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**DEBATES
and
PROCEEDINGS**

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LEGISLATIVE ASSEMBLY OF MANITOBA

Friday, March 16, 1979

Time: 2:30 p.m.

SUPPLY — FINANCE

MR. CHAIRMAN: Committee come to order please. Resolution 47: 1.(a) Minister's Salary; when we broke at 12:30 the Member for St. Johns.

MR. CHERNIACK: Well, Mr. Chairman, I was just completing a point I was making. That is that I cannot accept that a department can function without sufficient staff, and if there are 9 people who are in the chartered accountant class that cannot be recruited because of the inability to measure up to the market demand, then, I think it's up to the Minister to have the salary classification reviewed, and quickly, and decide how you go about recruiting the people you need to do the job that has to be done. That was the end of that point. I had nothing further to say on that.

MR. CHAIRMAN: The Honourable Minister

MR. CRAIK: I think Mr. Chairman, it's a valid point as well.

MR. CHAIRMAN: The Member for Transcona.

MR. PARASIUK: Mr. Chairman, I haven't been able to be here for the review of Finance in that I've been in the other committee room, and I don't think this is too late to raise this particular point. I think it was in 1974 that the federal government indexed personal income taxes, it might have been 1974 or 1975, I'm not certain. But I do know that studies were done by the Manitoba Government at that time indicating how much the province would lose in revenues as a result of federal indexation of income tax. And there were also analyses of how this would benefit taxpayers at different income levels.

I would like the Minister to indicate whether in fact his department has done any analyses to determine whether those predictions in 1974 were correct? And if he has any indication of how much the Manitoba Government has lost on a yearly basis in revenue since the federal government indexed personal income taxes?

MR. CHAIRMAN: The Honourable Minister.

MR. CRAIK: I think we could get that, Mr. Chairman. We might not have the breakdown in terms of the income categories. It might take a little more, but the total runs around \$22 million to \$23 million a year. That's fairly consistent over those years. But, if you want further breakdown, we'll have to . . .

MR. PARASIUK: Yes, I wouldn't want to hold up the proceedings if you undertake that you would provide that to me, I would appreciate that for a number of reasons. One of the reasons why I do think that provincial governments across the country have been having difficulty in balancing their budgets has been because the federal government did index personal income taxes. Now, while this is of benefit to taxpayers it was something that was done against a lot of opposition by the provinces and it had a very deleterious effect on the budgeting processes of provinces.

I'd like to determine whether in fact this has been worth it as such because it is a type of tax transfer back to taxpayers and if you are providing information on this, it would be useful to get the impact on different family levels. I know that when you announced tax cuts that the province made last year you provided tables indicating what the impact would be for taxpayers at different income levels. So I think that in assessing what we're trading off in terms of revenues lost by federal action against what the taxpayers in Manitoba have benefited, it would be good to know who was benefiting from this, and to what extent. So would you be able to do that?

MR. CRAIK: Yes, by income category?

MR. PARASIUK: That's right.

MR. CRAIK: Yes, I think we can do that.

MR. PARASIUK: I'm a bit curious when you say that roughly speaking the amount that Manitoba is losing is something in the order of, say, \$22 million, \$23 million per year, and that it has been constant. My notion of indexing is that that should be increasing as our rate of inflation increases, because it has been increasing on a yearly basis.

MR. CRAIK: Well, it's in that range. This year's looks like it will probably be about \$25 million.

MR. PARASIUK: Okay, well, I will await the specifics on it and if I have the undertaking from the Minister that I will receive that information, I really don't want to discuss or debate anything hypothetical. I will wait until I get the information and then I will have some room for raising this in the future, if I have cause to . . .

MR. CRAIK: In the Budget?

MR. PARASIUK: . . . in the Budget or something like that. Thank you.

MR. CHAIRMAN: The Member for St. Vital.

MR. WALDING: Mr. Chairman, further to that last point when the Minister said that the amount was rising by approximately \$20 million a year. Can I assume from that remark that it's only the \$20 million over the preceding year, not over the base year?

MR. CHAIRMAN: The Honourable Minister.

MR. CRAIK: The difference between what you have received in revenue as opposed to not received has been running about \$22 million to \$23 million per year.

MR. WALDING: Yes, okay, Mr. Chairman. So the first year that the indexing came in there was a loss in revenue of, say, 22. If that went up the second year, then that's 22 for the second year plus 22 for the first year, which is 44 since the indexing came in.

MR. CRAIK: It doesn't compound. It's straight 22 to 23 it's been averaging out over those years each year, and if all of a sudden you wiped it out, your level of income two years later doesn't go up \$44 million; it goes up \$22 million.

Well, okay, let's get down to basics here. It started in 1974-75. This is 1979-80; this is five years later. If, in fact, indexing had never occurred, what would our revenues be this year as opposed to what they will be? What would be the difference? Then the difference would be, I gather, five times roughly the \$22 million; so it would be a difference of about \$100 million.

MR. WALDING: That's for this year?

MR. CRAIK: Well, just a minute. I'm going to have to ask again. I'm going to have to take the question as Notice.

MR. WALDING: Let me try again, Mr. Chairman, as to what is my understanding of this. If back in '74 the indexing came in, and we lost, say \$20 million in round figures the first year because of the indexing, and it was then not indexed a second time we would presumably lose approximately the same amount on the second year for another \$20 million. And this would go on. But the indexing has been a regular thing year-to-year, each time it goes up. Now, if the amount has been \$20 million a year, then that's \$20 million because of the indexing from the first year. Now if you go back to square one when there was no indexing at all and you lost \$20 million in the first year, it should be \$40 million in the second, \$60 million in the third, and so on. So, you know, if you take them in a grand total from the beginning you run up \$120 million for the third year, and it would go up at a tremendous rate.

MR. CRAIK: That's what I've taken as Notice, and we'll just get a double-check on it.

MR. PARASIUK: Yes, I just wanted to say that there is a very big difference in that. On one basis the total might be about \$110 million, or if it's the other way as my colleague from St. Vital is implying, the cumulative total could be something in the order of \$320 million. So I'll await the

MR. CRAIK: Yes, if it's that way, that's right. You'd have to take 120 from this year 100 from last year, and 80 and 60, but we'll get that double-checked.

MR. CHAIRMAN: 1(a)—Pass. The Member for St. Vital. The Member for St. Johns.

MR. CHERNIACK: Well I might tell you, Mr. Chairman, I've a number of subjects to raise so that we won't be passing it that quickly. I'm coming back to the reply given on the status of permanent positions, and note Corporation Capital Tax that there's an approval for an increase in January of '79 over January of '78, and an actual reduction of one person filled and a vacancy of the other two increased. I'd like to understand again, and refer back to the minister's undertaking to give us some idea of the workload, to understand how it is that more staff is needed to handle a smaller workload? And I am wondering now if the minister has as yet received the information as to the number of returns being dealt with as a result of the increased exemption?

MR. CHAIRMAN: If I may to the Member for St. Johns, are we dealing specifically with the Item 4.(e) or was this a question that was asked prior and was going to be answered?

MR. CHERNIACK: The latter, although there's nothing wrong with the former either, Mr. Chairman. We're dealing with the minister's salary. He gave us an answer now, a partial answer, and I'm asking for the further answer. All

MR. CHAIRMAN: I'm asking is for clarification. The Honourable Minister.

MR. CRAIK: It's corporation capital tax here.

MR. CHERNIACK: Yes.

MR. CRAIK: Now, your question is if the amount of total of this with the changes that have been made in the Corporation Capital Tax Act the question is, why are the SMYs as high or why are the numbers of people as great as before. —(Interjection)— SMY is higher by two and actual is 13 as opposed to last year's 14. Well, I gather there are not plans to fill the other three, Mr. Chairman. They are there but it's apparently not in a rollover condition like some of them are.

MR. CHERNIACK: All right, so there's a reduction by one. I asked the Minister yesterday if he could give us the number of taxpayers and he said that he'll get the numbers.

MR. CRAIK: I don't have the comparison of the number of actual taxpayers under this. I do have some figures for the actual total revenue, the 1977-78 projection. Well, the actual for 1977-78 was \$13,217,000 and I don't have a figure that would have been projected had there been no change. It would have been higher than that but at the time the differential was given and as I recall it changed by about \$3 million. About a \$3 million reduction.

MR. CHERNIACK: Well, Mr. Chairman, the Minister yesterday said there was a reduction from \$14 million to \$11 million which is consistent with what he said now. But, I would have to go back if it were of great moment, I don't know yet, to the debate on the increase in the exemption and I would guess then that it would have been stated, and I'm just guessing, that there would be a savings in workload but reducing the number of returns that would have to be filed because of that great change in the exemption and the elimination of what I believe was projected to be a very substantial number of taxpayers. That's my impression. And, if I am right, I would like to have confirmation of that. And, that's why I am sure that the information is available and it may not be at hand, yet, as to the number of returns filed in the period since the change compared with a comparable period from before the change. And, if the Minister doesn't have it, I don't consider it that important that we get it during his Estimates as long as we do get it.

MR. CRAIK: I think that would be valuable to have, Mr. Chairman, and I will undertake to get it.

MR. CHAIRMAN: Pass; the Member for St. Johns.

MR. CHERNIACK: Mr. Chairman, I now, subject to my colleagues wanting the floor — no?

The next item I'd like to refer to, and I'm still trying to keep some sense of order in the chronological form, was the question that was referred to an answer dealing with \$23.4 million that was set up in a trust account as at March 31, 1978. The Minister has his memo before him, his reply. It says this was the amount established as a year end liability to the Manitoba Health Services Commission in accordance with a funding arrangement. I'd like to know when that was set up as a liability from the government to the MHSC?

MR. CHAIRMAN: The Honourable Minister.

MR. CRAIK: Well, is this in the 1977-78 fiscal year-end statement?

MR. CHERNIACK: It is in that statement but it was set up, I believe, substantially into the current fiscal year and that's why I wanted to know when it was so done.

MR. CRAIK: In June, 1978, it was noted that the province had a liability as at March 31, 1978, to MHSC in the amount of \$12 million. Well, it's in the financial statements.

MR. CHERNIACK: What page?

MR. CRAIK: Page 26. In June, 1978, was when it was set up.

MR. CHERNIACK: All right, I see then, that according to this statement it was set up in June of 1978. Now, as I recall the statement there was \$5 million beginning of that year, there was \$23 million at the end of that year and now this answer says that the funds will be totally withdrawn before the end of this fiscal year. Is that correct? Is there not a carry-over from year to year? Will there not be a carry-over at the end of this year?

MR. CRAIK: Well, Mr. Chairman, I can only indicate the information that has been provided by the staff.

MR. CHERNIACK: Yes, well, I believe and I did refer to this in the House, and the Minister said he was sure that I would be bringing it up at this occasion and he's quite right. I believe that this was an accrual, an account payable entered up in last year for monies not yet payable at that time and is similar to the \$30 million-odd that was set up as an account payable to the federal government. Now, I'd like confirmation that it's in the same category of something that was not yet payable to the Health Services Commission but set up as an account payable in the expectation that it would be needed by the Health Services Commission in the current fiscal year. Again, I'm not at this stage going to debate the justification of it. I just want to confirm the fact that it was the same kind of a bookkeeping entry.

MR. CRAIK: Well we can get more information for you on that. Again, it is part of the accounts that we're going to be going over in the Public Accounts Committee.

MR. CHERNIACK: Mr. Chairman, I asked the Minister at the same time on page 935 of Hansard, "I would ask the Minister if there are any other liabilities of the nature we've just discussed that have yet to be paid in this coming fiscal year, 1979-80?" I said: "Yes," and he said: "I'll take the question as noticee."

MR. CRAIK: I don't have an answer for the member at this point.

MR. CHERNIACK: Well, I'm trying to adjust to that information because I had hoped to develop on it but if it's not available I can only assume that it will be made available at the earliest opportunity.

MR. CRAIK: Well, we'll take note again of the member's question and we'll undertake to get him the information.

MR. CHERNIACK: I just want to elaborate a little on that, Mr. Chairman. There's \$23 million owing according to the records and according to the financial statement as of the beginning of this current fiscal year and the information, the reply that we were given today says that these funds are drawn down as they discharge their liabilities and will be totally withdrawn before the end of this fiscal year. May I ask whether I interpret that to mean that \$23 million will have been drawn down and nothing more owing or is it possible that there will be another ongoing accrual of an account payable shown in this year? That is my question.

MR. CHAIRMAN: The Honourable Minister.

MR. CRAIK: Again, yes, year by year. Well, it could happen. It could carry it on again. Yes, well I presume this is done, until we get on . . . I think I'm correct in this, but I think that as long as we're on the system of financing that has been going on with federal grants to the province by way of MHSC, that that will continue to be a likelihood. If we go over to the bloc funding, as was planned to have been done this year prior to the change in the federal government's financial restraint program when it forced all the changeover to bloc funding for one more year, until that happens I think that that is the prime use of this fund; is it not? Or this technique? I gather the usual pattern is to use the federal funds first and then to use the provincial funds second in the payments to MHSC.

MR. CHERNIACK: Mr. Chairman, I will make a statement and give the Minister an opportunity to respond to it now or after — he may want to investigate it — and that is that formerly there was something like a working Capital account established, which MHSC used, but that in that previous 1977-78 year there was a dramatic change, which came about due to the fact that it was found that the MHSC statement revealed a \$23 million liability as an asset — liability owing by the provincial government — as an asset of MHSC and there was no corresponding liability shown in the books of the government's accounts and then — and I guess that date may be right — in June, after the books were closed, it was decided to create that journal entry or book entry to set up a liability by the provincial government to correspond with the assets shown in the MHSC books and that that was done for that reason, and that therefore \$13 million was taken out of 1977-78 to add to another \$10 million previously done, to have the two books coincide but that it was not the intention prior to that, of the provincial government to show that additional \$13 million.

MR. CRAIK: Mr. Chairman, I can check on it for the member. I think I follow what he is attempting to say, but let me check on it.

MR. CHEIACK: All right, then, the further conclusion is that the deficit for 1977-78 was increased by that \$13 million, by the fact that MHSC set it up as an account receivable. That is, the overall deficit for the year. And that is I would like to have confirmation or explanation of a wrong conclusion, in due course.

MR. CRAIK: Well, yes, we can look at that. I am also aware that we had to set aside funds for the repayment of some of the mining tax under the three-year averaging, that we were busy putting away for this last current year something in the order of \$7 million for that purpose, to pay for previous years.

MR. CHERNIACK: I appreciate the Minister volunteering that information. That is sort of in compliance with my requests of any other funds that were set up as payables, and I didn't know about this item so I appreciate his telling me that and I hope that he will honour his undertaking to continue to tell us of any other changes that were put on an accrual basis rather than on the cash accounting basis, which I think was the former method.

MR. CRAIK: My understanding is that, on the mineral taxation, it all came out of the one year — out of this last year. However, we will check and see. It wasn't an accrual; it was cashing it out in this year if required.

MR. CHERNIACK: I accept that as being something that will get clarification, and I am ready to move on to another item, Mr. Chairman.

Mr. Chairman, my colleague from St. Vital would like to ask something about Highway Appropriation answer, and I would like to deal with that, too. (See Addendum No. 3.)

MR. CHAIRMAN: The Member for St. Vital.

MR. WALDING: Thank you, Mr. Chairman. Before I get to it, I wonder if I could ask the Minister if he's had a chance to check if the information was available on the other question that I asked him, having to do with the two-tier tax system. He said that he would get the information, if it is readily available, and . . .

MR. CRAIK: I think it is. Yes, I believe I have that, Mr. Chairman. I think I have it here and I shall provide it to him. If he wants to carry on, we will.

MR. WALDING: I raised a question having to do with Highways Account 5(b). There is a written explanation of it here, and I don't think I understand it entirely. I wonder if the Minister would mind going over it.

The explanation says "To have been treated consistently from year to year the expenditures account should have been grossed up." The question is why was it not treated consistently and where was the account shown in the Estimates last year?

MR. CHAIRMAN: The Honourable Minister.

MR. CRAIK: Well, if they were both on a growth basis the amounts would be almost identical. 1978-79, as indicated would show as \$4.829 million.

MR. WALDING: I understand that there was \$4.8 million spent in this area last year, but that the book shows just under \$1 million. The first question is, where was the balance of that \$4.8 million in the Estimates last year?

MR. CRAIK: Maybe while the staff is busy working on this we can go on.

MR. CHAIRMAN: The Member for St. Johns.

MR. CHERNIACK: I want to go to the item dealing with Highways and tie it in with the, well firstly to try and understand it. Apparently there's been a change. I'm looking at the reply on Highways which indicates that the figures were not quite comparable as shown in the Estimates on Highways, and that there was \$1.7 million not grossed up and I'm not going into the Highways, but on the method of presentation. In this case, apparently there are external recoveries which had previously been shown as revenues, which the government is now in the new estimate structure showing as a reduction in expenditure. I'm just looking to see the difference to understand the procedure used by the minister in the presentation of this year's revenues and the changes.

Under assistance program is where this is and the figures are different, and they are different to the extent that there's some \$1.7 million was not shown as a charge against a gross expenditure.

MR. CRAIK: Last year.

MR. CHERNIACK: Last year.

MR. CRAIK: I think the netting was last year and the grossing was this year.

MR. CHERNIACK: Yeah, that's right. I'm finding it confusing, although we can work our way through it, so I'm leaving that because that it is in the Highways Department. I don't think it's too important as long as we understand the principle.

