This setting aside of 29 million, of 50 million increase for Health and Social Services is the best guide I know for demonstrating that our priorities lie in programs to directly benefit people. In particular, we look towards extending preventive services in programs of public health and social development. While our estimates are large and in effect set a record, I must emphasize that despite our new . . . . ., there will remain many programs unestablished and many needs unsatisfied, for lack of funds. Let there be no misunderstanding of where we are going. We have had to delay the introduction of programs only because we do not have sufficient resources and we have had to bow to the most unpleasant pressures to set our priorities. I say unpleasant because I know of nothing more difficult than having to decide who needs assistance more than another who may have personal troubles, or who may be sharing a social problem with a number of others. The difficult task imposed by serving the health and social service needs of people of Manitoba have been made immeasurably easier by the many dedicated civil servants who have contributed their skills, talents, energy, commitments, and imaginations to serving our citizens to the best of their ability. I should add that we have been fortunate in the calibre of persons working within the department. I say this for every level ranging from my Deputy Minister, Dr. Morrison to the front line workers in the field.

In the change of name to the Department of Health and Social Development, I expect to make clear the direction I wish my department to be taking. A heavy emphasis is being put on prevention. Wherever and whenever possible, we want to prevent a physical illness or a social problem from occurring rather than wait until we are forced to rush about seeking help for remedying an already difficult situation. Consequently, the criteria used in developing our priorities was the degree of prevention represented by that particular program.

At the same time you will notice that we have not abandoned those who need remedies to alleviate a problematic condition. Once again then, we are engaged in the pursuit of meeting and emphasizing the development of preventative programs in the area of health care, corrections, income maintenance, and general individual and family capacity for social functioning.

Pollution control equally represents an attempt at presenting our natural resources of clean air, pure water, and rich soil, both for their value as resources and particularly as pollution of these detrimentally affect the health of our citizens. Further, we seek to present individual and family breakdown and provide ready and equal access to treatment and

(MR. TOUPIN cont'd.)... rehabilitation facilities. As a matter of political philosophy, I have engaged in, and expect to extend my engagement in citizen participation. Especially I have encouraged the consumers of our services to speak to me and tell me personally how they assess our programs. What are the strength in our system and what is conspicuous by its absence. One example of the results of vigorous citizen representation is our anticipated extended involvement in the provision of educational and vocational training for persons over 18 years of age. Once the relevant legislation has been introduced and passed, this will permit persons over the age of 18 in need of social assistance to continue in their education.

Another example will be that of improving the physical facilities of the Headingley Correctional Institution following my visit and my meeting with the inmates. In addition I intend to encourage citizen participation on the boards of agencies that receive substantial support from government revenues, as well as client representation on the various boards of government agencies and departments.

In reviewing my estimates you will note that one department is divided into five divisions, plus the two health insurance groups, which I will discuss in further detail later. First, the Administrative and the Central Services Division. This includes a central executive function and the administrative and financial service common to all divisions. This division includes the Health and Social Services education section, which is meeting heavy and increasing demands for media material related to drug abuse, pollution, cigarette smoking, cancer and other health matters.

Second, the Mental Health and Adult Corrections Services Division. Mental Health Services have traditionally lagged in quality of facilities and staff. However, I take some pride in telling you that we will continue the policy of improving these services. We believe that the government is performing a valuable role in providing these services by a team approach, incorporating the best of many skills in the treatment of mental illness. There is also a comprehensive program for training psychiatric nurses, psychiatrists and other professionals employed in the mental health division. In addition, we are continuing to improve the physical facilities at Brandon and Selkirk.

At this time, I should like to mention Dr. Robert Gibson who served the retarded for so many years as Research Director at the Manitoba School in Portage la Prairie and who has now retired. Our thanks to him for his many contributions. Mental retardation makes tremendous demands upon our resources which it is difficult for us to meet. It must be very difficult; and let me express my sympathy to those families who are presently waiting for a place to become available at Portage or St. Amant - approximately 210. We are now moving to meet their needs. In the past few years four community residents have been established to allow discharge of patients from Portage back into their own community. These homes at Portage, Swan River, Virden, Boissevain have proved to be very successful and we plan to establish 10 more such facilities across the province.

