

THE LEGISLATIVE ASSEMBLY OF MANITOBA
10:00 o'clock, Friday, May 3, 1968

Opening Prayer by Mr. Speaker.

MR. SPEAKER: Presenting Petitions
Reading and Receiving Petitions
Presenting Reports by Standing and Special Committees
Notices of Motion
Introduction of Bills

MR. JAMES COWAN Q. C. (Winnipeg Centre) introduced Bill No. 108 an Act to amend the Public Schools Act (3); and Bill No. 105, an Act to amend the Winnipeg Charter 1956 (3).

Before we proceed I would like to direct the attention of the Honourable Members to the gallery where we have 62 pupils from The Jefferson School of Grade 7, 8 and 9 standing. These students are under the direction of Mr. Pawlychka, Mr. G. Kinaschuk and Mr. P. Manzuk. The students are from the Constituency of the Honourable Member for Seven Oaks.

We also have with us today, 20 students of Grade 11 standing of Rosenort Collegiate. These students are under the direction of Mr. Reimer. This school is located in the Constituency of the Honourable Member for Morris.

There are 18 students of Grade 11 standing from the St. Norbert Collegiate. These students are under the direction of Mr. Deleurme. This school is located in the Constituency of the Honourable the Attorney-General. On behalf of all the Honourable Members of the Legislative Assembly I welcome you all here today.

MR. SPEAKER: Orders of the Day. The Honourable the Provincial Treasurer.

HON. GURNEY EVANS (Provincial Treasurer)(Fort Rouge): Mr. Speaker, before you proceed may I give some information to the Leader of the Opposition. The average rate at which Canada Pension plan money has been made available to the Manitoba Government. It varies from 5.39 percent to 6.53, the average to date is 5.96. The latest rate quoted although we haven't the money is 6.61. For what purposes did we use the money? \$10,000,000 for schools, \$29,396,000 for refunding savings bonds; the total amount \$39,396,000.00

MR. GILDAS MOLGAT (Leader of the Opposition)(Ste. Rose): Mr. Speaker, I would like to thank the Minister for his statement. Could he indicate how this compares to the current market rate. I think he said the latest borrowing would be 6.61, is it? how does that compare to the market at the moment?

MR. EVANS: I'll enquire if my honourable friend wishes me to, I haven't got in my mind this morning.

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

MR. SAMUEL USKIW (Brokenhead): Mr. Chairman, I wish to direct this question to the Honourable the Minister of Industry and Commerce. Is it true that the establishment of the Fabric Plant in Selkirk is contingent on whether or not there is the availability of soft water in the town?

HON. SIDNEY SPIVAK Q. C. (Minister of Industry and Commerce)(River Heights): Mr. Speaker, the plant is to commence construction on the 15th of May. I do not think there is any contingencies with respect to the plant but I will check and take the question as notice.

MR. RUSSELL PAULLEY (Leader of N. D. P.)(Radisson): Mr. Speaker, if I may on this point, direct a question to the Honourable the Minister of Industry and Commerce. Are there any tax concessions made or implied in connection with this deal, either provincially or municipally?

MR. SPIVAK: Mr. Speaker, to the best of my knowledge, no.

MR. SAUL M. CHERNIACK Q. C. (St. John's): Mr. Speaker in line with that - whilst the Minister is making enquiries in answer to the Honourable Member for Brokenhead, could he also satisfy himself on the question asked by my Leader.

MR. SPIVAK: Mr. Speaker, I know of no tax concession, either offered by the province or the town of Selkirk.

MR. MOLGAT: Mr. Speaker I would like to address a question to the Minister of Industry and Commerce. In his campaign for the "Spirit of 70" I think there has been a song that has been produced. Could he indicate whether there was any cost to the Province of Manitoba for this song and are there any royalties being paid to the individual who wrote it?

MR. SPIVAK: Mr. Speaker, I'll take that question as notice and give an answer to the

(MR. SPIVAK cont'd.)... Honourable Leader of the Opposition.

ORDERS OF THE DAY

HON. STERLING R. LYON Q. C. (Attorney-General)(Fort Garry): I wonder if you would be good enough Sir, to call the proposed motion standing in my name on the bottom of page 2.

MR. SPEAKER: The proposed motion of the Honourable the Attorney-General.

MR. LYON: I move, seconded by the Honourable the Provincial Treasurer that for the remainder of the Session, the House have leave to sit in the forenoon from 9:30 a. m. to 12:30 p. m., in the afternoon from 2:30 p. m. to 5:30 p. m. and in the evening from 8:00 p. m. and each sitting be a separate sitting, and have leave so to sit from Monday to Saturday, both days inclusive, and the Rules with respect to 10:00 o'clock p. m. adjournment be suspended, and that the Order of Business for each day shall be the same as on Thursday.

MR. SPEAKER presented the motion.

MR. LYON: Mr. Speaker, this is the traditional motion that is moved during the course of our debate each session. I should say in moving the motion this year that the wording that has been followed in the motion is the same wording that has always been used. We recognize, however, that there may well be objection taken by members on all sides of the House to such matters as sitting on Saturdays or to any change in the 10:00 p. m. adjournment time and I want to make it clear at the outset that it would be the intention of the government if submissions are made by members of the official opposition, the NDP or indeed the Member for Rhineland, to consider any reasonable amendments to the motion. When I say amendments, I mean changes in the actual arrangements that we could agree to right in the House, for instance, if we agreed until Supply was over that we would not sit on Friday nights or Saturdays, that we would not sit beyond 10:00 p. m., I think that could be quite easily accommodated within the terms of this motion that is before us. I am prepared to say on behalf of the government that any reasonable approaches such as that would certainly meet with approval from this side of the House. I can report to the House that in terms of our progress this session we have been sitting now approximately 7 1/2 weeks. We have given third reading to some 30 government bills. There will be a total roughly of 75 government bills altogether, so almost half have had completion through all stages through the House and wait only Royal Assent.

Of the remaining bills, there are a number now on the Order Paper which have been distributed to the Members. Some of them are complicated. I refer in particular to the Condominium Act which has been on our desks now for a few days. I think it's advisable and good that Bills of this nature should be given to members some time before they are moved in order that the necessary study can be given to them and that neither the government nor indeed the House could be accused by anyone of trying to rush through legislation that has substantive effect such as this does.

I can also assure the Members, Mr. Speaker, that my moving the motion, we are not indicating the desire to hustle unduly the business of this House. The basic purpose in moving the motion at this time is to provide that extra degree of elasticity for sittings of the House so that we can devote time, whatever time is needed -- and that is usually determined by the honourable members opposite as much as it is by the Members of the Government -- whatever time is needed for the fullest consideration of all measures that are before the House whether they be bills or whether they be committee of supply or whatever - there is no intention on our part to suggest that these matters should not receive full consideration; rather it is our intent to suggest that by sitting in the morning, the afternoon and the evening, that we will have just that much extra time in which to carry out the responsibilities that we have as members of the Legislature and to expedite if possible some of the matters that are before us without in any way giving in to the fair consideration that should be given to all of these matters.

I'm advised by the Legislative Counsel that it is his hope - and honourable members will realize that in making this statement to me, and in my making it to you, we can't be held to it - but it is his hope all of the Bills will be back, that is the government bills, will be back from the printers and will be proof read, and this is an operation that we don't engage in, but it's a time consuming operation and a very intensive operation on behalf of their staff, he hopes to have them all back, proof read and ready for distribution by approximately the middle of next week. Now please, Mr. Speaker, I would plead with the House not to be held to that in case there are some that come in after. In fact, he has given me notice that possibly there will be at least one bill that will come in after that time which is rather bulky in size. But by and large we do hope to

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(MR. LYON cont'd.) . . . have the vast majority of government legislation on the desks of the honourable members by the middle of next week and indeed notice of all of these bills has been given either by Votes and Proceedings or First Reading or Notice thereof at the present time with the exception of approximately 7 or 8 bills which are still to be put on the Order Paper.

So having regard to the time of the session, 7 1/2 weeks, having regard to the fact that we have now disposed of some 53 hours and 15 minutes of the total time allotted for Supply under the rules which is 80 hours we thought it would be appropriate to ask the House to consider whether we could move into the longer sittings of the House in order to carry out our responsibilities a bit more expeditiously than has been the case up to the present. I would be less than frank if I did not admit, to, or say to the House, Mr. Speaker, that there are some among us on all sides of the House who because of their particular vocation, have responsibilities, private responsibilities with respect to their agricultural enterprises at this time; some consideration must be given to them as well at this particular time of the year and I would think that without attempting in any way to bring in any great government steam roller, because this is not what it is, that if honourable members would indicate to us in the course of the debate on this resolution, what they would think to be reasonable times for sitting, under the rules, so long as we can get sittings going, morning, afternoon and evening, five days of the week to start out with, if they would indicate any other reasonable abridgements or amendments that they would like to the motion, why I can assure that we would be only too happy to make those or to consider them and to agree to any reasonable ones on this side of the House.

So I present this traditional motion, Mr. Speaker, with these thoughts in mind and I hope and trust that in the course of the debate we can perhaps arrive at some consensus which will see the House proceed with its work, but perhaps see the House proceed to work a bit longer in order that we may complete the work that is before us without in any way prejudicing the quality of that work that we wish to have done.

MR. MOLGAT: Mr. Speaker, I want to say that insofar as my colleague and myself in our group, we are quite prepared to put in all the amount of time that is required to the business of the House. We have no objections whatever to working mornings, but we feel that the government is the one that has failed to bring its program forward in the manner that the time of the House is properly used. Checking back it seems to me that we have not, for example, done any work on second reading of bills since approximately the 18th of April and yet there are a number of bills that have been before us.