I want to refer the minister to my reference to Bill 16 and ask him whether he's had an opportunity to look at that, that's on Page 936.

MR. CRAIK: No, I have not and I will discuss it further. I haven't had an opportunity yet to discuss it with the staff.

MR. CHERNIACK: Well, I hope we'll be through today. If we're not, then of course, we have the week-end in which the Minister can do it, but I don't know any other opportunity that we would have to discuss the principle involved in the presentation of Estimates and really the accounting, more important than that.

Bill 16, and I can summarize it very easily, provides that certain moneys that come in as revenue to the Land Titles Office, shall be diverted at the instance of the Registrar-General for use for a purpose of expenditure in that department. And as I interpret it, it means that it won't be shown as revenue, the incoming moneys, nor will the disbursement be shown as an expenditure, although I have no doubt that somewhere in the reports of the province; it will show up somewhere. But that removes it from the legislative review process of the Estimates, where you authorize expenditures, and as I read Bill 16, that authority is no longer going to be available to the Estimates process.

Now, it's a very small amount, and I'm therefore not discussing that particular item, I'm discussing the principle because the very next Bill 17, is designed to see to it that in the case of revenue and expenditure for the Manitoba Gazette, that it is shown as, "All revenue for the Manitoba Gazette goes into revenue, all expenditures for the Gazette go into the Estimates," which is to be a direct contradiction between the principle in Bill 16 and the principle in Bill 17. And now we find in Highways that there's a change again, the netting out. And I'm concerned that the streamlining that may be taking place somewhere, and in a contradictory fashion, should not confuse the picture and remove it from legislative review.

So I'll go one more step, but just a partial step forward because apparently there's proposed changes of The Financial Administration Act, which is designed to take refunds and charge them against revenue rather than as an expenditure. So I've tried now to show the minister where I think there are contradictions in approach. In a hope that at some stage, and maybe it should be at the next meeting of Public Accounts if we have some idea it will be meeting fairly soon, and I hope before we deal with Bill 16 that we will be able to resolve what I think is a contradiction in presentation and try and understand it. And, may I say, that after having considered it, yesterday I think it was, I wrote to the Provincial Auditor inviting his comments on the principle in Bill 16 and I sent a copy to the Attorney-General whose Bill it is. So I want the Minister to be aware that what I'm looking at, what concerns me is not any form of impropriety but rather a consistency that I'm afraid is being attacked or lost. Now, I don't know when the Minister thinks he can deal with this at an opportunity when we are still able to discuss it in committee.

MR. CHAIAN: The Honourable Minister.

MR. CRAIK: Mr. Chairman, I haven't had a chance yet to deal with it. I recognize the member's point and his concern as well. I know the Bill states that the income may be used in that way which I will discuss with him later after I've had a chance to have a further look at it.

MR. CHAIRMAN: The Member for St. Johns.

MR. CHERNIACK: Mr. Chairman, I have begun to fear the word "may."

MR. CRAIK: Yes, I know and I don't disagree with you either. No, I agree there is something there that we're going to have to re-examine because even the word "may" does still leave — I think you have to have a good cause to put the "may" in there and I want to do a recheck on it.

MR. CHERNIACK: Well, not just the fact that the word "may" — I believe it also implies you may not use it for any other purpose, which again sort of freezes a revenue into a category. I might just say en passant that when I read the Tritschler Report we received today that he says that the government may refer somebody to an independent newly established board, which may make a recommendation to the Lieutenant-Governor-in-Council, who may then follow the recommendation. I think we have to watch these "mays" and see what they really mean. Well then, the Minister says that he will look for an opportunity to discuss it and as I say, if we don't complete the Estimates today, then I hope that we can deal with it on Monday. I hope he'll have time to review that on Monday, because we are faced with two bills, Bills 16 and 17 and we will be faced with The Financial Administration Act. So I think that that will be dealt with but I'll have to leave it for now on that basis unless the Member for St. Vital wants to deal with Highways some more.

MR. CHAIRMAN: The Member for St. Vital.

MR. WALDING: Is the Minister now in a position to give me an explanation on this point, Mr. Chairman?

MR. CHAIRMAN: The Honourable Minister.

MR. CRAIK: Well, Mr. Chairman, the general direction is to attempt to gross, show everything in gross which was done in 1979-80, the coming year. If you take the \$4.8 million there and go into the Estimates book and subtract on page 46, last year's Estimates, \$3,100,000 from that, Vote No. 70, Item 5.(b). You see a figure \$3,100,000. Now, if you take that and subtract it from \$4,829,500 you come out with \$1,729,000, which is the revenue item. If you take the \$3.1 million, add back the revenue figure of \$1.729, you come up with the \$4.829 that's shown when you gross it. That gives you your gross. That shows you where it all is but the reason for doing it in 1979-80, the coming up year, is to show amounts in gross figures. I'm advised that there isn't really any substantial change in the net because they come out almost identical.

MR. WALDING: One small discrepancy, Mr. Chairman. The left-hand figure of the 1978-79 is 818 thousand and it's shown on this year's book as 914. I assume that's because salary increases are folded into that.

MR. CRAIK: There is a small difference of GSI investment. .

MR. CHAIAN: The Member for St. Vital.

MR. WALDING: Then can I ask the Minister why this amount is not shown in the Reconciliation Statement at the beginning of Highways?

MR. CRAIK: The difference is included entirely in the GSI figure in the Reconciliation Statement, which is \$1.167 million.

MR. WALDING: The fact remains, Mr. Chairman, that there was \$4.8 million actually spent, yet the left-hand side of the Estimate Book shows \$914,000 spent. Now where is the reconciliation between those two figures?

MR. CRAIK: Yes, well that's where you get, one is net and one is gross. The only difference boils down to \$14,500, and it's GSI.

MR. CHAIRMAN: The Member for St. Vital.

MR. WALDING: Can I ask the Minister then, why was it necessary to change the method of showing this, net in one year and gross in the other?

MR. CRAIK: Well, in the new Financial Administration Act the attempt will be to show expenditures in gross and it's a discretionary does is it really increases the expenditure in total, this year, in appearance, on the right hand side.

MR. WALDING: Yes, Mr. Chairman. That, I believe, is the essential point here, that it gives the appearance of an increase, whereas the fact of the matter is that there is a decrease in Highways' spending this year, from last year.

MR. CRAIK: Well, it's the same. They are identical except for the GSI. Oh, I see, okay, I know what you mean now, as far as the appearance of the book is concerned. But in actual fact, the amounts are the same as indicated in the explanation sheet apart from the GSI, but unless you figure it out the way you have, you're saying it would appear that there may be more increase than there actually is.

MR. WALDING: Yes, that's exactly the point, Mr. Chairman. I'm saying that according to the Highways Book that was presented to us, there appears to be an increase in Highway spending from \$134.8 million up to \$136 million, but if you present the figures in the same basis, there would be an actual decrease from something like \$136.5 million down to \$136.1 million. That's the only point that I was making.

MR. CRAIK: Yes. There's no substantial change then. There is one other factor, and I'll get it checked out. I think there are some Highways provisions in the Northern Affairs vote though, that would be in Highways too, but if you want to ask when we get to Northern Affairs, I think you'll find a break-out there. Some of the Highways vote comes under the Northlands Agreement.

MR. CHAIRMAN: Is the Member for St. Vital finished?

MR. WALDING: I believe so, Mr. Chairman.

MR. CHAIRMAN: The Member for St. Johns.

MR. CHERNIACK: Thank you, Mr. Chairman. It's just a minor thing, we now have a Reconciliation of Adjustments for the item of Administrative Services, which I think is I.(c) of the Estimates, and the only confusion this created is that, from my notes, I understood that the Budget Branch had gone to Program Analysis, and then I understood that one person, I think, moved from Budget Branch to Comptrollers Division, that's what I think we were told. But now I see that there were three and one-half people moved from Budget into Administrative Services, so I wonder whether we can't get that clarified? Where did the Budget Branch go, does that show anywhere?

MR. CRAIK: The Director of the Budget Branch and of Administrative Support, are included in Administrative Services.

MR. CHERNIACK: So now we have the Budget Branch split into three directions; one is the former head man of the Budget Branch is now in Administration; a substantial number, I don't know how many — I don't know why I think seven, but I don't remember how many — went to Program Analysis and Review; and one, I think, went to the Comptroller's Division. Now where is the former function of Budget, the function itself, where has it gone to?

MR. CRAIK: Well, the Director of Administrative Services is still the former Director of the Budget Branch.

MR. CHERNIACK: I understand that, but I was talking about the function of the Budget — possibly we can just get a quick recap of what was the Budget Branch, and what was its former function, and where's that function now resting?

MR. CRAIK: Mr. Chairman, there's only then two that were in the Budget Branch that are not there now, and one has gone to Program Analysis, and the other one has gone to Comptrollers.

MR. CHERNIACK: So except for two people, the Budget Branch is still performing its same function under General Administration where it was all the time?

MR. CRAIK: Part of the function that the Budget Branch did carry out were administrative, and that has been retained under the Administrative Branch with the same Director.

MR. CHERNIACK: Mr. Chairman, I had the impression that the Budget Branch monitored the expenditure of moneys to accord with the allocations, the appropriations; whose doing that?

MR. CRAIK: Well, that primarily is the Comptrollers Division, and with the development of the information system that is under way, the Financial Information System, that will be lodged in that Division, primarily. We have a . . .

MR. CHERNIACK: Comptroller.

MR. CRAIK: Yes, we have a fairly major program under way at the present time, on Financial Information Service Study, and which involves a fair amount of research and therefore is not completed at this time, and probably won't be completed until about June.

MR. CHERNIACK: I'll move on, Mr. Chairman, to the answer on Refunds, which is a one and one-half page document, totalling \$3.3 million. I recognize, under Retail Sales Tax, Air Canada, one quarter million; and under Metallic Minerals INCO, \$1 million; so I recognize about \$1.3 million, which is shown in my mind as being part of the \$1.75 million being allocated for this current year. But am I correct now in assuming that that \$1.325 million allocation is going to turn up to be \$3.3 million, does that then mean that either there has been a special warrant or we are yet going to get a Bill to take care of that increase?

MR. CRAIK: Well, Mr. Chairman, it's somewhat awkward on these one-to-one questions. I'll get that — I think we have it right here — but perhaps you want to ask a number of questions with

regard to that?

MR. CHERNIACK: Okay. Under Highways, there's over a million dollars in refunds. Maybe that doesn't come out of this allocation; maybe it comes out of somewhere else; but that seems like a large amount not provided for, unless it's provided elsewhere?

MR. CRAIK: It was covered by special warrant up to the time of the special warrant, which would have been the end of January.

MR. CHERNIACK: How much was there?

MR. CRAIK: In special warrant? I don't recall the amount.

MR. CHERNIACK: Oh, it's coming apparently. It should be \$1.6 million. If it isn't, then I'm going to be asking the question again, Mr. Chairman, so I can set it aside until the information comes.

Just to say this, if we take out this one and a quarter million representing Air Canada and INCO from the \$3.3 million, we're still left with about \$2 million of experience in this year, and yet the Department is only asking for \$750,000 for this coming year, and I wonder if there's a conciliation about that?

MR. CRAIK: The changes in the coming year, with the change in the Financial Administration Act, that refunds will be refunded out of Revenue .

MR. CHERNIACK: So that am I to interpret that the \$750,000 are only there for a partial year until the new Act comes in?

MR. CRAIK: Yes.

MR. CHERNIACK: Well then, Mr. Chairman, I have to assume — and this is not unlike the Member for St. Vital's question about Highways, — that when you, the Minister, talked about an increase of 2.-some percent, or whatever it is, that in fact it was known then and is known now, that it's not comparable, that there will be further expenditures by way of reduction of revenue in this item of refunds, which may be based on this current year's knowledge in excess of \$1 million.

MR. CHAIRMAN: The Honourable Minister.

MR. CRAIK: Yes, the question is, how much? And probably, you can't tell that until your experience is over but if we were budgeting on the basis of providing for it as an expenditure, we would probably provide for about \$2 million.

MR. CHERNIACK: So, Mr. Chairman, that means to me that had this actually been comparable the way it purports to be, and I am choosing my language as carefully as I can, then to be comparable, this figure of three-quarters of a million should have been \$2 million and that the increase in expenditures would have been reported at \$1.25 million more than they were reported in the expectation of that \$1.25 million will later be shown in the revenue statement as a reduction revenue.

MR. CRAIK: I think that's probably about right. Both your revenues and your expenditures would be up by the same amount, roughly perhaps \$1.25 million, or \$1.50 million, more than what's shown.

MR. CHERNIACK: Which means to me, Mr. Chairman, that when the minister went through the exercise of doing a calculation and presented his Estimates and said, "We have kept our increase and expenditure to a percentage," and I forget the percentage he stated but it was 5.7, that to the extent of this line itself, there was \$1.25 million more that should have been reflected in a percentage to make it something higher than 5.7.

MR. CRAIK: Well, it's pointed to me, Mr. Chairman, that it's just about the opposite to the Highways one, because the Highways one worked in the opposite direction, and neither one of them in terms of percentage would have changed the 5.6 percent by amount that could be called significant.

MR. CHERNIACK: Well then, I have to conclude, and I really mean conclude — not arrive at a conclusion — but actually close off the discussion from my standpoint subject to the information that has yet to come, by just saying that to some extent, the comparison was not really apples and apples, but that there was a difference in calculation between last year and this year as revealed by the two opposing variations; one in Highways and this particular one in refunds.

MR. CRAIK: Well, it turns out the amounts are almost the same, so they are offsetting, but there are different principles involved.

MR. CHERNIACK: Right, Mr. Chairman, and it may turn out that those two happen to be about the same but there may be all sorts of other items that have the same kind of variance which could distort these rough calculations which are bandied about. And I say that only because I think we should all be very wary about assuming that we are really comparing the same kind of thing even though the department, I am sure, made an effort to show a correct reconciliation. They have not succeeded and the extent to which they have not succeeded is unknown and I say that only because in my experience if you try to balance a set of books and you are five cents out, you can't assume that by putting five cents in one side or the other you are going to be right. That five cents may be an indication of \$5,000 or even \$5 million because a discrepancy is a discrepancy.

Subject to our getting the information on the amount of the Special Warrant and if it is much different to \$1.7 million then I could leave this and go on to something else.

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

MR. CHERNIACK: All right, Mr. Chairman. I think it's, well . . .

MR. CHAIRMAN: Pass; (1)(a).

MR. CRAIK: It's \$1.7 million.

MR. CHERNIACK: Right on. All right, Mr. Chairman, now we know. I appreciate the information and point out to you how well trained a department this is if they can produce information so quickly to show that balance, which would indicate that based on last year and leaving Air Canada, leaving out INCO, the expenditure would likely be \$2 million rather than three-quarters of a million, and the minister expects that \$1.25 million will be subsumed under the new legislation as reduction in income.

The next point I wanted to move to very quickly is the report given on the question relating to the Tax Assistance office, and the first two paragraphs, the first of which reads that, "January to April 1977, there were 28,000 people provided assistance and in the comparable period in 1978 there were 25,000 people assisted." I would like to know the difference in the nature of assistance, if any, because a phone call is assistance and filling out a tax return is assistance, and I would like to know if we can get some idea whether the assistance offered to these numbers of people had the same profile or not.

MR. CRAIK: Well I mentioned last night, Mr. Chairman, on the advice of the department, that there isn't a differentiation made by the operators when they get calls on income tax as opposed to tax credit.

MR. CHERNIACK: My point is misunderstood, Mr. Chairman. I do not believe that these figures of 28,000 and 25,000 were only phone calls. I assume that in some cases, somebody sat down with the taxpayer and helped that person fill out a form, and therefore, I am wondering whether we could learn how many were phone calls, and how many were actual physical assistance.

MR. CRAIK: I'll see if we have that.

MR. CHERNIACK: I am just waiting. I believe they would have that. There is going to be a vote.

MR. CHAIRMAN: If I may ask the indulgence of the committee; do we just recess? (Agreed.)

MR. CHAIRMAN: Committee reconvene. Item 1.(a) Minister's Salary — the Member for St. Johns.

MR. CHERNIACK: Thanks, Mr. Chairman. We were going to get some information on this tax assistance reply.

MR. CHAIRMAN: The Honourable Minister.

MR. CRAIK: Mr. Chairman, I'm still looking for some information. I thought I had some here.

MR. CHAIRMAN: The Member for St. Johns.

MR. CHERNIACK: Oh, yes, this is an interesting matter. The Minister referred yesterday to the tax comparison tables, and the fact that he thinks he complied with the Order for Return. But I thought he did too, except for two features: one is that I find it's still shown as being an outstanding Order for Return, and secondly, I very carefully worded that request for an Order to indicate that it was to be an ongoing thing. I said "continuing tables", and if that tax comparison table is still being prepared, which means certain pages are changed from time to time, then as I had suggested last year, it would be of greater convenience if, since a record is kept of who are the recipients of those tables, if the looseleaf pages were continued to be sent to those who have the tables, so that we can keep them up to date. It's not much of an effort once it's been established that way. And I do acknowledge that I've got it. Frankly, I don't know why it's still showing as an outstanding Order, but I know I received a booklet, and I'm just wondering if I could ask the Minister if it could be kept up-dated, if indeed it is still being maintained.

MR. SPEAKER: The Honourable Minister.