I would be guilty of ingratitude if I did not express my thanks and appreciation to those local groups that have supported these community residents and made their effective existence possible. In addition to freeing beds at Portage, we have made provision in these estimates for two new cottages to be established at Portage because we have met with success in the . . . . four cottages. The cottage program is far better than the more traditional institutional setting.

Provision has also been made in the estimates for the first phase of extensive addition proposed for the St. Amant ward. In the area of adult corrections, we have been faced with trying to institute a rehabilitative program rather than the punitive incarceration. Unfortunately, the facilities have not assisted us in these efforts, since they are overcrowded and were not initially constructed with rehabilitation as a major goal. However, we have continued our attempts at making rehabilitation the theme of our corrections program. We have upgraded our staff, including adding a staff training program as well as additional staff members.

Since the proclamation of the Intoxicated Persons Act, we have noted a decrease in the numbers of inmates in our jails. This should help us to introduce new programs of rehabilitative nature. We also expect to improve the physical facilities. In addition to the \$100,000 noted in the estimates, there are \$599,300 provided through Capital Supply for a program at Headingley plus improvements at other correctional institutions. Some of this money will also be used for a new facility at Brandon; the final cost of the Brandon Correctional Institution being estimated at a half a million dollars.

Third, the Public Health Division. A program of preventative medicine is provided

(MR. TOUPIN cont'd.) . . . . . throughout Manitoba by the Public Health Unit. The establishment of a southern health unit marks the final health unit. We shall continue to absorb remaining unserved areas into existing units. The emphasis in Health Units is shifting to greater concern for problems of the aged and those with chronic illnesses: Home care and follow-up services. Similarly, the units are involved in the care of mentally ill. The health units are also increasingly active in the field of pollution control. With the removal of the federal restrictions, we are developing a family planning program. The health units are the vehicles for bringing the full resources of the department to the local areas of Manitoba.

The care services budget has increased by just over \$1,000,000.00. This reflects increases to the persons on home-care programs supported by Social Allowances, increased cost of operating health care facilities and by an absolute increase in the number of beds available. Please note the provision of additional beds which are now underway. Between 1700 and 2000 beds will be provided in the next year or two in the Metropolitan Winnipeg area. These beds will relieve acute hospital beds, hence making these beds available to those who most need them. In other words, we shall have better utilization of, and access to, acute hospital beds.

4. The Social Services Division. I have expressed my sympathy and agreement with the principle behind the social service audit and its recommendations. I expect to implement the following recommendation within the next twelve months: (1) A bureau of social statistics. (2) A provisional Social Welfare Advisory Board. (3) A Metro planning council. And (4) The establishment of no less than two experimental community social service centres. The precise nature of each of these developments will have to await the completion of planning by my department's officials, our consultation with the sponsors of the audit and further consultation with those in the field of social services who have an interest in these developments and will be affected by them. The estimates provide for 24 new positions in the Social Services Division. It should be pointed out that these are clerical staff who will relieve professional people of these clerical duties and liberate their expenses so that they may reinvest their training and skill. This I expect will allow us to expand and improve our services in a most economical manner.

I can report to you that a site has been chosen for the new Juvenile Reception Centre. Namely, La Verendrye. A planning committee is presently developing the functional program for this centre. The centre will cost an estimated \$2,000,000.00. It is the largest single capital item in our estimates of this year.

5. The Agency Relations Division. This division co-operates with the many voluntary health and welfare agencies in auditing their programs and recommending to government their request for grants.

The Manitoba Hospital Commission and the Manitoba Health Services Insurance Corporation tomorrow, April 1st, 1970 will mark the completion of the first year of operation of the Medical Insurance Program.

On July 1, 1970 we will have completed 12 years of operation of the Hospital Insurance Program. In the nine months of 1969 in which the Medical Insurance Program was in operation, the plan cost a total of approximately \$38 million. This total is made up of medical insurance costs of approximately \$35.2 million; optometric and chiropractic insurance costs of approximately \$1 million, and administrative costs of approximately \$2 million. In 1969, the total cost of the Hospital Insurance Program amounted to approximately \$81 million. The cost of the operation of the Medical Insurance Program for 1970 will be \$55 million. For 1970, the total cost of the Hospital Insurance Program is estimated to be \$89 million, an approximate 10 percent increase over actual expenditures in 1969.