On Thursday the 18th of April the Minister of Agriculture was speaking on the Dairy Bill and I think that's the last time that we had any discussion on second readings. The Bill is still open in the name of my honourable friend.

There are on our Orders of the Day today 13 government bills for second reading. There are on the last page of the Orders of the Day some 7 private bills and another 6 private public bills if we want to use that term, in other words another 13 there, a total of 26 bills, which could have been advanced by the government through the second reading stage and we could at this stage be sitting in committees - in the morning, Law Amendments Committee. There has not been a single meeting of the Law Amendments Committee this week. The government's reply to that that there's been no work ready for them. The only reason there hasn't been any work for the Law Amendments Committee is that the government hasn't proceeded with second reading of bills, Mr. Speaker.

Now the government says well, there are some members that want to go back to their farming practices, and I share concern for these gentlemen. On the other hand, the government is the one who decides when the House starts. The government set the date the 7th of March not the members on this side of the House, Mr. Speaker. The government knows what business is to be done during the course of the session. If they set a day for the 7th of March they inevitably know that the session will be proceeding at a time when the seeding operation should go. The government could well have picked a date, the 22nd of January or whatever other date they preferred, so I don't think it is fair to infer that we are holding back members from proceeding with their other occupations. This was a government decision not a decision on this side.

It seems to me, Mr. Speaker, that in general terms, and I'm prepared to look at variations in this as circumstances occur, but in general terms the House should not be asked to proceed with the speed up motion until such time as all of the government legislation is before the House. I have seen in the past, where having agreed to the speed up motion or having passed it, we receive further government legislation and on a basis of three sittings per day, we can end up with a bill coming in for first reading in the morning; it will be up for second reading I think that

(MR. MOLGAT cont'd.)... evening and must be proceeded with in three steady sessions per day and I don't think this is the proper way of proceeding with legislation. And again I say that this is in the government hands. The government is the one who prepares the legislation. The government is the one who prepares the legislation. The government is the one who has under its control to bring that legislation forward more quickly or less quickly, that's in its hands, and to ask the members on this side of the House who have not seen that legislation beforehand to tie their hands to this sort of procedure I don't think is a reasonable request under normal circumstances.

Now, if we had reached the point, Mr. Speaker, where there were no possibilities of using our mornings effectively, if in fact the Bills had been processed and if we found that the mornings could not be used for Committees, I would have no objection under those circumstances to proceedings with Supply in the mornings; no objections whatever, I'm quite prepared to be here every morning at work of the House. But I submit, Mr. Speaker, there's plenty of work that can be done, that we should get some of these bills before committee. We know that some of them are going to be the subject of probably considerable representation before the Law Amendments Committee. We have been advised, for example, that on Bill No. 49 the City of Winnipeg by motion in Council intends to have the Mayor and another member of Council appear before us. Well, I think we should proceed and have those committee hearings. I think we should get the bills in that stage and leave ample time for public representation, because we have followed a practice in this House, Mr. Speaker, which I think is an excellent practice, and that is of sending virtually all of our Bills - and in my opinion it should be all of them - to an outside committee where the public can come forward and make representation. I think that this is a sound practice because it keeps a communication between the people and the lawmakers. It keeps an avenue of communication open at all times and I think by and large it makes for better law because it gives us an opportunity of having the views of people outside of this House, very often people who are directly involved in the particular item that the Bill affects and gives us the possibility of getting more ideas, better ideas frequently, and making a Bill which works better.

Well, in order to do that it's important that we leave proper time for the hearings of the committees. So, Mr. Speaker, I suggest to the government, let them proceed with second readings; let's see how much work we can get done on second reading; how much work we can refer to Law Amendments Committee; let us call Law Amendments Committee meetings early next week if they wish and if we find that it is impossible, that we simply can't get enough work through to have Law Amendments Committee, then I'd be prepared to consider Committee of Supply sitting in the morning. But until such time as the government has made effort to proceed with second reading of Bills, of which there are some 26 on our Order Paper and on which they have done nothing for some two weeks, I think it is unreasonable of the government to ask the members on this side of the House to proceed with this motion.

MR. PAULLEY : Mr. Speaker, I would like to move the adjournment of the debate, seconded by the Honourable Member for St. John's.

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

MR. EVANS: Mr. Speaker, I beg to move, seconded by the Honourable the Attorney-General, Mr. Speaker do now leave the Chair and the House resolve itself into a committee to consider of the supply to be granted to Her Majesty.

MR. SPEAKER presented the motion.

MR. MOLGAT: May I ask a question, Mr. Speaker of the Mover? Is it not the intention of the government to proceed on any second readings?

MR. EVANS: It's perfectly obvious to me, Mr. Speaker, that I've just moved a motion to go into Supply.

MR. SPEAKER put the question and after a voice vote declared the motion carried and the House resolved itself into Committee of Supply with the Honourable Member for Arthur in the Chair.

COMMITTEE OF SUPPLY

MR. CHAIRMAN: Committee Proceed. The Member for Inkster.

MR. SIDNEY GREEN (Inkster): Mr. Chairman, when we closed yesterday we had just been treated to a luxury in the House in that we had the Attorney-General participate in his past fashion in some of the proceedings of the House. We members on this side were certainly happy to see him in his usual fighting form and just as he said we have our job to do, we

(MR. GREEN cont'd.)... recognize that he has his job to do. What we're rather surprised at is that the government makes our job so much easier because it's true, this side of the House has the responsibility of attempting to pick out the weak points of the government program and it's true that if they perhaps raised the funds for financing the Hospital Commission program in a manner other than which they did use, our side of the House would have looked for the weaknesses in that particular form of raising the money, and I concede that. I think that that's what makes the democratic process work. The government puts out a position and the Opposition tries to illustrate the weaknesses of it; and if the government position is strong then the Opposition criticisms will not have very much effect. But when the government position is very weak then certainly the opposition criticisms can have a great deal of effect and what we are surprised with is that the government position is so weak that the opposition criticism does have effect. And the best proof that it does have effect is that it roused the Honourable the Attorney-General to get back into fighting form and usually when he is in fighting form, he resorts to the practice of attacking philosophies and ridiculing. I think, Mr. Chairman, that we can do the same on this side of the House; if he thinks that we are not able to use this type of attack, I suggest to him that we are. I can quite easily say that the honourable member engages in economic absurdities, that he is acting in the interests of the select rather than in the interests of the many, but we have chosen, Mr. Speaker, to direct our position on what we feel are the issues and not on the attempts by ridicule and other such practices to try to slander a program.

Mr. Chairman, what I find interesting about this particular debate is that we are really now debating the budget. The First Minister has come to the House and has told us that he has a balanced budget, but what he has demonstrated, Mr. Chairman, to the people of Manitoba is that if he has a balanced budget, which we do not admit but deny, then he's the only person in Manitoba who does have a balanced budget, because all of the other people in Manitoba find that their expenditures are going to exceed their revenues as a result of increases in taxation - I use the word advisedly. The increases in the municipal taxes and the increases in the premium tax - and it is a tax; whatever the honourable members choose to call it, it is a tax - have resulted in the First Minister and his government having a "balanced budget" at the expense of every other person in the Province of Manitoba whose budget remains unbalanced. Mr. Chairman, if this is financial wizardry and if this is financial genius and if this is an escape from the hallucinations that my honourable friend refers to of the New Democratic Party, then Mr. Chairman, I suggest to the Provincial Treasurer that he do try a little bit of New Democratic Party, because in fact that's what the financial program of this government needs and as years go by they concede that that's what it needs. They make these admissions.

I can quite well remember, Mr. Chairman, that the First Minister - the then First Minister, the now Member for Wolseley in 1962 said that if we implemented the New Democratic Party program - and at that time it was a medical care program, a program for comprehensive university education at social expense, various other programs - that if we implemented that program, we would increase the provincial budget by some \$32 million. Well, Mr. Chairman, we didn't get a chance to come in and increase the budget by \$32 million so we don't really know whether that would have happened. I use the expression that my honourable friend, the Member for Lakeside uses, we don't really know whether we would have increased the budget by \$32 million - I'm inclined to think that we would have. But we do know what this government did and they increased that budget, and if my honourable friends could only have kept it at 32 million we would be in a far better position than we are now, but they increased the budget by far more than \$32 million and they did it without giving the citizens of Manitoba a comprehensive health program; they did it without giving them an education program which would provide for higher education at social expense; and they did it without in any way substantially increasing the amenities of life that are available generally to the people of this province. They did do a job on improving the educational system, and we don't fault them for it. Mr. Chairman, the member for St. John's and no other member of this party that I can recall, has got up and said, we've got to cut the costs of these programs. We don't talk about cutting the costs of the hospital program. I know members of the Liberal Party say this. I think possibly they think it can be done and possibly some minor cuts can be made but substantially if the programs are to proceed in an orderly fashion and to the benefit of the people of Manitoba we concede that there is going to be an increase in costs.