MR. CRAIK: My recollection is, too, that at the last minute the Order was withdrawn because I simply gave you the report, so maybe the Clerk could check, because I'm sure that that Order was withdrawn in the House.

MR. CHERNIACK: No.

MR. CHAIRMAN: The Member for St. Johns.

MR. CHERNIACK: Just to clarify, Mr. Chairman. It was not withdrawn. It was going to be objected to; it was about to be debated. The Minister came in and said, no, we will accept the Order. It was recorded as accepted. And then he did, indeed, distribute the booklet, but apparently he didn't file it as a return, and therefore it's still shown that way, and that is not the point I'm making at all. The point I'm making is the request that the Minister instruct the Department to continue to send out the up-dating looseleaf sheets so that that that book will continue to have value and be kept up to date. And I might say that I have not received any looseleaf up-dates since the time the book was filed with us.

MR. CRAIK: I'll check into it, Mr. Chairman.

MR. CHERNIACK: Well, I thank the Minister, and I will expect to get it then. We'll still wait for the tax assistance ones, so, Mr. Chairman, I can move on to the answer regarding the \$6.3 million investment income, which is now going to be shown as a, not as an expenditure, but as a reduction in debt.

I think I understand the reply fairly well, except that the sentence which reads, it's a short sentence, I'll read it. "In preparing the 1979-80 Estimates, it was recognized that the 1978-79 Estimates were inconsistent with the treatment of earnings on sinking fund investments, in that \$3,762,000 of sinking fund earnings were included in Public Debt under the Other Loans and Investments total of \$31,597'000, and \$6.3 million was included in a separate revenue item."

I'd like to know why it was done that way, and I'm guessing, and that's what I'd like confirmation on, that it was an estimate of \$6.3 million, which turned out later to be a total of some \$10 million, but had to be apportioned in this way to keep the statement in balance. Now, if my guess is wrong, I'd like to be shown how it should be.

MR. CHAIRMAN: The Honourable Minister.

MR. CRAIK: Well, Mr. Chairman, first of all to refer the member to the location of this in the Public Accounts, it's in the 1977-78 Public Accounts on Page 28, and the various amounts shown there under Capital Division Revenue were accorded a revenue number and shown as revenue and

income there, that you'll find there shown as \$6 million, has been taken and applied to reduction of debt.

MR. CHERNIACK: I'm sorry, but . . .

MR. CRAIK: On Capital Division Revenue in 1978, that group of revenues, \$27,485,000, \$6,310,000, shown as revenue items, were all accorded a revenue number and the \$6 million that applies to Investment Income was taken and applied to Reduction of Debt.

MR. CHERNIACK: Is the Minister giving us an example, or is he now talking about two different years?

MR. CRAIK: No, I'm giving you an example.

MR. CHERNIACK: Oh. Well, let's get . . .

MR. CRAIK: They're two different years, all right, but that's the item there. It showed up before as a Capital Division Revenue, now that amount is shown as a Reduction of Debt, because it's interest that is gained from the investments.

MR. CHAIRMAN: The Member for St. Johns.

MR. CHERNIACK: I'm sorry. I still have the problem of why it is shown as \$10 million on our Estimates, Page 38 — \$10,062,000.00.

MR. CHAIRMAN: The Honourable Minister.

MR. CRAIK: There's \$3,762,000 of sinking funds are on the interest on the sinking funds after 1969, and that's always gone in as a reduction of expenditure. Now what this \$6.3 million is . . . change the terms of the sinking fund in 1969, under The Financial Administration Act, but perpetuated the terms of the sinking fund that existed under the old reserve for Debt Retirement Act, which had allowed that the sinking fund would earn its own interest and . . .

MR. CHERNIACK: I appreciate what was said. Since I for one didn't fully understand it, I'm quite prepared to let it be assumed that it wasn't said. But if there was some perpetuation of some \$3 million under the form, after the passing of the present Financial Administration Act, is it now being eliminated, and does that comparable \$6.3 million now become \$10 million and will be that from here on in, whatever the total earning will be?

MR. CRAIK: It will be that as a minimum, I gather. It will grow from \$10 million.

MR. CHERNIACK: Yes, Mr. Chairman. Which means that the \$6.3 million figure is only show that way because it is in the revenue side of the Estimates for last year. Is that correct? .

MR. CRAIK: I gather that's it, right. .

MR. CHERNIACK: Will the actual, when we get it, actually be showing something like \$10 million in that same calendar year?

MR. CRAIK: Yes in another year.

MR. CHERNIACK: Well, no, for the end of this year. .

MR. CRAIK: Yes, on the revenue. I think the answer is yes.

MR. CHERNIACK: I think I remembered my question, so that's all right, Mr. Chairman, we can move on. I still have that tax assistance item, we are not ready yet for that . . . yes, you are.

MR. CHAIRMAN: The Honourable Minister.

MR. CRAIK: Of the total, it's roughly half and half phone calls and interviews.

MR. CHERNIACK: In what year?

MR. CRAIK: Last year. This year is running roughly half and half as well, but it's too early in the year yet to know what the year-end will be.

MR. CHERNIACK: How about the preceding year, January to April, 1977?

MR. CRAIK: It's about the same. It was \$28,000 compared to \$25,000, so it's roughly the same.

MR. CHERNIACK: But the Minister is saying that in spite of the change in the delivery, the program of delivery, the two comparable years still show half phone calls, half filling out of forms, even though there is a reduction in staff available for completing forms?

MR. CRAIK: I don't have the figures for the year-end 1977. I have only last year's and this year's. —(Interjection)—

MR. CHERNIACK: What do you mean by last year's? .

MR. CRAIK: I only have 1978 and 1979 for the breakdown.

MR. CHERNIACK: There's no change in program, though, between last year and this year. The change took place between January and April, 1977, when there were 28,000 people assisted, and January and April, 1978, where there's 25,000. My question was, what is the proportion of, may I say, face-to-face assistance as compared with telephonic?

MR. CRAIK: It's roughly half and half in both years. .

MR. CHERNIACK: You mean, in January — April, 1977 it was . . .

MR. CRAIK: I don't have that break-down.

MR. CHERNIACK: Well, that's what I'm asking for, because that is where the change took place.

MR. CRAIK: Well, I am advised that it's about half and half.

MR. CHERNIACK: I see. So that, what the Minister is saying is that he's informed by his staff that there is no change in the proportion of people served by the two methods — one is telephone and one is personal — in spite of the fact that there's a reduction in personal assistance.

MR. CRAIK: Well, the phone calls, out of the twenty-five that we have the figures on, thirteen thousand are phone calls, and interviews. Well, it is just about 50/50. And in the ones this year to date, 4,000 were telephone, 3,000 were interviews.

MR. CHAIRMAN: The Member for St. Johns.

MR. CHERNIACK: All right, then, I still come back to January — April, 1977, of 28,000 . . .

MR. CRAIK: Well, I am advised that it was roughly 50/50. We can get it, but the staff, in their experience. . .

MR. CHAIRMAN: Order please. I wonder if I could ask the tolerance of the committee members, that if I recognize them, otherwise our transcriber has problems with this.
The Member for St. Johns.

MR. CHERNIACK: All right, Mr. Chairman, we'll get that information then in due course. I hope we'll finish the Estimates, but it will still be provided. Right?

MR. CRAIK: Yes. Do you want the exact numbers on 1977 breakdowns? Yes? Okay, sure.

MR. CHERNIACK: Not the exact, but the approximate estimation.

Mr. Chairman, that completes the answers that we have been given. I am aware of a couple of answers that have yet to come. I wonder, since I would be happy if we could complete this department today, I wonder if the minister could indicate what has yet to come so that we could judge the nature of it.

MR. CRAIK: Corporation Capital Tax. . .

MR. CHERNIACK: Returns? Right?

MR. CRAIK: Yes. I don't know if we've got that or not; I don't think so.

MR. CHERNIACK: I also have a note on Mineral Acreage Tax, reclaiming of defaulted rights and collection of arrears.

MR. CRAIK: Yes, I have that somewhere.

MR. CHAIRMAN: The Honourable Member for St. Vital, or is the Member for St. Johns not finished?

MR. CHERNIACK: I'm not finished, but let's. . .

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

MR. WALDING: Mr. Chairman, I wanted to ask the minister about a new program that the government brought in last year. I believe it is called The Pensioners Tax Assistance Act. And I suppose I should know this, but could the minister just review for me the method of applying and paying for such claims. Do the applications come directly to the government or are they handled through the municipality?

MR. CHAIRMAN: The Honourable Minister.

MR. CRAIK: I gather they are all through the municipalities.

MR. WALDING: Can the minister tell me whether all of the claims for the 1978 year have been received and have the municipalities been paid or reimbursed for the amount?

MR. CRAIK: Yes, they would be pretty well completed now.

MR. WALDING: Can the minister confirm that the amount budgeted under this program was under Resolution 52, the Tax Credit Payments?

MR. CRAIK: Resolution 52.

MR. WALDING: Appropriation 6. Does the minister have an estimate as to how much was paid out under this program in 1978?

MR. CRAIK: In the \$400,000 range. Unless there are some returns not in yet, but at the present time, that is what is indicated.

MR. WALDING: \$400,000.00. I believe the amount that we approved in the Estimates last year was \$200 million under this appropriation.

MR. CRAIK: Yes. I think that's probably right. The amount that was blocked for it was about \$2 million.

MR. WALDING: Does the minister have any figures as to how many people were eligible for this or how many people applied and received a grant under this scheme?

MR. CRAIK: Well, I think if you want to go into that kind of depth, just list what you would like, you know, amounts; numbers. We'll see what we can get for you because if we go beyond this, it's probably going to get some research to get it but we'll obtain it for you.

MR. WALDING: Well, I was interested to know mainly how many people were affected by the plan, Mr. Chairman. If that can be obtained, I would appreciate that.

MR. CRAIK: Yes, we will get that.

MR. WALDING: If more information could be given as a breakdown of that particular figure without too much work, I would also appreciate that. For example, how many people received under \$25.00; between 25 and 50; 50 to 75?

MR. CRAIK: We'll see how far we can go. We certainly can get you the total numbers. I think that's probably possible. The breakdown on the increments may be more difficult, but let me have a look and see what is readily available.

MR. WALDING: Thank you, Mr. Chairman.

MR. CHAIRMAN: Pass — the Honourable Member for St. Johns.

MR. CHERNIACK: Mr. Chairman, I have just been looking at these additional sheets.

Firstly; Mineral Acreage Tax Arrears. We see a reduction of about half-a-million dollars between December 1976 and December 1977, and then we see a further reduction of about half-a-million dollars up to now. What is being done about this balance of three-quarters of a million dollars, bearing in mind that the taxes eliminated over a year ago, a year-and-a-half ago, I think.

MR. CHAIRMAN: The honourable minister.

MR. CRAIK: We did send out a . . . when was the last notice, about a year ago? There were reminder notices went out and advertisements on this as I recall, about a year ago; and I don't think there has been another reminder go out since then.

MR. CHERNIACK: I don't remember the legislation too well, but my impression is that when there's arrears of a year, then the parties get Notice of Redemption, of a right to redeem for a year and then they lose their title. Now, I think there is enough time that has gone by, whereby this arrear should have been eliminated, and replaced by the provincial ownership of mineral acreage rights.

MR. CRAIK: Well, perhaps the member wants to check it himself. I can't recall the actual cutoff provisions of the Act.

MR. CHERNIACK: Well, Mr. Chairman, my recollection is that in order to be fair to all people who have either lost their rights, or given up their rights, or paid their tax, that it was determined that they would have an opportunity either to pay their tax arrears, or to give up or lose their mineral rights and that would be the end of that. But since all taxpayers should be treated the same way, then I question why there are still arrears shown of almost three-quarters of a million dollars. It seems to me that people having had the opportunity to either pay up the arrears or give up their land, it should have been done and eliminated so that again, those people who paid their tax should in all fairness not be adversely treated, and those who have not paid their tax and retained their mineral rights. So, I would like to have a report on what is being done and when, and how will it be a completion; and the minister will pardon me for asking him if he has any rights to use his discretion in any form of relief, and if he has ever used any?

MR. CRAIK: Certainly not other than what's in the Act, Mr. Chairman, but I can't recall the exact provisions of the Act — quite frankly, I haven't had to deal with the question for quite some time, so . . .

MR. CHERNIACK: Let me make the point and I don't suppose we'll have an opportunity to debate it again, that the tax rightly or wrongly was a tax that was directed to produce revenue from a certain category of people. We excluded farmers and there are certain categories. I think that it is incumbent on us to make sure that the law was applied to all equally. As long as I see that there are arrears on the books for over a year, then it means to me that some people have not given up their rights and have not paid; and that shouldn't be after all this time. I think that it should be one way or the other and I would like the minister to undertake to give us a report on whether this is up to date, a report on where the department stands in foreclosures, and a

as to by which time the whole account will have been eliminated by either payments received or rights given up, or rights foreclosed. Is that a fair request?

MR. CRAIK: I will check into that, Mr. Chairman. I think probably it's just a case that the action has not been taken in the Land Titles Office with regards to them and it probably shows still as an arrear.

MR. CHERNIACK: I think that's quite possible, the only question in my mind is, was the action taken that proper notice having been given, which has to precede the action in the Land Titles Office. So that's why a status report is what I would request. I move then to the information given on the Corporate Capital Tax Branch, and I'm wondering if there is possibly a misprint of a year. As I read it, there was an expectation of 19,000 returns which actually grew to 30,000 by September, 1976; but then we don't know what the number was September, 1977 or September, 1978 to have some kind of comparison, which ought to reflect the change in the reduction of reports, because of the increase in exemption.

MR. CRAIK: We can get that to him. We did discuss that earlier, Mr. Chairman. I indicated at the time that that information was not here and we can obtain it.

MR. CHERNIACK: Am I correct in assuming that 1976 is a correctly stated year, it's not a mistake? Thirty thousand in September, 1976; I sort of thought it might 1977, or something like that . . . I'm not sure what it . . . Well, if you don't know now, if the minister doesn't now, he can find out. Mr. Chairman, I would like to know if the minister now can tell us if there are any other matters which have been noted that have yet to be dealt with by his department. I mean the response is that he undertook to give us and what they are.

MR. CRAIK: It's quite a list. This is the one I quoted this morning.

MR. CHERNIACK: We have about a minute to go, and the thought ran through my mind whether we would like to just keep this item open until we get those answers or close it off. We have no desire whatsoever to prolong this department's Estimates, and we don't recall just what they are. My inclination would be to let the item pass, knowing or believing that we will get all the information, but I would like to . . . possibly we could ask the minister to read out the items to us so that we can confirm in our minds that we really would be satisfied with the information and not want to follow up on it.

MR. CRAIK: There was a check in the term on the guarantee with regards to 1.8 million on CCIL that the Member for Inkster asked this morning. How many people . . . Comptroller's Division, well, we have that, Comptroller's Division: nine professionals, six key-punch operators, four voucher accounting section, and one in the payroll office, but that's basically what I've indicated before in terms of the professional people, at any rate, Comptroller's Division. You wanted some more figures on the actual ones actually paid in the department, including the term?

MR. CHERNIACK: Yes.

MR. CRAIK: Number of returns filed after the change in exemption? Federal indexing — who benefitting and to what extent? Hansard . . . okay, Page 930, any other liabilities re Page 935 of Hansard. MHSC accounts receivable \$23 million set up by MHSC for their information. Box for breakdown to '77 tax credit, Property Tax Credit. Pensions . . . how many pensioners applied? Status report, the deadline for the cutoff to holders on the Mineral Acreage and it's about . . .

MR. CHERNIACK: All those items, my colleague and I agree, are matters that we could wait for, we don't really have any reason to try to hold up the completion of the department. There are two things that I sort of feel are not completed. One, is what I think is a rather important discussion on the principles of presentation that are referred to in that Bill 16, Bill 17, and the others are matters that could well be dealt with in Public Accounts. Now, this first item, this Bill 16, Bill 17 could also be dealt with in Public Accounts. I want to ask the minister if he could indicate a fairly soon meeting of Public Accounts where we could deal with it, because as the session progresses, we all get busier and it becomes more difficult; and if we could foresee a Public Accounts in the foreseeable future, then all of these things could be dealt with as a conclusion, and I frankly would very much like Bill 16 to be held up, and we could, of course, hold it up for some short period

of time to enable this kind of discussion. Could the minister react to that?

MR. CRAIK: Well, I indicated that I will have a look at Bill 16, and I didn't have an opportunity to do it yet and I have some concerns about it as raised by the member. I gather it is at second reading in the House at this point?

MR. CHERNIACK: It's still in the House, yes.

MR. CRAIK: Well, we may be able to deal with it directly there as well. But at any rate, we'll certainly address the concern the member has.

MR. CHAIRMAN: The Member for St. Vital.

MR. WALDING: One short question I neglected to ask when I was on the matter of The Pensioners Tax Assistance Act. Mr. Chairman, could the minister tell me how much of the \$140 million for this year is expected to go to this, under this scheme?

MR. CHAIRMAN: The honourable minister.

MR. CRAIK: The 140 is a block amount that has been included and we've just been leaving it as that amount because of the White Paper that's under way, and we did have some brief discussion of that at the beginning of the Estimates. The actual amounts paid outlast year under the Cost of Living Tax Credits and the rebates was higher by about \$3 million, which was provided for in the Special Warrant to cover that amount. But I can't give you a break-out at this point, I think it would be more appropriate, and it will be dealt with when we present the White Paper.