Therefore, the total cost for 1970 of the Health and Hospital Insurance Program is estimated at \$144 million, or \$148.50 for each resident, man, woman and child, of Manitoba. This is what we must pay for the protection we have against the crippling cost of illness. The difficult challenge that faces the Hospital and Medical Insurance Program is to maintain cost increases at a reasonable level within the financial resources of the province and, at the same time, to promote the development of health facilities and services in the interest of good patient care. Only through the proper allocation of our health resources can this challenge be met. This calls for the planning of new programs to complement the services of our hospitals and other health facilities and the fostering of existing Alternative Care programs in close co-ordination with the development of hospitals.

(MR. TOUPIN cont'd.)

We have continued to work closely with the government of Canada in investigating the rising costs of health care, which are a concern of both governments. We intend to pursue the recommendation of the Task Force, of the Task Forces of the Committee, of the cost of health services by working closely with the associations and the institutions involved in the provisions of these services. The Manitoba Health Services Insurance Corporation has been working closely with the medical profession and, now that the Health Insurance Program is one year old, there appears to be a greater acceptance of the program by doctors. When the program began, 35 percent of the doctors had elected to opt out. Today 84 percent are opted-in doctors.

The Corporation has entered into a formal agreement with the Manitoba Medical Association with regard to a Medical Review Committee to examine patterns of medical practice, and is working closely with the College of Physicians and Surgeons in developing a standard approval program for diagnostic, laboratory and X-ray services. In accordance with the overall objectives of achieving a co-ordinated balance and integrated system for the delivery of health services, a number of decisions have been made resulting in a close joining of the Manitoba Hospital Commission and the Manitoba Health Services Insurance Corporation. During this Session, a Bill will be introduced extending this integration to the board level. The Bill will provide for the Commission and the Corporation to be replaced by a new authority to be called the Manitoba Health Services Commission. This step will complement the administrative integration of the two agencies, which has already begun, and which will be completed when the staff move into common quarters in the former MMS building at 599 Empress Street.

(MR. TOUPIN here spoke in French, which will appear in the next Hansard.)

MR. GREEN: Committee rise, Mr. Chairman.

MR. CHAIRMAN: Committee rise. Call in the Speaker. Mr. Speaker, the Committee of Supply has directed me to report progress and asks leave to sit again.

#### IN SESSION

MR. DOERN: I move, seconded by the Honourable Member for Kildonan, that the report of the Committee be received.

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

SERGEANT-AT-ARMS: His Honour the Lieutenant-Governor.

MR. SPEAKER: We, Her Majesty's dutiful and faithful subjects of the Legislative Assembly of Manitoba in Session assembled, approach Your Honour with sentiments of unfeigned devotion and loyalty to Her Majesty's person and government, and beg from Your Honour the acceptance of this Bill No. 29, an Act to authorize the Expenditure of Moneys for Capital Purposes and authorize the Borrowing of the same.

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

MR. GREEN: Mr. Speaker, I wonder if I can have an indication from members opposite. There are ten minutes left. I can call Bill No. 4 if they like or we can call it a day.

MR. CRAIK: Perhaps, Mr. Speaker, you'd like to call it 10:00 o'clock.

MR. SPEAKER: Call it 10:00 o'clock? Agreeable?

MR. WATT: Mr. Speaker, before you call 10:00 o'clock, could the House Leader indicate if we'll be proceeding on Health and Welfare tomorrow?

MR. GREEN: Yes, Mr. Speaker. My understanding is that the disposition of the members opposite is that we now finish Health and then go back to Agriculture, when that's through, and that's agreeable.

MR. WATT: A further question. I'm sorry I wasn't in the House when the Health and Welfare estimates began. Will we have an interpretation of what the Minister has said to the Legislative Assembly before the . . .

MR. GREEN: Mr. Speaker, I would think that the remarks that the Minister made in French were all fairly well, or for the most part, were also said in English and they will - my understanding is that Hansard usually interprets, but I don't think that the honourable member will miss any part of the estimates because some of the same things were said in French as were said in English.

MR. BILTON: . . . House Leader, Mr. Speaker, if you please. Is it the intention to continue through with Health and Welfare until finished.

MR. GREEN: Yes, Mr. Speaker. 10:00 o'clock, Mr. Speaker.

MR. SPEAKER: Yes, I'm just waiting for the page boys to approach the end of their distribution. I now call it 10:00 o'clock. The House is adjourned and will stand adjourned until 2:30 tomorrow afternoon.