But, Mr. Chairman, saying that there's going to be an increase in costs does not necessarily ipso facto mean that those costs have to be charged against the people in the Province of

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(MR. GREEN cont'd.)... Manitoba on the meanest possible method of taxation, and it's on this basis, Mr. Chairman, that I say that we are now here discussing the budget, because the increase in taxation which has been levied against the people of the Province of Manitoba to the extent of roughly \$10 million is now being discussed as part of the estimates. And there is a certain luxury in doing it this way. I think the government has really found a way out of discussing the budget in the proper fashion because on estimates, Mr. Chairman, we're limited to 80 hours; if we go through this debate and spend the time that it deserves, then it's going to affect what we say about other particular departments. If this was part of the budget speech debate we'd have the chance to speak on first reading, we'd have the chance to speak on second reading, we'd have the chance to speak possibly in committee, we'd have the chance to speak on third reading -- and indeed we would do so. Last year when the five percent sales tax was charged by this government, there was a real persistent and meaningful and aggressive debate from both sides of the House. We aren't going to get that kind of debate on estimates and the members of the government party know this, so there is an advantage to having the budget discussed in committee rather than during a Budget Speech debate - and that's in a fact what's happened.

My honourable friend the Attorney-General referred to the hallucinations with regard to the manner of financing and my honourable friend, the Minister of Agriculture, or Highways as the case may be, he is grinning broadly and waiting for an explanation of these hallucinations, no doubt. Well, I can well remember the Honourable the Provincial Treasurer rebuke the Member for St. John's for suggesting last year that there be a budget deficit with regard to certain of the programs that were being pursued by his government rather than a five percent sales tax increase and the Provincial Treasurer got up and said that this would be a disaster, this is the most unbusinesslike way of governing. And lo and behold, within a month that very businesslike government in the richest province in the country, budgetted for a substantial deficit - the Province of Ontario did - and this year all these businesslike governments that my honourable friends would emulate have budgetted for deficits. I'm not suggesting a deficit, but we were suggesting that this is one of the ways that could be looked at and it was regarded as very unbusinesslike.

Well, apparently the business province of Alberta, that the Member for Rhineland would certainly call a very businesslike province, has budgetted for a deficit. We are not suggesting a deficit, although I suppose the province could stand this year budgetting for a \$10 million deficit. And let's be quite clear, the Minister of Health has indicated that this tax, this increase in the premium tax, which will amount to approximately \$40.00 for every family, whether that family is in the million dollar income category or in the \$1,000 income category, and it doesn't make any difference, that that is going to raise approximately \$10 million. Is that correct? The Minister is silent. I looked at his speech the other day and he said that it's going to go up, the premium income is going to go up from \$13 million to \$23 million which is an increase of \$10 million. And we suggested - not only did we suggest it, but apparently the Member for Wolseley adopted this position, that it's more equitable to do this by increasing the income tax rather than by levying a poll tax, a head tax, a per capita tax or a premium - all of them say the same thing. And I agree with the Member for St. John's: one of the most regressive types of taxes. The only tax that could be more regressive I suppose would be a tax on milk or a tax on bread or something of that nature. He says that he's going to raise \$10 million and he's indicated and tried to scare the Opposition, to have them scatter in fear when he said that in order to raise \$4 million you'd have to increase the income tax by one percent which would give you you \$2 million 9 I think he said from the individuals and \$1 million 1 from corporations -- an increase of one percent would raise \$4 million. Which means that to raise \$10 million you'd have to have an increase of roughly two and a half percent on each of these items -- two and a half percent increase in the income tax on each of these items, and he indicates that this would be a terrible thing.

Well, Mr. Speaker, we had some difficulty in the House yesterday, talking about what the provincial income tax yields and talking about these percentages, but we know that the provincial income tax now yields roughly \$74 million, which means that in order to raise another \$10 million you'd have to increase the personal and corporate income tax, each of them, by 1/7, by 1/7 Mr. Chairman, which means that if a man now pays \$31.70 in income tax, he would have to increase that income tax by \$4.00 a year - 1/7 of 31 - between four and five dollars a year. Now that man, the man that I'm speaking of, a man earning \$3,700 a year, a father with

(MR. GREEN cont'd.)... two children, pays Manitoba taxes, income taxes, roughly to the extent of \$31.70. In order to collect the premium in income tax you'd have to raise his total Manitoba taxes by roughly \$4.00. The Minister is raising it by roughly \$4.00 a month and he asks us to worry about the income tax.

Take a little higher category, a man earning \$4,700 a year. His provincial income tax is roughly \$75.00 a year - 1/7 of that, \$10.00 - \$10.00 as against \$40.00, by increasing the income tax by the amount that is necessary to raise another \$7 million. Now, don't talk to us about the points and what have you, because they don't mean anything. To Manitobans they want to know what their taxes will increase and I suggest to you that in the categories that I've spoken of, if you added it to the income tax it would cost far less than if you put it on a poll tax, a head tax, a per capita tax or a premium tax - all of which mean the same thing. But if my honourable friends have difficulty with the income tax and how much it will raise by adding a point, or adding two points, there can be no doubt whatsoever about the sales tax because the sales tax by some fortuitous circumstances is the easiest one to figure out. We charge a five percent sales tax and we get \$50 million, so that --(interjection)-- \$53 million - and I think it may be more, but let's take it at 50 to round the figures out, which means, that means that if you increase the sales tax by one percent you could raise the \$10 million that my honourable friend is talking about. Well, my honourable friend will say "Well increase the sales tax. You people will come and you'll raise a tremendous opposition to the increase of the sales tax." Mr. Chairman, that may be correct, it may be that the opposition would find fault with increasing the sales tax. I don't suggest that we wouldn't, but the opposition, Mr. Chairman, -- Mr. Chairman, we're not suggesting that the sales tax is the best remedy, we're not suggesting - well, we suggested other forms of raising the \$10 million but let's deal with the sales tax because as between the sales tax and what they've done, the sales tax is a far better remedy.

My honourable friends are laughing. Well, let them laugh at this. An increase in sales tax, an increase in sales tax to a person earning roughly \$3,700 a year - the estimated amount of sales tax of a person earning \$3,700 a year is \$50.00 a year; which means that if you charged a one percent sales tax to this person to raise that premium, it would cost that person \$5.00 a year. And my honourable friends laugh because I say that I would prefer to see a one percent - and I say it and I repeat it and I underline it - that I would prefer, I would prefer -- I'm not saying that's the way I would do it -- but I would prefer --(Interjection)-- just listen, just listen for a change -- I would prefer to raise the sales tax by one percent and charge this person \$5.00 a year than to levy the type of tax that my honourable friend is levying and charge him \$40.00 a year. But apparently the government says that we prefer to charge him \$40.00 a year as against \$5.00 a year, and they think that politically this makes more sense. Well, Mr. Chairman, it doesn't make more sense and if I was on that side of the House, then I say with all conviction, Mr. Chairman, that if I thought that a sales tax increase of one percent - if I had a choice, and I say that there are other choices - but if I -- because this government is unable to examine the entire field. Let's assume that they can only think in two directions: sales tax or per capita tax or premium - that that's the only method of raising funds within their limited vision, and that beyond that it becomes hallucinatory. But let's say that that's the only method of raising taxes, a sales tax or a premium tax. The sales tax will charge that person that I'm talking about \$5.00 a year; the per capita tax, the poll tax, the head tax or the premium tax - all of which mean the same thing - will charge them \$50.00 a year. Then I would prefer, in spite of the fact that I know the opposition is going to complain about the sales tax, I would prefer to come in and add one percent to the sales tax. Mr. Chairman, I challenge my honourable friend....

MR. LYON: Would my honourable friend permit a question?

MR. GREEN: Go ahead.

MR. LYON: If the sales tax were raised one percent to accomplish this purpose, would my honourable friend vote for it?

MR. GREEN: Mr. Chairman, I have indicated I prefer the income tax, I prefer other ways of raising the money, I would prefer an increase in tax on royalties, I would prefer a capital gains tax, but in order to get on the level of my honourable friends, in order to put myself within their limited frame of reference, I am challenging myself to choose as between those two taxes. My honourable friends then say -- and I ask the Attorney-General, he can look at my speech on the sales tax last year -- I didn't say that this wasn't a way of raising money, I said, although different people in my party will disagree with me, that it has approximately the

(MR. GREEN cont'd.)... same effect as the income tax because the people who are most capable of paying income tax, and my honourable friend knows this, are also most capable of being able to pass that tax on to the people who buy their services or their products or their work - whatever it may be. And in the last analysis as I see the income tax, it works out to approximately a tax on purchases - which is a sales tax.

MR. R.O. LISSAMAN (Brandon): Mr. Chairman, would the honourable member permit a question?

MR. GREEN: Certainly.

MR. LISSAMAN: Is the honourable gentleman not aware that a great many of these people whom he is trying to work some more favourable situation for, that there are more than one worker in many of those families and your figures showing what income tax or sales tax can be, can double or triple.

MR. GREEN: ... that's a very very astute observation. In some of them there is only one worker, so let's talk about that. But let's say there are three workers, let's say that there are three workers - then they'll pay \$15.00 instead of \$40.00. Let's say that there are four workers - then they pay \$20.00 instead of \$50.00. Let's say that there are five workers - then they pay \$25.00 instead of \$50.00, one half. Now does my honourable friend suggest that there are some families with more than five workers? Well I would suggest that the average family and that the realistic problem and that the one that should challenge my honourable friend to look, when he is talking about taxes, is where there is one worker. Because I assume, Mr. Chairman, that this government believes in a society where there is a bread winner and a person to bring up the family. I assume that's the kind of society they would like to see exist, and if they would like to see that type of society exist then they should tax on the basis of making that society possible. I want to say that there is one worker. If my honourable friend wants to say that it'll take ten workers to pay this premium, I don't want to tax on the basis that there are ten people in the family who are going to be earning \$3,700 a year, and I suggest that this is a ridiculous way of doing it.