MR. CHAIRMAN: —pass.

MR. CHERNIACK: I'm sorry, Mr. Chairman, what about Public Accounts? How soon does the minister plan to meet on that?

MR. CRAIK: Well, we'll take it under consideration, Mr. Chairman. There is a question of the two Acts, the Auditor's Act and the Financial Administration Act as well, and I had thought that it would be appropriate to hold off on Public Accounts until they are in the House. Perhaps I, you know, as far as I'm concerned, there is no difficulty, we have other work to do in the Public Accounts, and it probably would be a good idea to get started so if I may take that under consideration, check with the House Leader, and see if we can get it going.

MR. CHERNIACK: All right, on the basis of that understanding, that the minister intends to try and set up a meeting of Public Accounts, then I, for one, would be prepared to let the Salary go.

MR. CHAIRMAN: 1(a) Minister's Compensation, \$15,600—pass; Resolution 47: Resolved that there be granted to Her Majesty a sum not exceeding \$509,400 for Finance, General Administration—pass. That concludes the Estimates of the Department of Finance.

MR. CHAIRMAN: Committee rise.

SUPPLY — HEALTH AND COMMUNITY SERVICES

MR. CHAIRMAN: I should like to direct the attention of the honourable members to the gallery on my right where we have 55 students of grade 9 standing of the Gordon Bell School. These students are under the direction of Mr. Smith. This school is located in the Constituency of the Honourable Member for Wolseley. On behalf of the Honourable Members of the Legislature, I welcome you all here today.

I should like to direct the honourable members' attention to page 46 in the main Estimates, Health and Community Services. We are on Resolution No. 63, Item 2 Administrative Services (d)(1) Salaries; the Honourable Minister.

MR. SHERMAN: Mr. Chairman, I wonder if I could have the permission of the official opposition critic and the opposition members of the committee to make a statement at this juncture not related to the item before us, Sir. It's related to the negotiations between the government and the Manitoba Medical Association, but in view of the fact that a referendum is involved and there will likely be public and media exposure of the subject during the weekend, I wanted to inform members of this House first.

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

MR. DESJARDINS: Mr. Chairman, we have no objection. We feel that this is correct. Normally, in committee, that would mean that we could debate the statement of the Minister, but I can assure the committee that we might just ask questions to make sure that we understand this and we'll refrain from editorial or comments until we get to that — not to, especially if this is still going on, not to place any hardship on the negotiators, that's all.

MR. CHAIRMAN: The Honourable Minister.

MR. SHEAN: Thank you very much, Mr. Chairman and through you I would like to express my thanks to the official opposition critic and members of his caucus.

MINISTERIAL STATEMENT

MR. SHERMAN: Mr. Chairman, a government proposal for a general 6.88 percent fee increase for Manitoba doctors and special financial adjustments for certain procedures to bring rates into line with those in other province has been accepted by the executive of the Manitoba Medical Association and will be recommended to the general MMA membership.

The Proposal will be put to the membership for referendum vote expected to be completed by March 30th. If ratified, the agreement will be in force April 1st, 1979 to March 31st, 1980. The agreement covers medical fees and other related issues. Complete details of the agreement will not be made public until after ratification by MMA members. However, the major issues included are an increase of 6.88 percent to the 1978-79 fee schedule to provide both for net income improvement and for increased overhead costs to physicians; a special allowance of \$1,077,000 to bring fees in three areas more into line with those in other provinces and to compensate for the higher cost of practice in northern Manitoba.

The three areas of concern include obstetrics, anesthesiology and house calls. The Manitoba Health Services Commission and the Manitoba Medical Association both consider that these areas needed special consideration because Manitoba's fees in these areas are among the lowest in Canada. Moreover, the province is experiencing a shortage of practioners in the two specialties and some uave left the province.

The government is vitally interested in attracting physicians to practice in northern Manitoba and we believe the special allowances proposed in the agreement will help make it possible.

A written Agreement is also proposed that would not only incorporate the fee adjustments and Special Allowances but would also set up a mechanism for continuing consultation between the Manitoba Health Services Commission and the Manitoba Medical Association. The Agreement is intended to promote cooperation and understanding between the Commission and the Association. The negotiations have been conducted in a constructive and friendly atmosphere and I'm hopeful that the process will strengthen the relationship between Manitoba physicians and government. This continues to be one of the major objectives of this government.

If members of the Manitoba Medical Association endorse the proposed Agreement, that endorsement will be transmitted through the Board of the Manitoba Health Services Commission to the government for ratification.

Mr. Chairman, that is the substance of the statement I wanted to make. I appreciate the acceptance of it by members opposite. I have passed a copy to the official opposition critic. I have other copies available if anyone would like to have one. Perhaps one of the Pages could take two or three copies to the members across the Chamber. Thank you.

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

MR. DESJARDINS: Mr. Chairman, before we proceed with the Estimates I would like to just ask a question for clarification. We will not comment on the principle of the statement made by the Minister, especially as this is still under negotiation and we certainly wouldn't want to do anything that would jeopardize the chances.

But there is something, we seem to be departing from the usual way. I'm sure that the way this is presented, it's going to be reported that there's a 6.88 percent increase and this is not the

case. I would like to ask the Minister what the 6.88 percent plus, and correct me if I'm wrong, but I don't think that the \$1.77 million is included in that 6.88 percent. I would like to have the true increase. This is the way it was done in the past when we were dealing with an organization such as the MMA. It's understood. I think everybody understands that not everybody gets exactly 6.88. They then discuss it with the Manitoba Health Services Commission and they agreed and this is left pretty well to the MAA to discuss among themselves and they might at the times this has been done all through the years, there might be a bigger increase for certain specialties and a lower increase for others.

So what I want to know is the true increase if my honourable friend, if I misunderstand this, and if the 6.88 includes the \$1 million I've got my answer, and if it doesn't, I want the true increase, that is, the 6.88 plus the \$1.77 million and what percentage increase will that be?

MR. SHERMAN: Mr. Chairman, the honourable member is quite correct, the two figures are separate. The 6.88 percent is an across-the-board increase, across-the-schedule. The \$1.77 million will be distributed among the three procedures that I specified, Obstetrics, Anaesthesiology and House Calls because those are particularly weak areas in terms of the fee schedule. Combining the two would give us an approximate increase of 8.1 percent. I say that's approximate. I haven't calculated the mathematics precisely on it, but I think it comes out to about 8.1 percent.

MR. DESJARDINS: Thank you. I think that we have the answer and you see now, Sir, why I asked that question because the true increase is — if this is the correct percentage, the Minister said that's appropriate and I would imagine that he'll have that for us on Monday, but we'll say that it's approximately 8.1 percent, but it's not 6.88.

Mr. Chairman, if I may . . . well, the minister has the Floor before, I don't know if he's finished. If he has, I want to reply and if not, I would like to let him finish.

MR. CHAIRMAN: There's no more discussion on the ministerial statement? Fair enough. The Honourable Minister.

MR. SHERMAN: No, I had concluded my remarks for the moment anyway at 12:30 Mr. Chairman. I do, though, in response to a question from the Honourable Member for Seven Oaks yesterday have for him a list of the 15 members of the Social Services Advisory Committee which I would ask a Page to take to him.

MR. DESJARDINS: I wonder if you wouldn't read it on the Record. It won't take that long. It will be in Hansard and then everyone could see it.

MR. SHERMAN: You want me to read it on the Record?

MR. DESJARDINS: Yes, it'll be in Hansard.

MR. SHERMAN: Thank you. The Members of the Social Services Advisory Committee, Mr. Chairman, are Mrs. Betty Ireton of Winnipeg; Mrs. Frances Ballingall of Winnipeg; Dr. W. Leland Clark of Brandon; Mr. John Fidler of The Pas; Mrs. Muriel Goodmanson of Winnipeg; Mrs. Jeanne Haliburton of Winnipeg; Mr. Gerald E. Jerrett of Stonewall; Mr. George Johnstone of Winnipeg; Mrs. Pearl Juba of Birtle; Mr. Roland Lavallee of La Salle; Mr. Paul Nimchuk of Winnipeg; Mrs. Ina Philip of Winnipeg; Mr. Sam Sheps of Winnipeg; Mr. Edward Houle of St. Lazare, Man. and Mr. J. Eadie of Winnipeg.

MR CHAIRMAN: The Honourable Member for St. Boniface.

MR. DESJARDINS: Yes, Mr. Chairman, before the lunch hour the minister took me to task for being Out of Order on this item' and I refute that and I reject that very strongly, Mr. Chairman. I ask, it is true that I mentioned certain programs, but I took the trouble of explaining — for instance I'll give you an example, the same example that I used before the lunch hour — I was talking about the evaluation and review of the Denticare Program, and I said to you, Mr. Chairman, if you remember, that I understood that I realized there was another line where we had talked about the details of the program, but I was talking about the review and evaluation. And this is what I did with all the programs that I mentioned. I consider that I was very much in order, Mr. Chairman. This is probably as far as the members of the opposition are concerned one of the most important, if not the most important line in the Estimates of this department. Because we have made certain accusations. We have stated that there was no thinking, no evaluation of programs. There might

have been some evaluation but the decisions were not taken on evaluation or program or review of program, and we also stated that there was no leadership coming from this minister, and no leadership from this department. And you know, we're not in the habit of making accusations like this just for the sake of making these accusations.

I think that we should be expected to prove that, at least. We'll never prove it to all the members of this House, but at least to the public. That's the exercise that we're doing now. This is what we're trying to do. Explain what is going on. Now the minister said that he gave certain answers for instance, that I was away — I was away, I had to accept a phone call, and while I was gone, it was one of my colleagues that was speaking so I didn't miss too many of the answers, if any.

Now, when I asked about the committee, I was asking about a special inter-departmental committee on fitness and the right food and the good life. I was talking about fitness and nutrition as well. Nutrition is part of fitness as far as we're concerned. I asked a specific question, there was a committee formed that was accepted although it never met before the election and before there was a change of government, and we were talking about the Minister of Education and now under this kind of a wishy-washy reorganization I guess you'd have the Minister of Fitness and Amateur Sport. That would cover Fitness, and it would cover the Director of Fitness, and Community Recreation which was involved in that. And the reason why we had this committee; for instance, I'll give an example, that we've been talking about the fitness. This Minister at the time was responsible for Fitness in Manitoba, but there is no way that he could act without discussing this and without taking into consideration the Minister of Education for the . . . I think this is where we want to start.

And again, I'm just talking about the evaluation and the planning of programs. For instance, I remember when I was Minister of Tourism, I think I was in Snow Lake and I think I mentioned this in the House before, that they were asking for a gym and I said, "Well, you've got a terrific gym at the school." They said, "Oh no, the principal said, "There's white tiles there and at 3:30 we lock the door. You can't use it." And I think that everybody in this House thought that this was ridiculous. It's the same taxpayers that were paying for this and we thought that we should combine and get the . . . especially in a year of restraint or in a period of restraint with a government of restraint, I think that this should be done. So I don't want to elaborate too much, but what we were trying to find out, and it was only the last time that the Minister rose that he did give us a little bit of an inkling of how things were done in this process of planning and evaluation, and this is what we were trying to get. This is the information that we wanted, Mr. Chairman.

Now, the Minister lectured us and told us how a government should work. Well, fine, I accept that but I think that I've as good an idea as he has any time at all. Now, we might not agree exactly how things should be done, and no doubt we don't, but I think I'm entitled to know how they proceed, how this government and how this department proceed in bringing new programs, the same as we give this information when we were sitting on that side of the House.

Now, Mr. Chairman, I think that the answers were not clear but there was enough to show exactly what we felt was happening, that this group of people that do the evaluation and the planning have nothing to do with deciding what kind of programs, or even recommending. You know, the Minister has a pretty good style. If I say something about they should be in, then he's going to lecture me that the decision is made by the Cabinet. Well, that is a bit childish. I think we all know that.

Like yesterday, for instance, I stated that it was an open season on the civil servants, that I felt that many people seemed to think that in this government. He got up and he said, "I don't agree with you. It's not an open season on the government." Well, that's the kind of a game that he's going to play and if he can get away with it so much the better. But he knows that that wasn't my idea at all.

So what we wanted to know is the planning and it's being . . . you know, we get a bit, we were told well, it's the Cabinet that decides first of all. Well, that I know, Mr. Chairman. I don't have to be lectured in that at all. Then I know that the Minister is the one that decides what he brings to the Cabinet. I don't have to be lectured on that. But I want to know how they proceed.

For instance, I'll tell you how we did it and I think it was a good way if the government for some reason or other, it might be a party platform, it might be a platform from an election, then the Cabinet will direct the Minister. In this case, the Minister of Health. They will say bring a program on denticare. That is your responsibility. This would be accepted by the Minister. He had to, the boss in the Cabinet would say, here you're going to bring a program on this and then we would go from there. Of course, we had a chief medical consultant who would discuss with the professionals in this field. This was done the same as it had been done now. I don't see that there's much difference.

Then there was a Policy Committee where we had not only planners and the Minister was

thought that that was quite a foolish statement that I made when I asked them if these people knew how much money was going to be spent and where the priorities were. You know, it could be a joke. If you don't tell them and if you're going to go ahead they can shart any kind of program, tell you about any kind of program that you know beforehand that you haven't got the money to implement or that it is against the ideology of this group in power, whatever the group might be. For instance, I'm sure that if we didn't have the community clinics and if they talk about community clinics with this government in power, they should stop it immediately because the Minister said he doesn't believe in them. And there were some when we were in office that we did the same thing. Therefore instead of that, if there was something coming from the Cabinet or the Minister who's responsible for this department. Then these people evaluating programs had to go, get down to work and give us, put the program on paper and this was discussed by the Policy Committee.

The Policy Committee consisted of people in different departments, different responsibility. It's not new, there's no point in just having a radical reformer, a do-gooder, a very sincere person that's going to come in and say this is the program that I want, if you don't know what the cost will be. It doesn't make any sense and I don't care what the Minister said, that is not good planning, if there is no such a thing, no such instructions. So we had somebody from the administration side who would come in and work with the planners, work with the dreamers, and say fine but in so many years this is what the program will cost. And then we could know right away. I would go back to the my colleagues in Cabinet or the Premier and say, you still want that, this is the minimum that it is going to cost. I think this is good planning and I kind of suspect that that must still done. I certainly hope that it is done.

Now if somebody else from the staff — we didn't try to lock the door because we've got some people that are knowledgeable — but if some of them had an idea about a certain program, what was changed in the administration while I was the Minister, then without saying anything to anybody, they would be just self-starters and start promoting that themselves and start working at that and then just to come back to Cabinet or not the Cabinet to the Policy Committee and being told, "We can't accept that. We don't want that." Then there would be a loss of valuable hours. So they would come with just a skeleton, the idea that they had and they were either given the go ahead, signed to go ahead and develop it for presentation to the Cabinet, to the Minister responsible and then the Cabinet.

And that is what I thought, this is what I mean by leadership. I don't think that any Cabinet — I've had experience in Cabinet and I know how hectic it is especially when you are a Minister of this department, how busy you are and you've got other Committees. You're discussing it with your colleagues and I know how difficult it is if you've got to start the whole thing and if you leave everything to the Cabinet as he seems to indicate, my honourable friend, that nothing can move, it's the Cabinet. I think it is the responsibility of the Minister that is giving leadership to a department to come with a well thought out recommendation, prepared as an Order-in-Council, and discuss it in this stage with the Cabinet. And this is why, before the lunch hour, I felt that these people were so important. Because I can't see any Minister coming to Cabinet and say, "I've got a great idea". And when he's asked, "How much is that going to cost?", "I haven't the faintest idea, but it's a good idea. This is a good program." That just doesn't make sense. And it was the same Minister that told me two years ago on that same item on the same line, when I was asking for nine people that I had to be careful that that was empire building. And I'm just reminding him of his own words.

Mr. Chairman, it is not asking too much to find out how these things are done, and I think that we have the proof now — these people develop something that it goes back to the Deputy Minister, and he might talk, he might bring it outside. It seemed that we certainly have no objection and we certainly did that: we discussed with the professional associations. We had contact with all of them, special people that were the known contacts, and some of these things were brought to us and we met with the College of Physicians and we met with any of these groups. There is no doubt that we want to hear them, but the leadership has to come from the government. What kind of a government are you going to have, that's going to go ahead and say, "We're going to be elected and then you're going to rule"? And that statement in a speech to the Nurses' Association, the Member for Rhineland who was the health critic for the Conservative Party at the time told that group exactly that. "If we're elected, we're going to get the nurses, the LPNs, the doctors, the dentists and so on, and you're going to tell us where the money will be spent. You're going to tell us." And that was supposed to be great because they were recognizing the professionals in this business — in the field of health.

Well, there is no doubt that you have to have consultation, but the leadership has to come from the Minister and the government, and if there's no leadership from the Minister, there certainly won't be any leadership from the Cabinet. And if the Minister is not prepared to fight for some

of the things that he, after all, has accepted and feels should be done, if he's just presentdd to the Cabinet and say, "Here, what do you think of that?", they're going to tell him what they think of it. If he's not forceful. I've enough experience in that to know what goes on. If you're not forceful, everybody knows that they can walk all over you, and especially with this government, they'll say, "We haven't got any money. Forget it." I suspect that this is being done, that this Minister is spending most of his time trying to find out what program he can cut without having a revolution, and where he can get more money, where he can raise the money by increasing per diem rates or cost.

Mr. Chairman, I'm not ready because of the statement of the Minister to say, Okay, we're finished with this line. We want to know. We think this is the most important thing. We want to know the evaluation, and when I mentioned Denticare for instance, which the Minister objected to, I was serving notice that I wanted to make sure that when we came to thatlline, we had all the figures. I don't want to pass this and then when we come to dental care and talk about the program, well that was looked over by the Evaluation and Review Committee and we've passed that, so I can't give you this information. I think that we have to serve notice that we want this kind of information. We want to know and we want the Minister to know what he's talking about when we're defending or attacking these programs individually. The same as another thing that I've mentioned and the Minister has not answered that, and I would request of him to answer it immediately, is will we have the funding formula from the Federal government in this department? In areas, enumerating the area where it is still cost shared on the welfare side mostly and in the area where it's bloc funding. We want to know how much money he received in total in 1977, our last year, and since then, and what he anticipates to receive this coming year under this new system, if there is a new system and where it applies.

I think that we need that, and you know, the Minister could pretend that he's incensed and could say, "We're going to discuss the . . . I'm ready to discuss my salary right now." So am I. So am I. I don't care. I'm ready to discuss his salary now and roam all over the place. But I've tried to advocate. I've tried to cooperate when I was sitting on that side of the House, and now that I'm sitting on this side of the House, I know it is difficult, and after all this is why we brought these people that we've allowed a few years ago . . . it wasn't always like that, Mr. Chairman, for the new members, that the senior staff could come in and help. It makes sense.

You know, you have a fellow on the hot spot and it is impossible to remember and to have all this information. Even these experts in front have to refer to their documents and their books and so on before they give this information. And, you know, I think that we are following the intent of what was meant, but there are certain areas that it's quite restricted when you're talking about, I think one of the next areas in vital statistics and so on, when you're talking about this where you're asking what kind of evaluation, because I challenge them; I don't know if there's that much evaluation. Because I think if the evaluation and the review of programs were done, I think we'd have an announcement for instance on the Denticare program.

So I hope that the Minister will realize that we are trying to follow the rules, at least what was intended, and that we want to know more how these policies are arrived at and what kind of review and what kind of evaluation they have and who's working on this and how it's being done and where do they coordinate that all together, Mr. Chairman.

MR. CHAIRMAN: 1—pass. The Honourable Member for Seven Oaks.

MR. MILLER: Mr. Chairman, I thought the Minister was so anxious to reply that he would leap to his feet, but I guess he hasn't. Mr. Chairman, on this . . .

MR. DESJARDINS: Excuse me, if I may, Mr. Chairman, I think this is important.

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

MR. DESJARDINS: Can I just ask the Minister, and he can just signal with his head if he doesn't want to get up, can I and can we expect the information on the funding from the Federal government? The question that I've asked before the Orders of the Day, for a time and that I've repeated two or three times today. Can we expect that for Monday?

MR. CHAIRMAN: The Honourable Minister.

MR. SHERMAN: Mr. Chairman, I'll deal with both subjects at once. On the first point, or the latter point raised by the Member for St. Boniface, I can't guarantee him that by Monday. I will get it as quickly as I can. I suggest to him that essentially it has to come from the Minister of Finance. I will consult with the Minister of Finance and see whether he will be handling it in his Estimates

or in the budget debate or here. —(Interjection)— No, they don't have it. They don't have it. They don't have it, and I will have to consult with the Minister of Finance as to how he is going to handle the subject; it may be part and parcel of his Budget Address. I will get my honourable friend an answer by Monday, but it may not be the information, the total and full information. We will get at it at some point during examination of either this department's Estimates or Finance's Estimates or the Budget Debate.

On the other point, the Member for Seven Oaks, I presume, has something to contribute. He usually does. I don't intend to get up and respond and I don't think that members opposite want me to get up and respond to every comment made by every member on the other side. It's preferable to accumulate a few, I suggest.

MR. CHAIRMAN: The Honourable Member for Seven Oaks.

MR. MILLER: Well, Mr. Chairman, of course the Minister needn't respond if he doesn't want to. It's just that I thought that my colleague had asked some very pertinent questions, some very definite questions, which I think should be responded to. However, the Minister can of course choose to respond when he wants to, or choose to remain silent. We on this side can't dictate that.

Mr. Chairman, this is an extremely important line. I know the Minister, earlier, rose and I thought almost on the form of a point of order. He was sort taking the position that this line here, representing what? \$212,600 didn't warrant the kind of attention we seem to be placing on it. But the fact is, and as my colleague pointed out, it's true that some of the areas that this group looks at appear elsewhere in the Estimates. But later on they appear as a cost of the program for the coming year and the actual delivery of the program. We're talking about the conceptualizing of the program, the evaluating of the program, the recommendations that flow from this group, which in the final analysis, do have an influence on the scope of the program. And I'll go back to the work activity project, which the Minister correctly pointed out to me is on 3Q. But, there we're dealing with the scope of the program and the Minister's request for dollars to cover the program that he conceives for the coming year.

At that point in time, it's really too late to argue about the nature of the program, the philosophy of the program, its purpose, its objectives, its goals, its needs. That I assume is being done by people who sit and evaluate, sit and review on the program itself, and it's their efforts that will determine what finally happens downstream. I'll use a phrase that the Minister likes to use, "A downstream effect".

Mr. Chairman, he didn't respond when I asked him about the work activity programs, he just simply said, "Well, that's to be found on page 49, I think it is. Yes 3Q and we'll talk about it then." But at that point in time what we're basically talking about is already a decreased amount, a lower amount than the previous year and an obvious cut. And so all we can argue about is the dollars, at that point. Here, I think, is the right place to discuss why, or did in fact this group examine the work activity program? Did it in fact evaluate it? Did it in fact make a recommendation to the Minister that the work activity projects should be somewhat slowed down or cut or rationalized, whatever term you want to use to define and to picture a diminution.

Now, Mr. Chairman, it is that kind of information we'd like to get from the government, and I think my colleague from St. Boniface is right in saying that this is really where it's at. These people don't just sit there and push paper and knock ideas back and forth between themselves for no good purpose. Surely these are the technical, professional people whom every government has to rely on. I don't care how bright the Cabinet Minister is, he hasn't got the time nor necessarily the background to concern himself with the technical, the professional input that is required. He has to look to his staff, and it is these people who are advising him. If they feel that a program is well on its way, is doing well but there are still unmet needs, unfilled gaps, these are the people that are going to advise them and say, "Yeah, it's okay as far as it goes, but its final objective has not yet been achieved", and this is what we should be doing.

Now, the problem as I see it with this government, I get the feeling, not just what I hear in the House, but what I read between the lines in the newspapers, that this government works somewhat differently. They cut the lloth accordingly in this sense; they decide in advance the amount of money that is going to be made available and once having made that decision, they will simply advise Ministers this is how much money you have, that's it. No matter whether certain programs have a natural growth to them or should be allowed to grow or should be encouraged to grow so that they can really achieve their objectives, forget about it. We simply are cutting it off. We are simply not letting it grow and even though we may vote some extra money, in this case it's a drop, the one I'm talking about. But even where there is some extra money, the money allowed doesn't keep up with the inflation rate. So in fact, the net result is over a year, two years, there's a diminution, there's a shrinkage of the ability of a program to deliver what its goals and objectives

are.

So, Mr. Chairman, I'd like to know from the Minister, is this simply window dressing? Is this Committee, these people who work in the Program Review and Evaluation. Can they really do a proper job? Can they really come to grips with their responsibilities if in fact they know that down the line they are going to be confronted with a situation where the method of budgeting by this government is: This is the dollars, we don't care, we're not interested whether this is good, bad or indifferent, we're simply not going to continue to give out the kind of support that you feel it needs. And frankly I don't think that a good program, I don't think that's serving needs of people. That is, to use again the Minister's phrase of last year, "It's cost first, needs second", because it totally ignores the logical needs of a program, the logical value of a program. It's determined by an accountant's approach of saying this is the dollars, that's all there's going to be. If the program hasn't achieved its goals or isn't about to achieve his goals or as a matter of fact, will lose some of its ability to function properly, nonetheless that's what it's going to be.

Now as that filters down to the professionals in the field, the people that every government must look to and seek guidance from' as it filters down to them, I can tell that the effect has to be demoralizing. Because any person who is sincere in their profession, in their vocation, I don't care whether these are highway engineers or whether they're teachers or whether they're nurses or whether they're social workers or whether they're doctors, it doesn't matter. These people have a certain skill, have a certain background, have a certain training. They're doing what they're doing because they have a belief in what they're doing and are in their own way trying to contribute to the betterment of that particular discipline to the people of Manitoba. And it has to be disappointing and I think frustrating and eventually demoralizing if what they are bringing forward cannot get beyond that cleaver which says, no the dollars are not going to be there, notwithstanding the fact that this was originally conceived to go in a certain direction. That it is still hasn't reached maturity, that it still has lots to go, sorry that's not the way it's going to be. We don't operate that way. And that is really what I'm trying to find out, is this how the government functions? If it is, that's okay. I don't find it okay but that's the way the government functions, that's your prerogative because you are the government. But certainly we, on this side, would like to know if that is indeed the way this government to function, that the goals of this department, the work of the department, the objectives of the department are pre-determined by a figure decided by Cabinet or by the Minister of Finance or the Premier or whoever or an inner circle of Cabinet, it doesn't matter. That that determines the nature of the program, the scope of the program, the extent of the program and in the final analysis, the effectiveness of the program.

So, Mr. Chairman, I would and I think the Member for St. Boniface too, would indeed like to get a response from the Minister as to how this committee functions and my question with regard to can the Minister really expect a group of people who represent certain disciplines and are dedicated to those disciplines to continue to work effectively and optimistically if what they are doing is simply generating paper which will then not be carried forward in a meaningful way to government so government can meet the needs of these programs and in so doing meet the needs of the people?

MR. CHAIRMAN: (1)—pass; The Honourable Minister.

MR. SHERMAN: Mr. Chairman, obviously the attempts I've made to describe the function of the Program Review and Evaluation Branch which really has changed not one iota in my understanding of it from the way it always has operated in this province regardless of the government in office for some considerable years past have still not been successful. I don't know how many times I have to make the responses that I already made earlier to both the Member for St. Boniface and the Member for The Pas. Now the Member for Seven Oaks raises the same questions.

The Program Review and Evaluation Branch operates on two levels; in one capacity they do what they have always done, that is monitor programs that are already in place, evaluate them for effectiveness. Every government I assume of whatever stripe regardless of philosophy is interested in it's programs demonstrating some effectiveness. That is a practice that has always been carried on by the Program Review and Evaluation Branch. It continues unaltered, unrefined, unexpurgated.

On the second level, which is a co-equal level in terms of importance, the Program Review and Evaluation Branch responds to assignments from the Minister's office. They deal with special projects; they look into and examine the ramifications related to special projects. I've defined several, I've identified specifically for members Opposite several of those projects. I refer to that list again in responding to my honourable friend from Seven Oaks.

Take for example the review of departmental legislation. The member asks questions that have no answers in precise terms. When one assigns a Program Review and Evaluation Branch or a

special studies group to look at departmental legislation, one obviously is asking them to cull existing legislation for anomalies that have built up over the years, for conflicts, for contradictions, for duplications and to propose streamlining techniques for modifications, for improving or amending the legislation, eliminating some of those unnecessary anomalies and duplications.

Both the Honourable Member for St. Boniface and the Honourable Member for Seven Oaks served on the Treasury Benches long enough to know what I am talking about. It is not possible for the Minister himself because of time to sit down and examine the volumes of legislation, for example, existing in the child welfare field. How could I possibly do that when my honourable friends were Ministers of Health, and they both were Ministers of Health, how can they do that?

MR. MILLER: We agree with you on that.

MR. SHERMAN: Well this is one of the things that that branch does. Look at the Manitoba School for Retardates. That is simply an examination of the operation of the school, administratively and medically and rehabilitatively and also technically in terms of the kinds of facilities and the modernity, or lack of modernity of those facilities, and the needs of the residents to recommend adjustments or improvements that should be built in to the government's approach to the future of the institution. That might involve recommended changes in personnel; it might involve recommended changes in administrative structure; it might recommending the deinstitutionalization of another 100, 200, 300 residents; it might involve building some new facilities. There is a spectrum of subjects that come under the general umbrella of a title like, "Program Review of the Manitoba School for Retardates. That was a special project that we assigned to that group and we have now in front of us a report which is at this time the subject of government study at the level of my office and my colleagues on the Community Services Committee.

The report on the use of volunteers was a special project assigned that branch to draw on the expertise of people who work in the social service or social agency field; people who work both as volunteers and as professionals of various community service interest areas in need of help; the whole kind of cross section of society service whether it be at the community club level or at a health and welfare level, where the utilization of the voluntary initiative is desirable, and where, through the overlay of bureaucracy from all three levels of government — federal, provincial, and municipal in this country for the past thirty years, that kind of initiative has to some considerable degree been blunted and stifled.

What we are looking for, is an opportunity to open up more chances for volunteers and the volunteer spirit, to take over in areas which have been in our view, undesirably usurped and unnecessarily usurped by government, and not necessarily by the provincial government. I say that all layers of government have engaged in that kind of process for the last thirty years. That study involved discussion and consultation with people throughout the hospital and health service field; throughout the social service agency field; contact with people at the volunteer bureau; contact with people and agencies such as the Age and Opportunity Centre; and that whole range of community service functions and operations, to determine in what way can some of these practices be returned to the initiative and the innovation of the volunteer spirit that is still there, that still exists I suggest, Mr. Chairman, in the hearts of all of us, given the opportunity to do some meaningful volunteer work. Our feeling has been, and I have made no secret about that — I said it when I was in Opposition — that we have in Canada in the last thirty years, tended to bureaucratize ourselves to the extent where the opportunities, and in fact, the interest of volunteers, has been badly stifled, where volunteers have found themselves frustrated to the point where they have given up volunteering. That may be a valid point; it may not be a valid point. It was only my impression, but one can hardly reach a point where one can propose to a Cabinet that a particular position or policy should be taken that is going to have some effect and impact on everybody in Manitoba simply on the basis of an impression. It's necessary to explore that; examine that; test it and determine whether in fact that is true. And if it is true, what can be done about it. That was a project undertaken by this group.

I can go through the rest of the list, but I don't think that it's necessary. I have cited those simply to illustrate the kind of special projects to which this branch is assigned. Their conclusions are then put down on paper. Those conclusions come forward through various channels. They might come to my Deputy Minister; they might come to my Associate Deputy Minister; they might come to the Chairman of the Health Services Commission and ultimately into discussions between officials of that status and myself and ultimately to discussions among our management team in the minister's office in the department. That management team consists of the senior executives in my department, the Chairman of the Health Services Commission, and of course, my Deputy Minister, and myself. From there, Sir, the proposals could either be rejected on any number of grounds, obviously grounds of acceptability in one context or another, or unacceptability in one context or another, or they

could be then refined down to a presentation to take to the government caucus and the provincial Cabinet. I don't think that that process or that procedure is very much different from that followed by my predecessors. I have never challenged the requirement and the desirability and the necessity of seeking out expert advice in a position like this and since assuming the responsibilities for this ministry, I can only emphasize in the strongest terms that one would be totally irresponsible to act in areas with as much impact as these areas have without relying on and seeking out that kind of careful exhaustive research and advice. I don't think either of my honourable friends opposite would disagree with that, and I don't think this process differs very much from the process that was in place when they were the government of the day.

Now I have said that there are additional research and examination and policy study projects that are carried out because this branch can't do it all. —(Interjection)— Well, where you can find that basically is under the executive function, under the Ministerial Salary; under the item on the Ministerial Salary, because, Sir, I rely on a management team in my office; I rely on daily consultation with such top officials as my Deputy Minister and my Associate Deputy Minister. I rely on that consultative committee that I have referred to. I rely on the Chairman and the Board of the Health Services Commission. I have tried to circulate and acquaint myself with as many components of the health and social service system in this province as I think has been humanly possible within sixteen months. I have held countless meetings with professionals and semi-professionals, and volunteers, and contributors, and workers, in the fields that we're addressing ourselves to in these Estimates, and all of those I consider to be —(Interjection)— No, there are no other paid staff. Well, my Deputy Minister has just said to me, "Except at MHSC." Well, of course, the Board of the . . .

MR. DESJARDINS: We understand that.

MR. SHERMAN: . . . Commissioners of MHSC are paid, but as far as the kinds of general ongoing consultation that I have, whether it be with doctors, or nurses, or dietary workers in hospitals, or personal care home operators, or the Manitoba health organizations, or the Association for the Mentally Retarded, or the Society for Crippled Children, that is a case of doing the job, day after day, week after week, as my predecessors did. I ask those people for opinions and comments and perspectives. I ask them for written perspectives on questions that we are wrestling with. We meet in my office, or my deputy's office, with the boards and officials of 150, by actual count, some 150 actual agencies operating in the field. That is where I get a good deal of my advice and counsel from, Sir, and it is melded into the mix that comes out of the studies and examinations of these other groups to which I have referred, plus the Program Review and Evaluation Branch acting on assignment on specific projects to produce papers that can be studied at a higher level, and I only use the term "higher" in terms of differentiation. Higher in the sense of the decision-making process, whether it be the community services committee of Cabinet, whether it be the caucus of the government or whether it be the full Cabinet at a regular Cabinet meeting.