So, Mr. Chairman, I come back to the point that I made previously. If my frame of reference was limited only to two types of taxes, I would agree that one percent increase in the sales tax is a fairer tax than the tax that the Minister is now levying, and he knows it.

The Member for Brandon should also realize, and I'm sure he is aware of it. I missed it out until one of my colleagues reminded me. That if any of those workers are over 18 they are regarded as single people and they have to pay a premium as well. So, unless we have a return to the good old days maybe that my honourable friend likes to think about where we had child labourers who are over \$3,700, or in the \$3,700 category - even if we extend his argument we won't come to the conclusion that he would like this House to adopt.

Mr. Chairman, I'm suggesting to you that if we only limit our frame of reference to the very limited frame of reference that the Honourable Members on the other side choose to deal with, and that is sales tax or premium tax, then we are going to charge far more under this system of taxes than we would under a sales tax. My learned friend the Attorney-General says we would oppose the sales tax. I'm not suggesting that we won't; I've suggested to him that there are other forms of taxation. But if we would oppose a sales tax and if there is some disagreement to a sales tax, how much more should we oppose this tax? Because, Mr. Chairman, in terms of sales tax this is, for the person that I am talking about -- let's take the man earning \$4,700 a year - his sales taxes are going to be roughly \$75.00, this man will pay roughly \$75.00, which meant if you increased it by one percent he's going to pay \$8.00. My honourable friends are increasing - and I say this advisably - the sales tax to that person by five times -- they're charging that man the equivalent of a 25 percent sales tax. Now if we'd oppose a one percent sales tax, and my honourable friend says that we would and he's probably right, then what should we be doing and what does he expect us to do when the Minister is imposing a 25 percent sales tax, or the equivalent of a 25 percent sales tax, on the part of the population that is least able to afford it. Well, Mr. Chairman, the Attorney-General put it quite properly - we'd have to oppose it. And I say we'd oppose it even more strongly than we would oppose a one percent sales tax, because as I repeat, the members of our party got up and last year my chief objection to the sales tax -- and you can look at my remarks if you think that I'm trying to take a different position today -- my chief objection to the sales tax was that it set up a new bureaucracy, a new administration for collecting a tax which could be collected within the present forms of the methods of collecting taxes. An addition to the sales tax now of course, does

(MR. GREEN cont'd.)... not set up a new bureaucracy, does not set up a new machinery.

So, Mr. Chairman, when my honourable friends talk about trying a little bit of New Democratic Party or NDP as the Provincial Treasurer put it -- and I liked that particular speech that the Provincial Treasurer made far more than I liked the speech the Attorney-General made yesterday because the Provincial Treasurer's speech was at least clever - I got a kick out of the joke, I think it was interesting. And I think, by the way, Mr. Chairman, that it's historically accurate, that the governments of this part of the world are increasingly finding that they have to try a little NDP. Last night I looked over the election platform for the Socialist Candidate for President of the United States, Eugene Debs in 1904 - this was the platform of Eugene Debs, and he was called by his adversaries much more vivid vituperative names than even the Attorney-General can conjure. He was called a communist and an agitator and a radical - what was his program that he went for election on in 1904? He asked for a graduated income tax; he asked for Workmen's Compensation; he asked for public ownership as such things as the means of communication like the CBC, the means of transportation such as Air Canada, and he asked for other simple reforms, all of which were tried by that great power to the south of us, all of which were implemented by the nation which apparently is the most affluent in the world, who decided that they would like to try a little bit of NDP as the Provincial Treasurer so aptly puts it. So we'll find that these things will be tried and I think that they'll be tried to the advantage of the nations who try them rather than to the disadvantages.

My honourable friend says that the income tax is going to drive people out of the province. Well, Mr. Chairman, there are plenty of places where there are no income tax, or relatively little income tax, and people aren't running there. The countries of the Middle East have financed their budgets almost exactly on the philosophy that spurs the Minister for Industry and Trade and Commerce. They said that they will give concessions to industries to come and exploit the oil in those countries and as a result of getting these oil companies in, they're going to make the country rich. Well, I don't think they have any income tax in the Middle East because the people have no income, but they're financed on the basis, on the astute and business-like basis that is practiced by this government. The income tax in the United States is relatively high, but the people aren't running away from the United States, and the public is spending Mr. Chairman. Somehow there seems to be an impassible gulf which I have never been able to understand, which prevents these people from realizing that costs go up whether they're engaged in by public spending or by private spending. The Minister says that the costs of Medicare are going to increase if we go into a public health plan. Well, again I use the argument of the Honourable Member for Lakeside, we don't really know that, we know that they haven't gone up that much in Saskatchewan. We know that a commission appointed by the Conservative Government, which reported to a Liberal Government and which had as its consultant, conservative, orthodox economists, said that this was the best way of paying for health care - not Socialists who said it, but conservative, orthodox economists, and a Judge of the Court of Appeal of the Province of Saskatchewan now a Judge of the Supreme Court of Canada, said that this was the best way of financing this program. It wasn't us. These people on the other side who say that costs will go up if you put in a public health plan seem to ignore the fact that costs are going up phenomenally without the imposition of such a plan, without the implementation of such a program. Do they think that there is some economic difference? I ask the Attorney-General to quote me any recognized economist who says that \$50 million in public spending affects the economy different than \$50 million in private spending. Because there is no difference, there is no difference inflationwise; the same amount of money is being spent for those health services and if the cost did go up to \$50 million - which I'm not satisfied that they would - but let's suppose that they do, does the Minister feel more secure somehow that he has done something if he said to the people "You spend that \$50 million; get it in the best way you know how, we won't worry about it" or if he says "We'll collect that \$50 million for all of you and spend it". Does he think that there is an economic difference? Because I suggest to him that there is none, not inflationwise not economywise, not in any way - that it's still \$50 million being spent on health services. And if he knows the people of Manitoba are going to have to spend it, and he does know it, then I suggest to him that there is no difference and I don't understand what his objection to the program is, except for a remark that he made yesterday, which to me, was more pregnant of meaning than anything else that he said.

He said, with respect to deterring people from using the system, he said the "effect of this premium is going to deter this type of program" that's what he said or words to the effect.

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(MR. GREEN cont'd.) So what he is really doing, Mr. Chairman, is levying a political tax. What he is saying is that we know that the people want this type of program. We don't want it. We know that they are going to vote for it and the only way of deterring their voting for it is to levy the cost of that program directly against the people per capita in the most unfair way of doing it. And that's what he's done and that's what they are doing in the Province of Saskatchewan. What they are saying is, we know you people like this type of program but we are going to punish you for liking it. We are going to punish you for asking it. We are going to show you that every time a program of this kind is put in, we are going to tax you per capita for it; not the way we raise other taxes; not the way we raise taxes for the nuclear defense program which is based on collecting from the general revenues; not like the taxes that are raised for any other program, but we are going to levy taxes in such a way as to punish you for demanding that we institute this program. This, Mr. Speaker, is completely in line with what has been done in Saskatchewan and with what is now being done in the Province of Manitoba, and with what, Mr. Chairman, I suggest is an unholy alliance between all of the First Ministers in Canada to try to bring pressure against the Federal Government to remove themselves from that plan. I suggest to you, Mr. Chairman, and I make this as a prediction, because I'm satisfied that it's right, that if the Liberal Party is returned with a majority or if the Conservative Party is returned with a majority on June 25th that Thatcher, the arch tory of them all, will make some type of accommodation with the Federal Government so that they won't have to implement that program, because he is the one that now holds the cards; he is the one who can now say that I can collect taxes from the rest of the people of Canada, and then Bennett, the Premier of British Columbia -- my honourable friend says that he's not in it yet -- but even the Premier of British Columbia, he's not quite as doctrinaire as those fellows over there. When he saw that he could save the people of the province money by having a public power company, he said politics be damned, and he put in a public power company; and if he sees that he can save money by putting in a public medical care plan he'll do it.

But it's the Premier of Saskatchewan that holds the cards, because he can make it possible for his province to receive taxes from all of the other provinces in Canada or he can make it possible for these people not to pay them, and if I assess properly the character of this Premier, he's going to do something which will make it possible for us to stay out and not get into that plan, if there is a Liberal or a Conservative majority elected to Ottawa, because neither of those two parties want that plan. What they have done over the past two years has indicated unqualifiably that they don't want the plan. They fought a general election in 1963 on the basis of implementing that plan; they fought a general election in 1965 on the basis of implementing that plan. We know that no party has the majority in this country federally, but we do know --(Interjection)-- Thank you, Mr. Chairman. What we do know is that parties who said that they would put in such a plan received over 50 percent of the votes of the people of this country and I suggest that what is now being done by this Minister of Health is in effect a punishing tax, a tax to punish the people for voting for this type of program and this is completely in line with the attempt to forestall medicare in this province. What we are now saying is that we won't institute a medicare program and this is why we won't, because we have to put on this type of tax if we do. The Minister knows full well that he doesn't.

What we do know, and I just close, Mr. Chairman, with the remarks that I started with, that the Leader of this Party said that if we spend another \$32 million - in 1962 - we can have all of these programs and the Member for Wolseley agreed with him. What we know happened from looking backwards is that we spent far more than that amount of money and we got none of the programs, so I suggest to the Provincial Treasurer and to the Minister of Health, that he follow the instructions of the Provincial Treasurer - try a little NDP.

MR. CHAIRMAN: The Member for Turtle Mountain.