So I don't know what else I can do to explain the operation and the function. We have not established any paid committee or paid policy group; we have made up a policy group out of the senior officials that I've referred to. The questions that are in front of either this branch or my management team or the consultative committee are questions that have to do with the desirability of programs, either programs in existence or programs being contemplated, the objectives that are involved in those programs, the results of programs that are already in place, measured against the objectives of the programs when they were put into place, the impact of any changes, either expansion or reduction. And of course cost effectiveness, and the product. I think those are the normal kinds of criteria that any management operation, be it public or private, applies to programs and applies in the policy-making area. There is really, in essence, no difference in operation and in address — in the addressing of problems in policy between my office under me and the office of the Minister of Health and Community Services when it was under the Member for St. Boniface or under the Member for SeVen Oaks. The difference comes, Sir, simply in the decision that is proposed by the Minister to the Cabinet and it is made by the Cabinet in terms of overall government policy. Of course there is a difference in the approach of our government to the public affairs and the public spending of the province from that taken by previous Ministers. But that's where the difference exists; it doesn't exist in the mechanics of the Program Review and Evaluation Branch. And I don't know what I can, what else I can do to explain to my honourable friends and respond to their inquiries about it. They raised the question — well the Member for St. Boniface raised the question about the children's dental health program. The Program Review and Evaluation Branch has not been asked to assess or monitor the children's dental health program, although well they might be. The only reason . . .

MR. DESJARDINS: Nobody doing it?

MR. SHERMAN: Yes, somebody's doing it, but the only reason they haven't been asked to do it is because they've had a plate full of things to do and have cited some of the things they've been engaged on. What we have done is throughout the changes and the modifications that we have made to the children's dental health program in which we've involved the Manitoba Dental Association very integrally, as members know, have conducted almost continuous meetings and consultations and decision-making sessions involving my Deputy Minister, my Associate Deputy Minister, our Director of Dental Services, and therepresentatives from time to time of the Dental Nurses Association and the Manitoba Dental Association and of course the Minister himself. That is where the overall directions of policy and change and refinement have been hammered out for the children's dental health program. The monitoring of the effectiveness and the utilization of the program and the effectiveness of the involvement of the Manitoba Dental Association in it is now being undertaken on our instructions and on our directions by the Manitoba Dental Association. They have to report to us. They have to report to us in response to criteria which we have put to them.

Well, Mr. Chairman, I know that my honourable friends don't like that because they don't like the change that we made in the Manitoba Children's Dental Health Program. I might say that, while we're on the subject, because it was my friend from St. Boniface who introduced it, that we were only doing things in the Children's Dental Health Program this year that they were already contemplating doing. That is not true. We are moving into remote northern regions which were never served by that previous government. They were prepared to bring that program into Winnipeg and give it to children and give it to people who have access to dental care. We have said no, we'll go into the Bay Line communities and the remote northern communities first. They had plans to bring it into Brandon and Winnipeg, Mr. Chairman.

MR. DESJARDINS: That is a lie; that is a lie. That's not true. That's not true, we were working in the north and you know it.

MR. SHERMAN: We will bring it in; we will bring it in, perhaps to Brandon and Winnipeg and urban areas like that when we have served the remote northern regions and the disadvantaged areas that need it.

MR. DESJARDINS: That's a lie. That's a bloody lie.

MR. SHERMAN: They can raise all the hoots and howls they want, Mr. Chairman. I have been embroiled in and involved in the refinement of this program for over a year, and I know the background. I know the history, I know the facts and I do not accept the bluster of my honourable friend, because I know exactly where that plan was headed. I know exactly the projection to bring it into urban centres like Winnipeg. And what we have said is let us, while we can, when we can get it into those areas, but first let's put the priority where it belongs and that is in those areas that aren't served, that don't have access to dental health and dental care. And we're going into regions and areas they did not have planned.

MR. DESJARDINS: That's a lie. That's a bloody lie.

MR. SHERMAN: We are going into remote regions in the north. We are going into Bay Line Communities . . .

MR. DESJARDINS: You're lying and you know it.

MR. SHERMAN: We are going into Bay Line communities which they never considered, Mr. Chairman.

MR. CHAIRMAN: Order please. We are under discussion on . . . Order please. Order please, order please. Under discussion is item (d), Review and Evaluation. I am having great difficulty, to the honourable members, trying to follow the discussion to see if we are in order. I'm having great difficulty hearing from . . . The interruptions from both sides are causing me some problems, and I would ask the honourable members to please be a little considerate of the Chairman so that the Chairman can rule as to whether it's in order or out of order. The Honourable Minister.

MR. SHERMAN: Mr. Chairman, just to there's no mistaking the sequence of events here, my

friend from St. Boniface says I opened the Manitoba Children's Dental Health program. I refer you to the period prior to noon, Mr. Chairman, when not only the Manitoba Children's Dental Health program but Pharmicare, Medicare, hospitals and every area and aspect of the department were opened by my honourable friend. And we had said . . . —(Interjection)— Well, no, but he makes allegations, incorrect allegations, leaves them on the record and then expects that we're not going to respond. That's, I suggest, quite unreasonable.

MR. DESJARDINS: What allegations did I make before noon about the dental program?

MR. SHERMAN: He shouts about certain things being done in certain areas that we're doing things in the Children's Dental Health program that he had planned and he was going to do. That's not correct, Mr. Chairman. We have changed that program to meet needs as we see them. But that, in any event, is not part of the Program Review and Evaluation Branch, which is the point I was trying to make at 12 noon when my honourable friend was ranging all over the lot. We will deal with the Children's Dental Health program and I'm prepared to debate it with my honourable friend at length when we get to Children's Dental Health.

MR. DESJARDINS: Fair enough. 17 18

MR. SHERMAN: At this point in time that evaluation is being done under instruction, on criteria supplied by us. The Manitoba Dental Association will either deliver according to that criteria, or there will be changes made in the program. And he can be assured of that.

But why they're debating that issue now when we announced last year what we were doing in this area, that the MDA would be charged with that evaluation, would have to answer, would have to dot the "i's" and cross the "t's," escapes me, Mr. Chairman. Why don't they wait till we get an evaluation and we'll give it to them. That information is coming in now. The MDA has only been involved since the start of this past school year. It's only been a matter of a few months. We will have that evaluation. In any event, Sir, I believe that in four responses now, and my honourable friends seem to be trying to imply or — not the Member for St. Boniface, but the Member for Seven Oaks — seems to be trying to imply that I'm unwilling to answer this question. I suggest to you that a check of Hansard will reveal that I answered it twice, at least, before 12:30. I'm answering it again now. That is the way the Program Review and Evaluation Branch works. That is the way research policy is carried out. That is the way the concepts are refined for presentation to the Minister, and the Minister's office and his management team, and ultimately, to the Community Services Committee of Cabinet, and ultimately to caucus in the Cabinet. That, I think, is a totally democratic, totally responsible system. I don't think it deviates very much from the practice carried out by any responsible government in this country.

MR. CHAIRMAN: The Minister of Highways.

HON. HARRY J. ENNS (Lakeside): Mr. Chairman, I'm prompted to enter the debate at this time on the Estimates of the Honourable the Minister of Health and Social Services, because there seems to be the implied suggestion being left that an item such as a Program Review and Evaluation Committee is somewhat unique to his particular estimates. Well, Mr. Chairman, you know they may not be listed in the same way, but they're there in all of the ministries, in all of the departments of government. Certainly the Minister of Education has to review and evaluate the dollars that he is spending in that department. Certainly the Minister of Mines and Resources has to evaluate and review the dollars that he's spending in his department. And I can speak, certainly for my own department, that I have to review and evaluate the dollars to be spent on highways and roads in the province of Manitoba. And, Mr. Chairman, the requests, the demands, you know, and I look at the Member for Transcona who stood up in this House not so long ago and charged the Minister responsible for Housing and said, there are 48 citizens in Roblin demanding accommodation, and you are planning to build an accommodation housing only twenty-two. Well, I have to tell him that from the width and breadth of the province of Manitoba —(Interjection)—

MR. CHAIRMAN: Order, please. The Honourable Member for Transcona on a point of order.

MR. PARASIUK: Yes, it's a point of order, as he is misquoting me, and I would hate to confuse the honourable member with facts again. But I said that there were 48 bona fide applications for a senior citizens' project that have been cancelled by the Conservative Government in Roblin.

MR. ENNS: I would have to also place on the record that no such senior citizens' home has been

cancelled by the Conservative Government in the Community of Roblin, that there has been a program review and evaluation done with respect to the requirements of housing senior citizens in that community, and that is currently under way. The point that I was trying to make is that my office has received, not only from the reeves, and the councillors, and the mayors, and the various private interest groups and citizens throughout the length and breadth of Manitoba, for a highway construction program totalling some \$250 million but I have received from members opposite, during the consideration of my estimate . . .

MR. DESJARDINS: Mr. Chairman, on a point of order.

MR. CHAIRMAN: Order, please. —(Interjection)—

MR. DESJARDINS: Would you tell me under what line we're looking at the Department of Highway right now on the Highways, would you tell me what line we're looking at. I'd like to know, because . . .

MR. CHAIRMAN: We are on Program Review and Evaluation . . .

MR. DESJARDINS: Of the Department of Highway?

MR. CHAIRMAN: Management of the department's programs, and I would assume when it says department's programs, it's Health and Community Services, and I would ask the Honourable Minister of Highways if we could discuss health and community services.

MR. ENNS: Mr. Chairman, I was just coming to that. I was just coming to it. I'm relating to the fact that while my colleague has been under some critical comment in the last hour about this particular aspect of his Estimates, the Program Review and Evaluation Branch, that is being singled out by the spokesmen opposite as being somewhat unique to the Department of Health and Social Services. —(Interjection)— I am simply saying that it's applicable in a broad brush, and when my Minister says, correctly says, and that's what brings it germane to the discussions today, that the Evaluation Branch makes its evaluations devoid of dollar figures attached, that that quite correctly, and traditionally and always will be, the germane of Cabinet, and in consultation with the fiscal capability of the government of the day, that is what my colleague has been saying. That is not what the honourable members opposite have been trying to accuse the member, my colleague, the Minister of Health, for. They're attempting to say that this Program Review and Evaluation Branch has been carrying out fiscal policies of the government, has been carrying out the restraint policies of the government —(Interjection)— no, no, but that's what they're saying, what they've been charging him with and all I'm saying is that that kind of program and evaluation activity takes place in all aspects of government.

A MEMBER: We know that.

MR. ENNS: And has to be measured in all aspects of government. And I have a Program Review and Evaluation Branch that says that in Highways, I should be spending \$250 million a year. And I have to make the hard decision, and the Legislature makes a decision, opposed, that that will be reduced to \$75 million. And that's the kind of decision that my honourable friend, the Minister of Health' has to make too from time to time. So the honourable members opposite are saying that I haven't been here. I was here at 11:30. I was here listening to the first hour of this debate. They were attempting to charge this particular Branch's activity, with the fact that they were implementing, or they were being instructed by this minister, to implement a particular policy direction of government . . .

MR. DESJARDINS: No.

MR. ENNS: . . . in their restraint program.

MR. DESJARDINS: No.

MR. ENNS: And I heard my Minister of Health eloquently defend that position, that their position was to evaluate the program, as is the job of my highway engineers, to tell me which highways need upgrading, to tell me which roads need to be built, to tell me whether shoulders should be built, despite their advice from the Member for Transcona. But what the Minister is saying is that

these decisions have to be brought together in terms of available dollars, and that decision is Cabinet's decision. Thank you, Mr. Chairman.

MR. CHAIRMAN: The Honourable Member for Transcona.

MR. PARASIUK: Mr. Chairperson, I was very intrigued by the comments of the Minister of Highways. I don't want to get into Highways, but I can't resist commenting that seeing as how a road right by his house is being upgraded, I wonder if he could provide the technical documentation which supports that. Because when we talk about evaluation, when we talk about evaluation, I think the key thing is whether in fact it's being done technically correct or not. —(Interjection)—

MR. CHAIRMAN: Order, please.

MR. ENNS: Mr. Chairman, on a point of order.

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

MR. ENNS: I've resisted from raising this point of order up to now. But it's obvious now that individual members of the New Democratic Party are going to stand up and make those kind of comments as were made several times in Committee and by the former Minister of Education in this House a little while ago.

I have not stood up and indicated to him how their Minister of Highways paved the road to his doorstep, to La Salle, I've not made that comment. But the fact of the matter is, yes, that provincial road No. 518 which on all traffic criteria — this is on a point of order, this is on a point of order . . . —(Interjection)—

MR. CHAIRMAN: Order please. On another point of order?

MR. DESJARDINS: On the same point of order, are you ruling that the member has, indeed, a point of order?

MR. CHAIRMAN: The Member for Transcona brought up a subject which the Minister is replying to on a point of order.

MR. DESJARDINS: Could you please tell me when we get back to Health, I'm going to go out and have a smoke or something and when we get back to the Department of Health, will you please let me know. I'm not interested in that, we're finished with the Department of Highways and I thought we were here to discuss health. And we're certainly not discussing health, no matter how you or anybody can stretch it. —(Interjections)—

MR. ENNS: Mr. Chairman, am I on a point of order?

MR. CHAIRMAN: On the same point of order. The Honourable Minister of Highways.

MR. ENNS: On the same point of order. You know, let's put it on the table. Yes, there are plans, twelve years later to approve provincial road 518. —(Interjections)— Yes.

MR. CHAIRMAN: Order please. The Honourable Member for Seven Oaks on a point of privilege.

MR. MILLER: Mr. Speaker: The point of privilege is that this House is being abused unnecessarily. If the member has a point of order let him state it and you should rule on it, instead of simply saying I have a point of order and then making a speech. I ask you to rule on that point of order although I think it's taking advantage of the privileges of this House.

MR. ENNS: Mr. Chairman, on the point of order.

MR. CHAIRMAN: On the point of order the Honourable Minister of Highways.

MR. ENNS: The point of order that has been raised by the Opposition is that public money is

misspent and being abused by appropriating it to a particular highway. That is the point of order.

MR. CHAIRMAN: The subject was brought up by the Member for Transcona. I am allowing him to speak on the point of order on the . . . —(Interjections)— okay. —(Interjections)— Order please. Order please. The Honourable Member for Transcona.

MR. PARASIUK: Mr. Chairperson, could I proceed to discuss Health because when I was interrupted by the Minister of Highways I had proceeded to say that what is important is the technical . . .

MR. SPEAKER: Order please. I have allowed great leniency, I have allowed great leniency —(Interjections)— Now I think that's enough. I think that we'll get down to the point under discussion. We are under Health and Community Services. I recognize the Honourable Member for Transcona.

MR. PARASIUK: Thank you. I was saying that what was important was the technical. . .

MR. CHAIRMAN: On the point of order. There is no point of order. I have recognized the Member for Transcona.

MR. PARASIUK: Thank you. I was saying that what was important. . .

MR. ENNS: Mr. Chairman, on the point of order.

MR. CHAIRMAN: On the same point of order?

MR. ENNS: I have a new point of order.

MR. CHAIRMAN: Order please. The Honourable Minister for Highways on a point of order.

MR. ENNS: I do not wish to leave it on a point of record that it was acceptable to provide asphalt to a former New Democratic Party Minister of Highways' home without it becoming a public . . .

MR. CHAIRMAN: Order please.

MR. ENNS: . . . and now that a provincial road leading next to my home, a gravel road becomes a point of order and raised by honourable members opposite becomes a point of order. That's the point of order.

MR. CHAIRMAN: Order please. The Honourable Minister of Highways does not have a point of order, it's a difference of opinion.

MR. DESJARDINS: Mr. Chairman, I move we adjourn.

MR. JENKINS: Well if we're not going to discuss Health . . .

MR. DESJARDINS: That's not debatable, put it to a vote.

MOTION presented and declared defeated.

MR. DESJARDINS: Yeas and nays, Mr. Chairman.

MR. CHAIRMAN: Call in the members. The motion before the House is Committee rise.

A COUNTED VOTE was taken, the result being as follows:
Yeas 12, Nays 21.

MR. CHAIRMAN: The motion is defeated.

MR. DESJARDINS: I would like to have leave of the House to go back to the Department of

please and we'll discuss that then we'll go back on Health.

MR. CHAIRMAN: On the main Estimates we are on Page 46. . .

MR. DESJARDINS: Mr. Chairman, I asked for leave of the House and I wonder if we could —(Interjection)— no leave, all right. Remember that, no leave to go back to Highways, remember that Mr. Chairman.

MR. CHAIRMAN: We are on Page 46 of the main Estimates, Health and Community Services, Resolution 63: 2. Administrative Services (d) Program Review and Evaluation, (1) Salaries — the Honourable Member for Transcona.

MR. PARASIUK: Mr. Chairman, before I was prevented by the Minister from Highways from continuing with the Health Estimates I was saying that the key thing is whether in fact the evaluation is technically valid and whether in fact it's not being interfered with politically and in that respect, I would like to ask the Minister when he's talking about evaluation, if the evaluation of the Dental Program will be as technically fraudulent as the evaluation of the health centres; and I say that because the evaluation of the Community Health Centres — because the evaluation that's taken place so far, which the Minister has refused to table — if it's a technical document, he should table it. He has refused to table that document with the health centres that he's called in. Now, if it was a technically confident unbiased document, he would table it, and I wonder why he hasn't done it. I mean it's easy to get up here and speak about what he was doing, and how this evaluation and review takes place, and it's all done by civil servants, and he then takes it and looks at it; takes it to his Cabinet colleagues and they make the political decisions, and before the review is even released to the public, he says he is against health centres for economic, which possibly would come out from the review, and philosophical reasons.