MR. EDWARD I. DOW (Turtle Mountain): Mr. Chairman, last evening I was interested in the discussion that the Attorney-General had in this debate and I was reflecting in my mind the discussion on Bill 68 of last year, and I'm wondering why it took him about a year to agree to the remarks that I made at that time. If you will recall, Mr. Chairman, I took a stand against Bill 68 in effect that this government, this province, was not ready at this time to implement a compulsory premium scheme and that we were embarking on a situation of shifting tax loads that I felt was being unfair to the people. So we are back into the same type of an argument and debate at the present time.

In the past year, I am not aware that this government and this department of health has

(MR. DOW cont'd.)... moved towards the implementation of giving the people the service that would be required by the payment of a compulsory premium of medicare; and I reiterate again that until such time as we are ready to give all people the same advantage in their own localities then we are being unfair to the taxpayers of Manitoba.

I suppose, Mr. Chairman, that I am the one person that is possibly closer to what you would call the grass roots of the voters of Manitoba having just recently come through a by-election, and I can assure you, Sir, that people today are very conscious of the increased tax that the government are imposing on people on an individual basis. Even as late as yesterday afternoon I was at an opening, and I might say, had the authority to represent the government at an opening of a senior citizens' home. One lady in particular I knew in this home, didn't seem to be out of her room at the time and I made it a point to go and see her. This lady is 85 years of age; she's been very proud, very independent - she had just heard on the radio at noon that her individual premium for hospital premiums was going to be increased \$3.20 a month, and it would stir you, Sir, to talk to this lady, almost in tears, bemoaning the fact that this was the straw that broke the camel's back. As an individual she would have to forego her independence and apply for assistance, which was against her convictions through her life. This government is forcing, by this type of taxing, people to take advantage of these welfare programs. I'm sure that the majority of people in their own hearts certainly don't want that type of living to end up their lives if they can be independent, but certainly, Sir, we can't continue to impose these individual taxes on people.

Comparisons have been made over the past day or two with our neighbour province of Ontario that we weren't charging as much but we were following the same trend. Possibly you have had it brought to your attention before but in the daily paper here about a month ago, one of the Ministers, as a matter of fact, the Education Minister, William Davis of the Ontario Government, made this statement: "With the increasing costs combined with government expenses, could almost bankrupt Ontario within five years. I am not saying this will happen but it will not be long after," Mr. Davis said in an interview outside of the legislature. He said his prediction was based on the combined total government spending. "There is not the slightest doubt in my mind that we shall have to find some alternate method of financing. What exactly it will be I don't know but the estimates over the next five years tell us that the present tax resources simply will not be able to bear the load alone." He goes on to mention that while it's nice to have all of these things, there is a limit to what people can afford.

Mr. Chairman, I feel that in presenting this type of a penalty on people for services that we as legislators can be severely criticized and I can suggest to you that those of you that approve of this type of expenditure will get your answer at the next election, because this is not a fair system of tax.

I might enquire of the Minister, has his department made any move towards providing the facilities and requirements in the Province of Manitoba to implement Medicare at the earliest possible time? I take a look at the Manitoba Hospital Commission financial sheet, and Sir, if you can justify this expense of 1,870,000-odd dollars for administration expenses of a government-owned and conducted plan, I say here it proves my argument that we should get back into letting the people on a private enterprise basis run their own scheme. This just keeps involving and unloading the taxes to a degree that people can't afford and will not afford to comply with these taxes and our bills from other means, welfare and so on, are going to keep climbing.

I would wish at this time, Mr. Chairman, to compliment the Minister in regard to certain health services that the department has provided in the province. I think that with almost the province completed with the health unit services I think this is a wonderful thing; but, I am somewhat concerned the implementation of medicare has to have some sort of an integrated plan between the health unit services, disposition of them or the doctors taking over. I would like the Minister to elaborate somewhat on this, that what is his plans in regard to this type of service. The service at the moment is giving the general public through Manitoba a very economic, a very good type of service.

There are many things that we have done in the last year by postponing the implementation of the overall care scheme and of course we have invited the fact that the medical people have taken the opportunity, figuring that the national scheme was coming in to start with, that they have put their house in order to meet it.

I would suggest this, Sir, that had we not as a legislative body last year voted in favour

(MR. DOW cont'd.) of the bill, we weren't ready for it, that we wouldn't now be going to have the imposition of higher costs to the individual. I think you well know, my friends to the left here know, while I believe and suggest to you, Sir that, and your cohort next to you will agree with me, that the medical men of Manitoba have given a valuable service to the public and their whole outlook on the practice of medicine has not been money. This I know from some personal knowledge and from acquaintances that I know of. I know that they gave their services, and here again is my reason for not being too much in favour of a compulsory scheme, is that there are many people who have received medical services of the class of men we have practising in Manitoba at little or no cost; the medical men have not refused to give their service. So I think we are taking away from them certain incentives, certain individual contributions that they are making to society -- and I only repeat what I said last year, this I agree, this is what I am convinced in my thinking of.

So, Mr. Chairman, when we get down to the basic facts of the health care of Manitoba, I would like, and I think this is a proven fact, the medical men will agree with you on this, that 80 percent, 80 percent or higher, of hospital care can be handled by one doctor. The other 20 percent or less you get into the specialty field. Now, Mr. Chairman, in my thinking, my opinion, surely, surely we can give the modern methods of hospital care that can be handled at a very economical basis, to handle the 80 percent of the people, and this can be done by a premium method as we have. Leave the specialty care. Let the Province of Manitoba take it over. Let them build the institutes that will handle this type of care, and let the people pay for what 80 percent of the people demand. I think it's very unfair that premium holders have to pay for this very expensive type of treatment to benefit the small percentage. I think we could reverse our thinking, divide it, put it into a very uniform type of care and then turn around and let the province take over the full fact of all of this type of specialty care. This would be my suggestion to the government in regard to being able to reduce this premium cost to the people of Manitoba.

How long can we go - this is only one department - of shifting the balance of responsibility to other sources of tax raisers. For instance, one question Mr. Minister, you may give us - of the last few years, how many dollars has the municipal taxpayer, through the municipalities, had to pay the MHC for premiums that people that were resident in the municipality didn't pay? And I'm going to suggest to you, Sir, that now that the premium is \$86.40 per family, that this figure will increase greatly, and certainly the MHC are going to get their dollars but the poor old real property taxpayer is going to have to pay again. So the whole load is a shift, in my opinion, from the responsibility of the province who have a much wider tax field to collect from, and pin it on the poor old real property taxpayer.

I feel, Sir, that your suggestion of ambulances that are going to be set up for possible demonstration and use of the province is a good move. In smaller communities it is hard to have adequate ambulance services to move people to the specialty type hospitals. I would suggest that this could be elaborated on, some kind of a scheme whereby they could have a modern, adequately equipped and inexpensive type of an ambulance that could move people to hospital. This is one service I commend you, Sir, in trying to get this in place and working.

But I wish to come back again, Sir, to the fact that people in the Province of Manitoba, regardless of what you may think now, are disturbed. They're disturbed of the individual cost that it's costing to raise their families and live in Manitoba and I suggest there must be, and I think you could sit down and work out different schemes that would not pin this whole load on the individual taxpayer.

MR. CHAIRMAN: The Member for Seven Oaks.

MR. SAUL MILLER (Seven Oaks): The Member for Turtle Mountain is being very consistent. He's probably one of the few consistent people either to the right of me or the left of me. He was quite adamant last year in his position that he took. He voted against Bill 68, one of two members I believe, the Member for Rhineland was the other Member, so I really can't fault him in any way because as I say he is being consistent. He obviously believes what he is saying. He is convinced that his method is the right one. I don't agree with him at all and I was happy last year that he was a very small minority, that the Ministers of Health and Education, the entire front bench and the back bench of the Conservative Party also stood up in opposition to the Honourable Member for Turtle Mountain's position and point of view and voted for the Medicare plan.

However, I don't want to spend too much time on Medicare. We'll be no doubt discussing

(MR. MILLER cont'd.) that when we come to the amendments in the Bill and that will give us another opportunity when we know exactly what the government has in mind. But I would like to make a few comments on the Hospital Plan and the method whereby this government decided it should now finance future costs. Quite a do has been made about future costs and about the expansion of the program.

The Attorney-General made the remark last night that our party on this side wants to lay the whips to the backs of people. It was a very stirring phrase. It really sounded good, because it's a lot of hog-wash. What the government is doing is laying their whip; they're laying their whip on the people who are the most defenceless, who can't fight back, who haven't got a chance to in any way prevent this laying of the whip that the Attorney-General likes to play around with. The fact is, as the Honourable Member for Inkster pointed out quite clearly, that the imposition through a premium is a very brutal way - and that's the only way I can put it - a very brutal way to collect for the cost of a service which certainly today in our society, in a society they claim to have achieved the standards never before achieved in the life span of man, that to pay for that sort of service, it's a service that should be acceptable to all, it should be available to all, and paid for by all.

The difference between us and members of the government today apparently, because there is a difference since 1962 and today, is that we still feel that it should be based on ability to pay, that you do not and cannot and must not say "because it's got to be paid; all taxpayers are alike." Well, all taxpayers are not alike. There are taxpayers who earn \$5,000 a year and there are taxpayers who earn \$2,000, there are taxpayers who earn \$10,000 a year. It's like saying to the Member for Churchill and myself, both of you go on a diet and lose 10 pounds. This would be fair; he could lose 10 pounds and I could lose 10 pounds. The only difference is that if I lost 10 pounds I might disappear from this Chamber. That's what you call a fair way of doing this.

MR. LYON: Surely my honourable friend is not suggesting that he is a man of no substance.