People asked him, did he instruct the people undertaking the review and evaluation of health centres, as to what his bias was on this particular matter, and he has said no, but he has refused to table the evaluation reports. And that raises a lot of questions: why were only three urban health centres called in for discussions with the Manitoba Health Services Commission? We have four health centres in Winnipeg — The Clinic, Health Action Centre, Northwest Co-op, and Mount Carmel Clinic — and why were three called in and one wasn't? Was that a political decision or was that the result of unbiased technical analysis.

I have, Mr. Chairperson, a letter from the Associate Executive Director of the Manitoba Health Organization. It was written to the Executive Directors of the health centres dated January 5, 1979, and it's with regard to health centre evaluation process, and it says that the Manitoba Health Organization Board of Directors reviewed the concerns regarding the Manitoba Health Services Commission health centre evaluation, as expressed by individual health centres at the December 8th Board Meeting, and they also reviewed a critique of the evaluations done by Manitoba Health Organization staff. The Board's decision on this issue was as follows:

1. That the MHO request MHSC to provide the objectives established for the evaluation.
2. That the MHO support the contention of health centres that the evaluations now being applied is not appropriate in many respects, and convey this message to MHSC and Health Centres.
3. That until a valid evaluation technique indicates otherwise, MHO maintains support for the health centres, and that if a revision of the evaluation technique is to be considered, MHO have input into that process.

There were a lot of concerns raised by that letter, and they are attached in an Appendix to the letter. It said: The evaluation failed to identify evaluation strategy; it said that the evaluation by the government misidentifies health centres and district health systems; it says it evaluates urban clinics and rural health centres by the same measure and within the same context; it says it does not propose to evaluate according to objectives, but by a cost-effective criteria; it does not address any of the major components of an effective health care delivery system; and it has concerns about questions which are addressed to case loads, client contacts, and in-house referrals. It goes on to say that the features not found in the government's evaluation proposal, and considered extremely important in evaluating health care delivery systems and programs should include the following:

1. Comprehensiveness.
2. Continuity.
3. Co-ordination.
4. Adjustment to health needs of community.
5. Local autonomy.
6. Accountability.

7. Service availability.
8. Service Accessibility.

That's why the Manitoba Health Organizations had tremendous concern with the evaluation that was being undertaken of health centres by this government, which has come out saying that it is biased against health centres.

Now, since we're on the topic of evaluation, the key question is, how technically accurate unbiased is that evaluation? Well, the Member for Morris says, very. Let him take that up with the Manitoba Health Organization which says that it isn't; let him take it up with the Manitoba Health Organization which says that it's inaccurate; Emerson says that it's inadequate. —(Interjection)—

Well, you know, I heard the chirps out of the background there, and I apologize, it is the Member for Pembina.

MR. BARROW: That's a bad word, chirps.

MR. PARASIUK: Chirps are bad. I ask him if he wants to interject from the seat like that to go out, and take a bit of time, and do some work with the Manitoba Health Organization on this matter, because I was intrigued when the Minister — earlier on today — said that this group and his government and his administration will not make important, unilateral decisions until the homework has been done.

Well, in these studies, the homework hasn't been done, and the Minister has left hanging in the air, these particular health centres, and yet we are getting very very close to their new fiscal year; and I find it incredible that the Minister would refuse to table technical documents by saying that they are in-house. If they are technical documents, and if in fact the matter of bias exists, and it exists because of statements by the Minister, then I think he should clear the air — show that he isn't biased with respect to this technical assessment — and release the documents. He should at least have the courtesy to release the documents to those health centres under attack.

He should also indicate what the breadth of the evaluation was. Did it take in all four health centres in Winnipeg; did it take in all the health centres outside of Winnipeg; were there different evaluations done for them? He has that opportunity, and I hope that he undertakes to follow up on it before we proceed very much further with these Estimates.

He also has the opportunity here to address the whole question of the future of the health centres, because he has indicated that they are being evaluated, and he has indicated again, outside the House, that he has problems with at least one of these — the Northwest Co-op — because it is duplicating a service that will be provided by a \$34 million hospital in the north end of Winnipeg. I'll wait to see the report to determine whether in fact that duplication will take place, but the incredible thing is that the \$34 million hospital doesn't exist yet. As far as I can tell, it won't be operational until some time in 1980 or 1981, and yet right at the last minute this particular institution is being called in, and being told that the Manitoba Health Services Commission, and presumably the government because the Minister indicated in the House here previously, that people from his Department were carrying out this evaluation, along with other people of the health centres. And I can't understand why he can't give them an assurance that they will continue to exist for this year; or why he can't give the assurance that the Northwest Co-op will continue to exist for this year, because for this year it is not duplicating any service that will be provided by the hospital.

I would like him also to indicate why certain social services which were being provided through these health centres last year, as part of an integrated delivery package, were withdrawn by the Department — again, unilaterally withdrawn? Was this the result of an evaluation done by this particular Branch, or was it the result of a decision taken by the Minister, and if that was the case, could he provide again the technical documentation for taking that decision, because what that type of decision does is weaken the notion of integrated health centres, which I think are very very important if in fact we're going to promote the valid objective of preventative health as opposed to going back on the traditional methods which frankly were set up to deal with crises that exist in health care. And people come to hospitals because they've got the problem already.

And the Minister, I think, has to indicate why the Department cut out social services to those health centres. I think now is the opportunity for him to provide that information to us so that we can take a look at it; so that we can have a bit of time to digest it as we proceed through the Estimates, so that when we get to the specific item in the Estimates book, that we'll be in a position to discuss the detail and the specifics. I don't think that's an unfair request of the Minister; I think that this is a matter that is of public importance; is of public attention; and I think the Minister should want to have the best possible hearing on this.

The Minister indicated, when I asked for a suspension of the rules to get into an emergency

debate on the closing of the health centres, that this wasn't necessary because we'd get a chance to discuss this item in Estimates. So, I'm inviting him to give us the opportunity to have the fairest and the fullest discussion of this item in the Estimates, with sufficient lead time for us to look at the technical documents, if in fact they are technical documents, so we can peruse them and do some analyses and be in a position when we get to the exact item on the Estimates to do it on the details.

I don't want to discuss the details now; I do want to discuss the report or the reports, because I think that there may be more than one report of evaluation; and I do think that it's quite important to get them in the light of the Manitoba Health Organization fears regarding that evaluation; and I think it's important to have those technical documents made public in the light of the Health Services Commission refusal, I gather, to table the entire technical documents with those health centres under review, and under threat of cutback by this administration.

I won't raise the comment about why Mount Carmel Clinic has been excluded from the meetings with the Manitoba Health Services Commission at this stage. That may become apparent when I see the technical documents, but I really can't take this much further with, I think, a spirit of openness and fair play on this, until we get the technical documents; and since we're discussing the matter of evaluation right now, I thought this would be the fairest and the best time to raise this matter, and I will give the Minister opportunity to indicate whether he can table those documents and whether he can provide for a fair and just discussion of this matter within the Estimates process in the Legislature.

MR. CHAIRMAN: The Honourable Minister of Mines.

MR. RANSOM: Mr. Chairman, earlier in the debate, the Honourable Minister was accused of lying with respect to the Children's Dental Health program. I would just like to put on the record that in 1976, when I was serving on the Board of Turtle Mountain School Division, and some officials from the dental program came to a Board Meeting at the time, and were advocating — were selling the program to be implemented in Turtle Mountain school division and one of the reasons that the officials gave at that time for the program being available for Turtle Mountain was that it had originally been intended to go into the north, but that they were unable to get supervising dentists for the north, and therefore they wanted to put the program into the Turtle Mountain division, along with many others. So that when the Honourable Minister says that the program was not being extended into the north by the previous administration and was accused of lying, Mr. Chairman, I submit that he was not lying and that the information which I have just provided demonstrates that.

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

MR. DESJARDINS: Mr. Chairman, I'm the one that said the Minister was lying when he said that we were neglecting the north, that we had no intention of going in the north, and what was said by the Minister of Mines doesn't change anything. First of all, it was stated, and if you remember, the Member for Wolseley who was sitting in the other corner out there said that that wasn't the case, it was a universal program. That is what I stated. It was a universal program that you could not start all at once. First of all, you had to recruit enough dentists, you had to get the dental nurses — it was a two-year course. And some of them took it — I think the first time in the one year, and then the others were in two years.

Now, the intention and the first priority, and it was announced repeatedly in this House, never did we deviate from that direction, the first intention was to go where the need was. That is the main reason why this plan was brought in, the main reason. It would be less reason to bring it in if you were just worried about the urban communities, because at least they have some facilities there. That is true.

Now, we started in the area, it wasn't Winnipeg at all, we started in different areas to see how it would work. It was my honourable friend a while ago talked about a pilot project, I don't remember what it was, but the Member for Transcona, I think, was talking about a program, I don't know if it was yesterday or this morning, but anyway they were talking about a pilot project. That was announced as a program that we were going to go ahead with, and we did. And it is absolutely true and correct that the next step was in the north, and that would just prove the point that I have made. Our intention was to go to the north, not to disregard the north altogether, not to disregard, and it was impossible with the staff that we had. I make no apologies for that; it was impossible to do it that year. We said we'll wait and that'll be the next step. And that was a big step, as soon as it was possible. But it wasn't possible at that time.

If any of these bright members of the back seat up there, the back row, can tell me how we

can start a program somewhere without the staff, without the proper staff, well then they're geniuses and I bow to them. But to say, to get up in the House and to say that we had no intention of going into the north, that is a lie, because that is not true at all. And what the member said proves it. We're human and if we're not, we're not going to start a program just for the sake of saying we've got somebody in the north.

But I can tell you that we did everything — we were flying people into the north, dentists into the north on sessional, they were paid the sessional payments, and they were doing that work; it was within the program, not exactly the same kind of program with the people coming into the area in the schools, and that was coming. At no time did we say it was all going to be done in one year; at no time did we say that. We had to take time, and this is exactly what was done.

Now, I'm bringing this thing up — I still don't think it is the right place to discuss this program — I'm bringing it up because of the intervention from my honourable friend; yes, and I still say it's a lie if, knowingly you say that we had no intention of bringing it into the north. There's no other word for it. We couldn't do it at that time. We admitted it and I admit it now. And there are certain things that you can't do that you would like to do. There are certain things that you can do, but don't say that you had no intention of doing it. That is a lie. And that was what I object to. Because the former government worried about the people in the north — everything we did, even in that department. The first games weren't Manitoba games, they were northern games, and it was costly, and then we stand more chances of falling flat on our faces on this, because it was difficult to organize in the north when there are so many small different communities. And we did everything we could.

All right, at the time, we could not bring it in because we didn't have all the facilities, so therefore we said we'll bring it in next time. And even when we developed that, we had two alternatives; we figured this is the first priority, if we can do it, if we're not quite ready, this is what we're going to do. It wasn't the Minister or the Cabinet that decided we're not going to go in the north, we're going to go there, it was the staff and it was Dr. Leek' who was in charge of that, who said we can't do a good job now, so we didn't do it.

Well, that's a different thing, of neglecting something; yes, then we said we'd go somewhere else. What was wrong with that? What were we supposed to do? Not do it? It was a universal program. It was a universal program.

MR. ORCHARD: Bringing in a program you couldn't administer.

MR. DESJARDINS: It was very well administered, and I challenge that backbencher out there who is trying to promote a job in Cabinet, to tell us it wasn't well administered. And you go and ask the different school divisions if it wasn't well administered. You go and ask the parents of these kids if it wasn't well administered. You have no idea . . . you ask your neighbour. . . You ask your neighbour if it wasn't well administered, if he didn't like that program. —(Interjection)— Oh, how in hell do you administer it when there's no program there? It would be even more of a genius to do a good job of administering something that is not even there. I don't know how you do that. My honourable friend knows. Now, as I said, this is not the place to bring this thing up and we'll have a lot to say at this time.

But, Mr. Chairman, and I repeat, the only thing we wanted to know, and I don't know if the Minister of Highways came in, that felt that the Minister . . . , if he felt that he should bail out his friend. I don't know why. But he came in and he started to give us a lecture about this group that are supposed to evaluate add review programs. And what did I say, if he had been listening? I said that two years ago, when these people were in opposition, that the now Minister of Health told me that this wasn't an important area, that — well, I don't want to exaggerate — I don't think he used these words, it wasn't important, but anyway, we had to be careful, not too many people in there, you need just a skeleton staff, and we were asking for nine then. Not ten. And there was a danger of empire-building. Empire building. Well, my honourable friend, you know the way he thinks, everything is possible, you're going to have both of sides of the middle. Yes, right, and no.

The thing is then we were given a repeated lecture by by the Finance Minister, then the Minister of Highways, of what a review and planning group was. What they were supposed to do, and we're dumb, we're just stupid socialists, but we know enough that we know what it's all about. But we wanted to know. And then the Minister, and it's vague and he knows it's vague, and he says, "Well, we've been trying to find out how they arrive at a decision". We made the accusation that they're doing just for political reason, and to day by day that there's no program. That's what we're asking. That's what we want to get at. So we're told, well it's in here, but it's also somewhere else; it's in the Deputy Minister. Of course it's everything. But once you've got everything, you know it seems

that that's why there's no decision and leadership in this department, because they listen to everybody once and then they start again to listen to everybody a second time and the third time. Sure, discuss with the medical profession. Sure, discuss with the dental profession. Sure, discuss with the nurses. But don't discuss forever. And then give this information, give it to your review committee, instruct them and tell them what you want, and of course tell them how much money you have, or at least stop them from going wild. And tell them this is what we want in this area. Don't waste time and don't spend money for nothing. And tell them the things that you will not accept — and I'm not saying this sarcastically — tell them the things you don't believe in and you won't accept, but don't pretend that you believe in it.

For instance, the community clinics. You don't believe in them, throw them out. And then we'll fight an election on that and other points. That's fair. You know, that's the way to fight it out in this House. It's just like a hockey game, if you want to fight it out, throw your stick down and come swing. Don't come and hit a guy with on the head with a stick in a sneaky way, but know what the heck you're fighting for. And I'm not suggesting, like apparently the Minister of Finance, that we should all go in the hall and fight it out. And if we do, that's my partner. But I'm not suggesting that. I'm not suggesting that at all. I'm suggesting, in a way of speaking, that we discuss these things.

So now we're chastized because we want to know how they arrived. Now the Minister said they're doing this, they're doing that, but what have you done with this? That's what we want to know, in what direction are you taking us? In what direction are you taking us? This is what we want to know. And they've studied and they've studied they've had two years to study now. When are we going to have some action, and all of a sudden, something is announced out of a clear blue sky. Why? Why, if it's not for political reasons? Why are you saying, well we're going to charge you more, it's a good program, we have to charge you more, we haven't got the money. Why do we say, well, we're going to cut some of these things? Or even if you don't say it, why do you cut home care up to a certain point by having less people working, because how can you prove what you're doing in home care. But when you know that they say, well we haven't got the staff, that they're not receiving home care that they're supposed to receive. Of course, we don't have to have any Minister, Highway or Health and so on to tell us that the last decision is up to the Cabinet.

And Mr. Speaker, before I sit down, there's another thing that I want to say, because I do not accept that the Minister cannot give me the information on the financing from Ottawa. I can accept that he might not have the final, the last cent; I can accept that, but I'm darned sure, unless there's a radical change — I know that when I was Minister, my staff was constantly discussing with Ottawa, with the department in Ottawa, there were Ministers meeting, there were Deputy Ministers meeting, there were staff meeting constantly, and they have an idea where we're going. And if they haven't, it is ridiculous to call us here in this House — maybe that's why we want to discuss Highways — because we don't know what we're going to have to spend on health. But it is ridiculous to come in and say, we might have \$9 million, one million, or \$60 million from the Federal government, but this is what we want.

You know, Mr. Speaker, yourself, that if you're going to decide to go shopping for Christmas, you're going to find out how much money you have. And you want to know at least approximately, as close as possible. You're not going to wait until thisguy owes me money, well maybe you pay me on December 24th. You don't know that, and I'm sure that we must have had some money over these last three years, at least I can be given this information, Mr. Chairman, but to say that we're not going to have that, this is the second year. I don't believe it, I don't believe. I say again, they haven't got all, the last cent, but enough to at least give us an idea.

And what do they base themselves on, here look at the Estimates. You know, is this a joke? Is this a joke? On page 46. Under Social Services Advisory Committee, recoverable from Canada, \$46,000, recoverable from Canada, Administrative Services \$400,000.00. You know, is that a guess? What is that? I'm not asking anything that's impossible. I'm not asking him to give us the final line if they haven't got the final line, Mr. Chairman. But I think that we should have an idea. We are here trying to find out first of all what are the funds we have under our taxation system, cost-shared with Ottawa, under our global, from Ottawa, under the revenue that had come from the services themselves, for instance when there is a certain amount to pay, like now the \$75 from Pharmacare, and the one dollar extra, or whatever it is, for semi-private, and the \$7.50 or whatever it is for personal care home. We find out what money we have and then we find out, what can we deliver with that? And this is not the first time, and there's other questions that we've asked that are very important. We want to know. And the Minister, I suspect, knows why we want to know. One of the reasons, we want to keep him honest. We want to keep him honest. That's our job. They're laughing at that, when I say we want to keep them honest. That's our job. We want to see if all that money is spent —(Interjection)— That's pretty easy. Yeah, it sure is. After what

we've heard today and yesterday and what's going on that's very easy.