MR. MILLER: I'm talking about the girth. I'm talking about the girth.

Now it's the same sort of logic, if you want to call it that, and it's a ridiculous logic but this is what they're saying. All taxpayers are alike, and we've got to pay for these costs. And nobody denies we have to pay for them, but they're saying this one shall pay \$3.60 a month more and that one shall pay \$3.60 a month more. The fact is that between families there's a difference of day and night; one is living well, living comfortably; the other is just making ends meet. But this makes no difference apparently to the Minister of Health. He puts them all in the same pot and says they've got to all carry their share; they've got to all put this weight equally. But they don't have the same strength; they don't have the same financial strength; and in our society I hope we have achieved the position where it's recognized that one has to contribute towards the other's assistance. We do this in so many areas. Why we balk at doing this in the field of Health, I don't know. We've accepted that in education it shall be a common concern. We've accepted that in other areas it shall be a common concern; but when it comes to health, we somehow aren't ready, quite ready to admit that this is a basic service, and you cannot and must not try to equate it with a luxury because health is not a luxury, no matter how you try to make it so. Of course we are increasing costs and there's been some alarm expressed by the members to the right and also by the Minister, about the increase in costs, and the suggestion is that the increase in costs have come about because the government got into this thing, and one of the things that struck me yesterday is the Attorney-General, I think in particular, who kept -- who tried to create a difference between governments and people. It was as if he was saying that the government is something apart from people. -- (Interjection) -- Well, this is maybe what he feels. I just can't understand that kind of thinking. We here supposedly reflect the community of Manitoba. -- (Interjection) -- Well, the Minister does too. We are the government - we of the people of this province; but since all the people can't come into this Chamber and there is only room for 60 seats, we have 57 people who mirror, supposedly, who mirror this society in which we live. -- (Interjection) -- The Honourable Stewart McLean says no, that's not so. If that isn't the democratic process, I wish he'd . . .

MR. LYON: If all we do is mirror it, we're poor representatives.

MR. MILLER: Yes, they should lead as well. They should lead as well, something that this government has forgotten how to do. This is what they've forgotten how to do. They want to go to a referendum . . . -- (Interjection) -- The Honourable Provincial Secretary shakes

(MR. MILLER cont'd.) his head and says, "Oh, no no, that's not democracy at all." If that isn't democracy I want to know what is, because when we're elected here we're supposed to represent a constituency, that constituency being part of the larger Manitoba, and surely in this day and age health isn't a luxury and the costs are going to go up.

HON. STEWART E. McLEAN, Q. C. (Provincial Secretary) (Dauphin): Mr. Chairman, may I ask the Honourable Member for Seven Oaks a question?

MR. MILLER: By all means.

MR. McLEAN: Did you hear the speech of your colleague the Honourable the Member for St. John's the other day?

MR. MILLER: I did.

MR. McLEAN: So?

MR. MILLER: Well I did. I answered the question. I'm not sure what you're talking about but if that's the answer you want - I heard this speech. I don't know what you're trying to do. It's a point of information. You've now got the information. This is like questions before the Orders of the Day - it doesn't mean anything.

But there's a great deal of concern by us, by members in the government and members to the right of me, about the high costs. Of course the costs are going to go up but these costs are not going up because it's a public service. Costs are going up because the entire technology of hospital care has changed. The Minister knows this perhaps better than I, that a few years ago, and it wasn't that long ago, two-thirds of hospital space was devoted to beds and only one-third to the ancillary services which backs up the beds - that is, the number of patients. Today that's changed. Today, thanks - and it is a thanks - thanks to the technology of medicine, thanks to the development of techniques and equipment, we now have a situation, instead of two-thirds beds and one-third ancillary services, it's the opposite: it's one-third beds and two-thirds in ancillary services, so the costs are bound to go up. There hasn't been any over-utilization.

The Minister admits in his brochure here or his booklet, that actually the number of days per thousand patients is remaining constant, and if anything has dropped a little, so there's no over-utilization but the costs have gone up because it costs more to look after a patient, and it costs more because we have today equipment that costs hundreds of thousands of dollars. I don't have to tell him - he knows better than I - the cost of some of this new equipment. We're getting into new techniques of heart transplants and kidney transplants, and he could tell us what one operation of that type must cost. It's a figure that we couldn't even conceive of 10 years ago, and this is going to go on and I'm sure everyone in this House hopes that it will go on. I'm sure that everyone here hopes that some method can be found for the treatment of cancer which, although it may be extremely expensive, will come about and I'm sure the Minister of Health would be the first one to say if that could be achieved, then cost be damned. That shouldn't stop us.

So when we talk in terms of increase in costs, let's be practical. Let's not blame it on a public service or on over-utilization. Let's blame it on the fact of science, as we have today within our means the ability to create new techniques and new equipment which are for the betterment of all of us. But let's make those available to everybody in our society, not just those who can afford it. Let's not talk in terms of deterrent fees because the only ones you are going to deter are those that can't afford it.

I think it was John Galbraith who said that people who talk in terms of deterrents and talk in terms of putting brakes on programs, almost inevitably the people who vote for those things are people who are not directly affected by this, because as the Honourable Member for St. John's point out, there isn't a member in this House who could not afford and who cannot easily absorb the increased costs announced by the Minister of Health. Let's be honest. None of us are in that position, and if some of us may feel it a little there are so many things we do and where we spend our money, we could cut back very easily. It means a couple of theatre or shows less per year - that's about the size of it. A few nights out on the town that we'd cut back on.

But how about the tens of thousands who don't live that way, and the Honourable Minister of Health knows them well. They don't live that way. They don't go out on the town once a week or once a month, or even once a year in some cases, and if he doesn't know those people let him come and see one of my constituents. I will invite him to come with me. This weekend I'll take him through the City of West Kildonan and I'll introduce him to a few people.

(MR. MILLER cont'd.) Maybe he hasn't met them yet. -- (Interjection) -- No, not quite his neighbours. I know where he lives and he knows what I'm talking about and -- (Interjection) -- Oh, he could walk that far. Yes, we'll make it a "walk for millions" or something, in West Kildonan, he and I. We'll walk through the area. And I'll show him many people, many people who haven't got where to cut back, because it doesn't mean sacrificing a night out at all.

It means that they've got to try to sacrifice - and he's asking everyone in the province to sacrifice - he's asking for a sacrifice on something that they have no elbow room in, because what it means is maybe a pair of shoes that they're not going to be able to get for the kids; it may mean some food, cutting back on food; it may mean cutting back on essentials, and this the Minister just doesn't want to look at or chooses to ignore. Now he shakes his head and says no, he's not ignoring it, but this is what he's doing; because if he's putting \$40.00 a year on these people, plus what they're now faced with on the municipal tax - and he's going to get his tax bill in about a week, I promise him, and he'll know what I mean - when you add all these things together, these people have no elbow room; they have no way to turn. They are not able, as are Members in this House and many others in this province, who can, who don't like it, who say, "Well, I'd just as soon not pay it; I'd rather just continue to spend what I am." But they have where to cut back, but there are tens of thousands that can't, and these are our concern and it is entirely unnecessary, really, for this method to have been adopted.

When the Liberal Government first went into this program, and when in 1962 - or was it '61 - that the former Premier rejected the idea that premiums should be increased, it was with the intention that although at that time they couldn't possibly cover - they felt they couldn't go all the way and cover all the costs of premiums from the General Fund, this was the direction they were following; this was the aim, the objective they had set. But today we find a reversal, and now we're told it's not so bad; for 28 cents on the dollar look at the bargain you're getting. The Attorney-General, his attitude is, he justifies it all by saying there's a constant factor in life and that factor has changed. And the change is back. We turn the clock back.

Well, why didn't he turn the clock forward in the first place? If things are so rosy, why was there a hospital plan put in? Was it because some evil genius in Saskatchewan dreamed it up and it became so appealing to all of Canada that all the people were fools enough to want it, and because of that the Federal Government stupidly introduced it, and this province, because they dangled a few dollars in front of it, blindly went into it? Is this what the Minister wants us to believe, or the Attorney-General wants us to believe? Nonsense. Well, maybe the Attorney-General does but I don't believe the Minister of Health does.

Somebody here the other day mentioned that he feels sorry for the Minister of Health, that somehow he's being out-maneuvred in Cabinet, and if that is so my heart goes out to him. But to say that there's a constant factor in life and that factor is change and the change has to be back, is a lot of nonsense. Hospitalization came into Canada because hospitalization - the government hospital scheme - is the only way, is the only possible way that you can run a hospital plan properly. The suggestion by the Honourable Member for Turtle Mountain is something that I feel would turn us way back to where those that can afford do, and those that can't afford just stay out of the hospitals. I remember the days, and I'm sure that he does too, and I wonder how many bills he wrote off in his municipality on hospital claims that were paid by his municipality in the Forties and in the Fifties.

The other day - as an aside - a motion went through, a by-law went through our council, where we're going to burn unpaid hospital bills from 1935 to 1951. I won't tell the members of the House the amount of money that was involved. It was hundreds of thousands of dollars, and this so-called free enterprise plan, this free enterprise, it's a myth. It's a myth that seems to be perpetuated by these people; and the Honourable the Attorney-General speaks in terms of changes, that we have to move with the times and changes are necessary. If anyone is sitting obdurately and refusing to change, it's the Attorney-General. He mouths myths that no longer exist. He makes statements that apply to the Thirties and the Twenties and earlier, and there's no factuality to them at all. It's funny, but they cling to these myths; they cling to these so-called ideologies although in face of the fact that existence today is completely different from what it was 25 years ago. (Somebody mumbled something, I'm not sure if it's for me or for -- no. Okay. All right.)

We're told that we've got to be concerned about the international, the national financial crisis as it affects us, and I don't doubt it does affect us in many ways. This accounts for the

(MR. MILLER cont'd.) high interest rates we have. There's no doubt, you can't have the kind of war that's going on in Viet Nam and the American economy pumping out something like \$30 billion, without it affecting the interest rates. Certainly. It's bound to.

But let's not confuse all those things with a very simple proposition. We have a hospital plan. Shall it be paid for by everyone based on ability to pay? Or shall we pay for it? Or shall we foist on the back of people a premium, a head tax, so that those who can least afford it shall have to pay as much as those who can well afford it? And this is what you're doing. There's no difference between taxpayers as far as this government is concerned. They treat them all the same. And if you think for a moment that people are going to be fooled by this, I think you've got another think coming. You may be satisfying some; I don't doubt you are. And perhaps these are the people you look to for your support. Maybe this is a tip-off. Maybe, by doing it this way, you are satisfying those people who support you through funds come election time, through campaign workers come election time, those people who say "Well I'd rather pay \$40.00 a year through a premium because if it's put on my income tax, I'll have to pay \$80.00 a year, so I'd rather not do it that way." And maybe they're the ones that support you; maybe they're the ones that give you their funds. I don't know where your funds come from. But I can tell you, Mr. Chairman, that if that's their thinking and it has worked in the past, but the day is coming when people are not fooled, and people are recognizing - they have had a taste, and once they've had a taste you're not going to change it.

When Winston Churchill was re-elected in 1953 - or 1952 I think it was - and he was asked would he reverse the health service plan in Britain, he just laughed, "because," he said "you can't unscramble the eggs," and you certainly can't. He reversed the Steel Bill but he wouldn't touch health. And Mr. Thatcher who, if he didn't have a health plan in Saskatchewan today, would be the one probably clamoring most loudly against it, isn't doing a thing about it. He made a speech in New York -- (Interjection) -- Wait a minute. He's sniping at it, but basically he's not touching it. He made a speech in New York where he lashed out at many things, but when he mentioned Medicare he did qualify it. He said, "Our people want it." He's not afraid by the . . . "Our people want it, because they know what it is; it works; and because it works you couldn't deprive them of it if you wanted to." And, Mr. Chairman, I suggest to you that if after June 25th there is once again returned to Ottawa a balanced House - and by a balanced House I mean a situation something like the status quo where no one party is dominant or has too much power - we will have Medicare; it will be the law of the land; and this government and the other premiers who are trying to gang up on it are going to fail miserably. Because having once got into it they're not going to get out of it, and if the Minister thinks that he's going to save money by staying out of a plan, whether it's a provincial plan or a federal plan, he is saving money only in these books that he issues here, but when you take the total costs, the total impact on people in Manitoba generally, he's not saving money. He's shifting it around. He said, "I don't want to be the dirty guy; let somebody else be the dirty guy," so he takes the Manitoba Hospital Commission and takes it right out of his estimates; he doesn't even want it there - you know, well let's put it somewhere else. Let's blame them. They've got a public finance board in education, now they're going to blame them. They're going to be the whipping boy for the next five years in Manitoba at this rate.

A MEMBER: That's what you people wanted - voted for.

MR. MILLER : But what the Minister doesn't recognize, or refuses to face up to, is that this is just juggling figures around. And if he thinks by saying: "We are holding the line; we in this province have not increased our taxes, therefore we are heroes and everybody else are dogs," then who is he kidding? I suggest, Mr. Chairman, that they're kidding nobody, and if they think for one moment that they are now reflecting the opinions of people and the feelings of people, he's absolutely wrong. I think the Member for Turtle Mountain was correct in saying, because of his experience in the recent by-election, that he knows how people feel. People are angry. They're resentful. And the fact that the headlines proclaimed that Manitoba was holding the line in taxes didn't dent them one bit; it didn't mean a thing to them. And I can tell you I have a fair contact with people on the local level and they're not being kidded at all. They know very well why the costs are coming about. But instead of being honest and straightforward and saying, "These costs come about because the costs of hospital care must increase, and since they must increase let's pay for them by all sharing proportionate to our income," instead of saying that, they say, "No, we can't buy that. We'll antagonize certain people. We'll discourage . . ." - somebody mentioned we might discourage

(MR. MILLER cont'd.) them from coming to Manitoba or staying in Manitoba.

Mr. Chairman, if we're going to be bringing people in from Europe and from other places and hope to keep them here, and if we saddle them with this kind of hospital costs when they can go -- this is no place to keep them. Everyone agreed that we have the problem in our province that we are not blessed with the best weather and the best climate and so we have to do other things to keep people here. And I can tell the Minister this. If this province here had a full Medicare comprehensive scheme, and if it had no premiums for its hospital, you'd have more reason for people to stay in this province and you wouldn't discourage them from staying in this province.

This is an inducement to remain here, because in the final analysis people do want security. They want to feel that if they get sick, if they need help for themselves or for their children, whether it be of a crisis type or it be of a preventative type, they know that if they can be in a province where they can get a good education, where they can get good health facilities, both doctor and institutional care, this is a reason to stay in this province; this would not be a reason to leave this province. And we're not helping one bit by keeping some of these people that the Minister of Industry and Commerce is spending a fortune to bring into Manitoba, we're not helping one bit by them throwing this kind of deterrent fees at us, because these supposedly are deterrent fees.

Now, I know, and any member here who knows how these hospital costs are guaranteed by the municipalities, know that all that's going to happen is this. A few more people with these higher premiums, there's a few more who aren't going to be able to make these premium payments, and the municipalities all today, I believe - I think it's 100 percent - are all guaranteeing municipalities. In other words, if any resident of a municipality does not pay his premium, the municipality guarantees to pay it. And of course they have to. They haven't got a choice. They can't gamble that if it's not paid, as they may get stuck for a hospital bill of a couple of thousand dollars, so they have to pay the premium. And I suggest that this increase in premium that we've just heard about - this 80 percent jump in premium - is now going to simply mean that the municipalities are going to be picking up not only more dollars, but a larger number of unpaid premiums, because there are people in many communities that aren't going to be able to pay this kind of premium. They're going to be behind; they're going to lag; they haven't got it. They can't come in in November and June and plunk down the 72 or whatever it is dollars that's required - or 76. So again, it's so typical of this government, "Let the municipality worry about it. Why should we worry about it? We want to be heroes, let the municipalities be dogs." Anybody but them.

Now, Mr. Chairman, to argue, as the Minister has, that 28 cents a dollar is a good buy, maybe it was, if I could buy a car at that price, but it isn't if it's health I'm buying, because if it's health I'm buying I don't want to be given a bunch of percentages and figures which are meaningless. Either we accept the philosophy and the principle which this government has enunciated many times, that health is as essential as education, and I think it's the Minister of Health who himself has said that although education is a priority in this province, that the fruits of education will not flower, unless accompanied with that is a good health program.

The greatest value in these plans is their preventative features, the fact that people will go to a doctor in advance of the serious illness, so that it can be spotted before the cancer or a heart attack, long before the high blood pressure, so that their value as useful citizens and their contribution to the economy can continue to be fruitful. The fact that they can go into a hospital and get the treatment required early in the game, these are the reasons why this government went into the hospital plan. I'm sure that's the reason why the Minister of Health approves of it, and yet he is now saying at 28 cents on a dollar it's a bargain; "28 cents on a dollar is a bargain to me. I admit it." I can afford to pay it and so can the Minister of Health, but I suggest to the Minister of Health that he can afford to pay 50 cents on a dollar and I can afford to pay 50 cents on a dollar because somebody else can't afford to pay 28 cents on a dollar. They can only afford to pay a dime - and maybe not even that.

So, when he says 28 cents on a dollar is a bargain for all of Manitoba, that's nonsense. It may be a bargain to him and it's a bargain to me and a bargain to 55 other people in this House, but it is not a bargain when you haven't got the 28 cents. And there are people who haven't got 28 cents, and he knows it as well as I. And I'm not talking about welfare cases, indigents; I'm talking about people who are earning, who have steady jobs, who are earning minimum wages, who are earning above minimum wages, who are earning three and four and

(MR. MILLER cont'd.) five thousand dollars a year, and because of the other high costs of living, the cost of living imposed by the private sector - not by the public sector but because of the high cost imposed by the private sector - they can't afford the 28 cents on a dollar.

Mr. Chairman, what the government has done is not only regressive, it's a vicious tax on people who are the most defenseless, and it's false to say that 28 cents on the dollar is a bargain. It's false to imply that at 28 cents on the dollar we're getting a bargain. It may apply to the Minister and it may apply to me, but I know it doesn't apply to tens of thousands of other people and it's these other people that we should be concerned with. Surely we're not sitting here passing laws which will be good for us, and I regretted really when the Minister tried to defend the premiums in the manner he did, because it was a defence that was defenceless. It hit those that can least afford it. It ignored completely an ability-to-pay principle which the Conservative Party has mouthed - and I say mouthed because they've obviously shifted from it - has mouthed in the past; they've ignored these principles that they have espoused publicly in the past, and now they're going back to saying, "Each one carry your own burden. Each of you contribute the same amount - that's fair. We're going to ask the Member for Seven Oaks to pay \$40.00, we're going to ask somebody living on Alexander Avenue to pay \$40.00." Is that fair? They're both citizens. They're both taxpayers. -- (Interjection) -- Are you asking or are you mumbling? -- (Interjection) -- Yes. Beat the argument? I will gladly. Some should be paying double 28 percent and some should be paying nothing. Others should be paying 50 percent more than 28 cents on a dollar and others should be paying half, and that can be achieved in any number of ways, through income tax, through sales tax -- (Interjection) -- the only ones that are paying nothing are welfare, and their neighbours are picking it up through the welfare payments. The others -- (Interjection) -- don't give me that my friend. The only ones that are paying nothing are those on welfare period, that's it.