And what my friend the Member for Transcona has said, it's very easy, but I wish the heck that it was done. We want to be able to see if the money that is given to a province for funds — you know, the Minister was mad at the National Minister of Health because she dared say, "Be careful, because if you don't spend this money, we're going to withdraw that if you endanger Medicare." We want to know that. We want to know. There's nothing wrong. The minister would expect us to want to know that. And, you know, if all that money is spent, fine, so we'll dig somewhere else, that's nothing, that's our role. That is our role, and that is democracy in action, and that is where people decide, "Well, it's our money, we can do what we want." We are here to scrutinize everything, to find out for the taxpayers — that's our system — and they were doing that when they were in Opposition; they had every right to do it. The questions are not there just to embarrass people but to find out that things are done right. And not only is it good for the taxpayer but it's a protection for the Government of the Day. It's a protection for Government of the Day if they know that they have to answer to the Opposition and to the public and they have to know what amount has been spent and what is happening with this money.

You know, you have the Member for Wolseley now who told us yesterday how many millions of dollars that he saved the province because he reads that book before he goes to bed, where other people might read the Bible or something else, he reads the Public Accounts. Well, my honourable friend will read the highway chart and look at his map, and fall asleep with a big grin on his face. But, you know, some other people want to know about the Public Accounts and so on. So that is his job, Mr. Chairman.

So, you know, why is this reluctance to give us the information that we need? God knows that we haven't got — there's so many things that the minister — and if he doesn't want to give us the report, that's his business. I don't remember, except memos and things like that that I received from my staff when I was the minister; I don't remember any report and I didn't have to make them public. I don't remember of any one that I did not make public and then when I had a press conference in those days, I used to invite the critic on the Department of Health, and the critic for the Liberal Party, so they would have a chance. We would explain the whole thing to the press, and these people were invited many times. I don't say. . .

MR. CHAIRMAN: The hour being 4:30, Private Members' Hour, Committee rise. Call in the Speaker.

The Chairman reported upon the Committee's deliberations to Mr. Speaker and requested leave to sit again.

IN SESSION

MR. SPEAKER: The Honourable Member for Radisson.

MR. KOVNATS: Mr. Speaker, I beg to move, seconded by the Honourable Member for Pembina, that Report of Committee be received.

MOTION presented and carried.

MR. SPEAKER: We are now under Private Members' Hour — the Honourable Acting Government House Leader.

MR. ENNS: Mr. Speaker, there seems to be a general disposition that we can dispense with the Private Members' Hour on this afternoon, and I would move, seconded by the Honourable Member for Flin Flon that the House do now adjourn.

MOTION presented and carried.

MR. SPEAKER: The House is accordingly adjourned and stands adjourned till 2:30 on Monday.

ADDENDUM NO. 1

ANSWERS TO QUESTIONS ASKED IN ESTIMATES (MARCH 13)

1. March 13th, the Member for Seven Oaks and the Member for St. Johns asked about an amount of \$30.6 million in respect of prior-year income tax and equalization adjustments which was explained in the 1977/78 Public Accounts in Note 1(a) on Page 26.

Both members asked whether this amount had been repaid or whether there was still a portion of it remaining to be paid, either in this fiscal year or in a subsequent year or years.

As noted clearly in the Public Accounts, the repayment is being made in the current fiscal year (that is, 1978/79).

I am advised that the federal government has made deductions from regular monthly instalment payments in respect of the amounts involved, and that the repayments will be complete as of the end of this month.

Friday, March 16, 1979

ADDENDUM NO. 2

REPLY TO A QUESTION ASKED BY THE MEMBER FOR ST. VITAL

DEPARTMENT OF FINANCE
Status of Permanent Positions
As At January 1/78 & January 1/79

79-80 Appropriation Number	Branch	January 1/78		January 1/79	
		Approved	Filled	Approved	Filled
07-1A	Minister's Salary	1	1	1	1
07-1B1	Executive Salaries	5	5	6	5
07-1C-1A	Administrative Services	11	9	11	9
07-1C-2A	Administrative Policy	4	4	4	4
07-2A	Treasury	18	17	18	17
07-3A	Comptrollers	90	74	92	72
07-3D-1	Cost-Shared	8	7	8	7
07-4A-1	Taxation Administration	7	7	7	7
07-4B-1	Retail Sales Tax	90	77	92	86
07-4C-1	Mining & Use Taxes	58	51	57	49
07-4D-1	Succession Duties	13	13	4	3
07-4E-1	Corporation Capital Tax	14	14	16	13
07-5A-1	Federal-Provincial Relations	18	16	18	17
07-7A	Program Analysis & Review	8	7	8	6
07-8A	Manitoba Energy Council	5	4	6	5
		350	306	348	301

ADDENDUM NO. 3

Question from the member for St. Vital.

A question was raised as to the presentation of Highways Account 15-5(b).

Answer:

Highways appropriation 5(b) was shown as \$914,500 in 1978/79 and \$3,400,000 in 1979/80.

To have been treated consistently from year to year the 914,500 expenditures account should have been grossed up by an additional \$1,715,000 and the revenue account should have been grossed up by an additional \$1,715,000. This would have reduced the expenditure growth percentage slightly. It should be noted that all expenditures made from this account are fully recovered. A table of the above explanation is shown below.

	1978/79	1979/80
Gross Expenditure	\$4,829,500	\$5,000,000
Recovered Internally and Netted	<u>2,200,000</u>	<u>1,600,000</u>
Total Expenditure Account Shown in Estimates	2,629,500	3,400,000
Recovered Externally and Shown As Revenues.	<u>2,629,500</u>	<u>3,400,000</u>
(914,500 + 1,715,000)		
NET COST	<u>0</u>	<u>0</u>

REPLY TO QUESTION ASKED BY MEMBER FOR ST. JOHN'S

RECONCILIATION OF ADJUSTMENTS

1978-79 ADMINISTRATIVE SERVICES VOTE

Salaries	\$	<u>SMY</u>
Original 78-79 printed Administrative Services vote	\$ 88,400	7 permanent
Transfers in from Budget Branch	69,700	3 permanent 1/2 term
Transfers in from Management Committee of Cabinet	15,700	1 permanent
Allocation of General Salary Increase vote	2,900	--
78-79 vote as shown in 79-80 printed estimates	\$176,700	11 permanent 1 1/2 term

Other Expenditures

Original 78-79 printed Administrative Services Vote	\$28,300
Transfer from Budget Branch	19,000
1978-79 vote as shown in 79-80 printed estimates	\$47,300

ADDENDUM NO. 4

BACKGROUND INFORMATION

RECONCILIATION OF ADJUSTMENTS

1978-79 ADMINISTRATIVE SERVICES VOTE

Transfers in from Budget Branch

McKenzie	\$35,100
Stoneman	11,300
Scott	19,300
Term	4,800
Turnover Allowance	(800)
	<u>69,700</u>

Transfers in from Management Committee of Cabinet

R. Pachal	<u>\$15,700</u>
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Friday, March 16, 1979

ADDENDUM NO. 5

REPLY TO A QUESTION ASKED BY THE MEMBER FOR ST. JOHN'S

APPROPRIATION 07-2D
REFUNDS OF PRIOR YEARS' REVENUE
SUMMARY OF PAYMENTS TO FEBRUARY 28/79

Revenue Account Number	Revenue Account Name	Amount Refunded (000's)
R3A	Dept. of Agriculture - Fees	\$ 5.1
R4A	Attorney General - Fines & Costs	3.8
R4G	Attorney General - Manitoba Lotteries Licensing Board	0.2
R5A	Consumer & Corporate Affairs - Fees	0.2
R5C	Consumer & Corporate Affairs - Licences	1.6
R5D	Consumer & Corporate Affairs - Securities & Real Estate Agents Act Fees	0.9
R7B10	Sundry Revenue	3.0
R7B11	Retail Sales Tax (Includes \$252,362.74 to Air Canada)	457.8
R7B15	Succession Duty & Gift Tax	104.8
R7B18	Metallic Minerals (To Inco)	1,133.4
R7B3	Insurance Corporations Tax	0.4
R7B5	Corporate Capital Tax	453.6
R7B7	Refund of Prior Years Expenditures	2.1
R9C	Health & Social Development - Miscellaneous	0.6
R11A	Labour - Fees Permits, etc.	1.2
R12A	Mines, Resources and Environmental Management - Mines & Minerals	62.0
R13A	Municipal Affairs - Fees	0.2
R14A	Tourism - Parks & Recreation	1.5
R14B	Tourism - Tourist Branch	0.8

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ADDENDUM NO. 5

2.

R15A	Highways - Motor Carrier Licences & Fees	3.2
R15B	Highways - Auto & Drivers' Licences	1,067.3
R15C	Highways - Licence Suspension Appeal Board	5.7
R16A	Education - Fees	11.6
R19B	Northern Affairs - Forestry	4.7
R19C	Northern Affairs - Fisheries	0.9
R19D	Northern Affairs - Wildlife	1.2
R30A	Sundry - Agriculture	9.2
R30B	Sundry - Education	0.2
R30C	Sundry - Health & Social Development	2.9
R30K	Sundry - Tourism	0.4

\$3,340.5

ADDENDUM NO. 6

REPLY TO THE MEMBER FOR ST. JOHNS

TAX ASSISTANCE OFFICE - ENQUIRIES

- . In the January-April, 1977 period, approximately 28,000 people were provided assistance in completing their tax credit application forms and/or income tax returns by the Tax Assistance Office.
- . In the January-April, 1978 period, about 25,000 people were assisted.
- . To date in 1979, some 7,237 people have been assisted. While precise figures are not available for the same period in previous years, the assistance officers feel that the total workload is about the same as last year.
- . Members will be pleased to note that no reduction in tax credit claims reported by Revenue Canada occurred between 1977 and 1978 (for the 1976 and 1977 tax years, respectively) despite the slightly reduced number of enquiries, etc. In fact, property tax credit claims increased from 351,500 to 360,750, an increase of 2.6% and cost of living tax credit claims increased from 415,500 to 429,500, an increase of 3.4%. Similar experience was recorded among senior citizens - an increase from 64,500 to 68,000 or 5.4% in property tax credit claims and an increase from 85,500 to 91,750 or 7.3% in cost of living tax credit claims.
- . In light of the fact that the workload of the Assistance Office is about the same this year as last year...in light of the fact that Province-wide assistance is available at Zenith 3-6400 for Manitobans outside Winnipeg and 943-3401 for Winnipeg residents... in light of the fact that provincial efforts are being supplemented by free tax preparation services for low income Manitobans by volunteer groups and the Institute of Chartered Accountants... no reduction in the numbers of claimants is anticipated this year.

ADDENDUM NO. 7

Question - the Member for St. Johns re \$6.3 million investment income related to the Debt Retirement Reserve.

Prior to the 1978-79 fiscal year, earnings on the Provincial Sinking Fund related to Provincial Securities issued prior to the coming into force of The Financial Administration Act in 1969, were included in the accounts of the Government as receipts in the Capital Division. In accordance with the Financial Administration Act, the earnings on the Provincial Sinking Fund related to Provincial Securities issued subsequent to the coming into force of the act were to be credited to the Revenue Division and were included in the Public Debt Estimates along with all other earnings on investments.

For 1978-79 the estimates were prepared on a combined current and capital basis for the first time, and items which, under the separate division accounting concept, would have been reported as Capital receipts, were included as Revenue. In preparing the 1979-80 estimates it was recognized that the 1978-79 estimates were inconsistent in the treatment of earnings on Sinking Fund investments in that \$3,762,000 of Sinking Fund earnings were included in Public Debt under the Other Loans and Investments total of \$31,597,000 and \$6,300,000 was included as a separate "Revenue" item. For 1979-80 Sinking Fund earnings are being presented in a consistent manner by including all the earnings in the Public Debt appropriation and for the purpose of better disclosure, a separate line now provides the total amount of Sinking Fund earnings apart from Other Loans and Investments.

The net effect of these changes in presentation has not altered the deficit position of the Government and if the present treatment had been applied to Sinking Fund earnings in past years the combined current and capital surplus or deficit would not have changed.

ADDENDUM NO. 7

Recap of Interest Earnings for 1978-79 from Estimates as printed to amended presentation for comparison in 1979-80 Estimates.

	1978-79 as originally <u>printed</u>	1978-79 as presented in <u>1979-80 Estimates</u>
Expenditure Appropriation:		
VII 10 Public Debt		
(2) Less: Amounts of Interest and Other Charges to be received from:		
(f) Other Loans & Investments	31,597,000	27,835,000
(g) Sinking Fund Investments	-	10,062,000
Revenue		
RVII (e) Investment Income Related to Debt Retirement Reserve	6,300,000	-
	37,897,000	37,897,000

ADDENDUM NO. 8

REPLY TO QUESTION ASKED BY THE MEMBER FOR ST. JOHN'S

A question was asked regarding the disposition of the \$23.4 million held in trust for the Manitoba Health Services Commission as at March 31, 1978. This was the amount established as the year-end liability to the Manitoba Health Services Commission in accordance with our funding arrangement with the Commission and agrees with the Commissions year-end financial statements as audited by the Provincial Auditor.

These funds are drawn down by the Manitoba Health Services Commission as they discharge their liabilities and will be totally withdrawn before the end of this fiscal year.

ADDENDUM NO. 9

METALLIC MINERALS ROYALTY ACT

Schedule of Royalty Receipts

(\$000's)

	1975/76	1976/77	1977/78	Total
Royalty Received at 15%	\$6,061.0	\$ 7,724.1	\$ 6,255.0	\$20,040.1
Royalty Received at 35%	1,329.0	2,609.0	(3,193.0)	745.0
Total Receipts in Fiscal Year	7,390.0	10,333.1	3,062.0	20,785.1
Less Transferred to Reserve	177.7	310.0	91.9	579.6
Published per Public Accounts	\$7,212.3	\$10,023.1	\$ 2,970.1	\$20,205.5

ADDENDUM NO. 10
 CORPORATION CAPITAL TAX BRANCH
 COMPARISON OF 1977/78 - 1978/79 AND 1979/80
 ESTIMATES

	-----1977/78-----			-----1978/79-----			-----1979/80-----		
	<u>SMY's</u>	<u>SALARY COSTS</u>	<u>EXPENDITURES</u>	<u>SMY's</u>	<u>SALARY COSTS</u>	<u>EXPENDITURES</u>	<u>SMY's</u>	<u>SALARY COSTS</u>	<u>EXPENDITURES</u>
CORPORATION CAPITAL TAX BRANCH									
as published	14.48	\$ 202,200.	\$ 129,700.	16.48	\$ 249,800.	\$ 166,700.	16.48	\$ 287,300.	\$ 174,200.
Add: G.I.S. Allocation		8,800.			8,700.			Ø	
Add: Reallocation within Dept.			500.			Ø			
As adjusted	14.48	\$ 211,000.	\$ 130,200.	16.48	\$ 258,500.	\$ 166,700.	16.48	\$ 287,300.	\$ 174,200.

NOTE: The original 14 SMY's approved by Management Committee for 1976/77 were estimated as being adequate for a tax roll of 19,000 corporations with an expected yield of \$8,000,000. As a result of actual filings the tax roll grew to some 30,000 by September of 1976 with adjusted revenues of \$10,207,319. re 1976/77 (9 month period) and with an adjusted projection for 1977/78 of \$12,000,000. rather than \$8,000,000. (actual for 1977/78 \$13,217,108.) Based on original estimate relationship of staff to tax roll and revenue yield, the SMY projection for 1979/80 would have been 21 SMY's not 16.48 as established. It is noted that only 13 of the 16.48 established SMY's are actually filled at this time.

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ADDENDUM NO. 11

MINING & USE TAXES BRANCH

Analysis of Mineral Acreage Tax Section's Estimates

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	1977/78			1978/79			1979/80		
	<u>SMY's</u>	<u>Salary Cost</u>	<u>Expenditures</u>	<u>SMY's</u>	<u>Salary Cost</u>	<u>Expenditures</u>	<u>SMY's</u>	<u>Salary Cost</u>	<u>Expenditures</u>
Mineral Acreage Tax Section:	12.24	\$130,500.00	\$ 91,500.00	6.0	\$ 65,200.00	\$ 40,000.00	3.0	\$ 34,500.00	\$ 5,000.00
Other Branch Administration related to:									
The Gasoline Tax Act)									
The Motive Fuel Tax Act)									
The Revenue Act 1964)	49.0	681,700.00	270,200.00	51.0	790,500.00	302,300.00	51.0	864,400.00	332,700.00
The Tobacco Tax Act)									
The Mineral Taxation Act)									
The Mining Royalty & Tax Act)									
The Metallic Mineral Royalty)									
Act)									
The Pari-Mutuel Tax Act)									
	61.24	\$812,200.00	\$361,700.00	57.0	\$855,700.00	\$342,300.00	54.0	\$898,900.00	\$337,700.00

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ADDENDUM NO. 12

MINERAL ACREAGE TAX ARREARS

As at

- December 31, 1976	\$ 1,770,137.48
- December 31, 1977	\$ 1,274,099.
- February 28, 1979	\$ 722,259.