MR. HENRY J. ENARSON (Rock Lake): We all have our responsibility.

MR. MILLER: You all have responsibility because you can afford to pay 28 cents on the dollar, but what about those that can't? And I'm not talking about those on welfare. -- (Interjection) -- Those who can't are not paying? What kind of nonsense is this? Are they on welfare? Are they on welfare, because the only ones that are not paying are on welfare, and they are being paid by the municipal government. But anyone who is not on welfare is now going to have to pay 28 cents on the dollar, and when the Member for Rock Lake says to me, "we are all paying, we are all in it," he's doing exactly what I'm saying. He is saying 28 cents is a good buy. I'll buy that; it's a bargain. For him it's a bargain. As I said earlier, for every member in this House it's a bargain, because no matter what else they are earning, every member in this House is getting \$7,200 at least, which is double the average annual earnings of Manitoba.

MR. LAURENT DESJARDINS (St. Boniface): One-third tax-free.

MR. CHAIRMAN: The Honourable Member has four minutes left.

MR. MILLER: Okay, I'll wind it up in four minutes, Mr. Chairman. The Attorney-General asked how else can you do it. Now if he didn't understand the Member from St. John's and he didn't understand the Member for Inkster, I'll try - although I'm not nearly as articulate as either of those gentlemen - I'll try to explain. I have a much more simple approach. Maybe, since he is obviously simple, maybe he can understand my simple approach. People are paying sales tax today. One percent on sales tax will yield \$11 million approximately, so one percent would give you \$10 million plus a little bit, plus a kicker. That's one way to do it and that will not cost \$40 a year to these people that I'm talking about, these people who can't afford 28 cents on the dollar. It may cost some more, and it may cost the Honourable Minister of Health more. It will cost me more because I'm thinking of buying a car. It will cost me more.

But there's also income tax; that's on a progressive basis. Again it's going to cost the Minister of Health more, and considerably more but I know the Minister of Health isn't going to begrudge it because he's going to give up something, but what he's giving up are luxuries and health is not a luxury. Surely -- (Interjection) -- well, he may boost his salary, that's something else, that I don't know. But health is not a luxury, but apparently to this government it is, and apparently this government still feels this is a service which they'd like to give but it's a service that we have to sacrifice because we just can't afford it; it's a frill. Now so long as they keep thinking in terms of hospital care and medical care as a frill, as a luxury, then this is the kind of legislation we are going to expect from them and we are going to get

(MR. MILLER cont'd.) from them, and as long as the people of Manitoba keep supporting this kind of thinking and this kind of government, this is the kind of legislation they get. And frankly, although I feel very sorry for the people of Manitoba, I have to stand here and think they deserve this. They put these people in office, and if you elect this kind of government then you deserve what you get, because this is the kind of thinking that says health is a luxury; hospital is a luxury; if you can afford it, by all means; if we can't afford it, let's cut back. You are dealing in a basic necessity. If health isn't as essential as the air we breathe, then our society hasn't grown much in the last few years.

We have the means by which everyone in this province can get hospital care, can get medical care; let's give it to them in the fairest way - I'm not talking about the cheapest cost - the fairest way, and the fairest way is that everyone shall share in accordance with their ability-to-pay. We use that principle in so many other areas, let's use it on this one. Thank you very much.

MR. LYON: Would the honourable member permit a question? I'm not going to debate. Would the honourable member please advise me - I've asked this question before - how he or his Party would raise the 28 percent that is represented by the premiums?

MR. MILLER: One -- when you talk reasonable, we immediately come to a position which between us is unresolvable because what is reasonable to me is obviously unreasonable to the Attorney-General. The one I would take, as a last resort, is the increase in sales tax. Two, I would do it through the increase through income tax method.

MR. LYON: You would double the income tax?

MR. MILLER: I would do nothing of the kind. I would do nothing of the kind my friend. Today, Manitobans are getting 33 points from the Federal Government on income tax and 11 points on corporate income tax. That gives us \$74 million. To get \$10 million you raise that by one-seventh - that's all - one seventh. So don't tell me double because you are juggling figures and that's the kind of accounting this government does.

MR. LYON: Would my honourable friend permit a second question?

MR. MILLER: You asked a question; I'm giving you the answer.

MR. CHAIRMAN: Order. I think the Minister would like to get back into the debate. The Minister of Health.

MR. JACOB M. FROESE (Rhineland): Mr. Chairman, I have a few remarks to make.

MR. LYON: Mr. Chairman, would the honourable member not permit a second question? I understand now what he is saying.

MR. MILLER: Did you understand the answer to the first question?

MR. LYON: My honourable friend says that he would raise the money to pay for hospitalization from the total return of the provincial personal income and corporation income tax - \$78 million. Having used that money for hospitalization, how would he raise that money to support the schools and the other services that it presently supports? Where would he replace that \$78 million?

MR. MILLER: You're not replacing anything; you are increasing it. You are doing it now. You are now getting 33 and 11 -- you are now getting \$78 million. I say to you increase that by one-seventh and you've got it made, and a far more equitable way to do it. It will cost the Attorney-General more money, yes sir, but it will cost five other people an awful lot less than that.

MR. LYON: Talk about hallucinations. That's no answer at all.

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MR. FROESE: Mr. Chairman, if I might have a few words under the Minister's salary on the Health Department. We have heard a lot of things said here this morning, some of which I definitely take exception to or do not agree, and I would like to point out some of these things in my brief remarks.

The Honourable Member for Inkster pointed out that the Province of Alberta were having deficits, budget deficits, and that this was quite in order to have budget deficits for health purposes and so on. Well here I would like to set the member straight, because if Alberta has a deficit it's quite a different matter because they have over \$600 million in reserves. It's just a matter of using some of those reserves. How else would they be able to use some of their reserves if they didn't budget for a deficit? How else could they use them? This is quite a simple matter. If we had these large reserves here in Manitoba, I wouldn't mind having budget deficits in Manitoba, but it's a completely different matter in Manitoba because we do not have these reserves. On the other side we have debts to take care of, so that when we want to make additional expenditures for the kind that is being asked for here, these monies have to be met. I feel that what is being proposed here is quite fair, in my opinion, and I would like to make some further remarks in this connection.

The Honourable Member for Inkster also left the inference here that this was a punishing tax, and that too I cannot accept. It seems to me that their idea of taxation is one that is trying not to make the people feel the increased costs, that this should be a matter of lulling the people to sleep and not making them know what's happening and what's going on.

Apparently what is happening in Saskatchewan, they increased the budgetary estimates of the Health Department from year to year and not by premium or so on. The premium there is only a small portion of the total cost of health in Saskatchewan, and likewise in Manitoba it's only a small part, and even with this new added premium it will be only a smaller part. This doesn't mean that I endorse what is going on here in Manitoba, because I feel that we should have a much closer examination of what is being spent and how it is being spent and whether we cannot reduce some of the costs.

I have here a copy of the Canada Month in which is an article by the Hon. Ernest C. Manning of Alberta. The article is captioned, "How a Liberty for the Citizen Government Will Actually Work", and there is a sub-heading here, a sub-heading here in connection with the White Paper and it says, "The White Paper stresses human beings will command first place. It is hoped this emphasis will help to destroy the fallacious notion that those who believe in the freedom of economic activity, private ownership of property, and individual enterprise and responsibility, are incapable of social concern and devoid of humanitarian sentiments." This is what the Socialists would like the people of the province to believe, that those people who are engaged in free enterprise that they do not care about these citizens, and this is wrong, because -- (Interjection) -- Look at British Columbia - and I have pointed this out on previous occasions - here we have homeowner grants of \$130 now. This will be deducted annually from their taxes, so that many of them will only pay \$1.00 in tax. They have the home acquisition grants of \$1,000 now for any newly married or young couple, or older couple that has never had their own home. They get a \$1,000 grant free to apply against the purchase of a home. So this is done by private enterprise supporting governments - and not a socialist government.

Now under a sub-heading in this very article here entitled "Social Development Climate" -- before that he explained the economic development climate that we should be producing, and here I'd like to read a few points about the social development climate, and I'm quoting:

"(1) The government will endeavour to foster a social climate conducive to the free and creative development of individual human beings characterized by: (a) self-determination for individuals; (b) continuous expansion of opportunities for individuals and communities to fully participate in the total physical and human resources development of the province; and (c) strong sense of direct responsibility on the part of every citizen for his personal social and economic well-being, the well-being of other members of his family and the well-being of his fellow citizens.

"(2) To facilitate the development of a social climate, in which personal responsibility for the personal welfare, family welfare and the well-being of others is understood and accepted. Government programs, particularly in such fields as public health, education and public welfare, have been, and will continue to be, specifically designed to bring needed services within the financial reach of those requiring them, but not so as to give the impression that

(MR. FROESE cont'd.) such services are in any way free or that the individual citizen has no responsibility to provide such services for himself and others to the extent that he is capable of doing so."

Mr. Chairman, I fully endorse that statement and I think I've made my views known on this whole matter in previous years and also on earlier occasions at this session. I mentioned before that the tax was considered a punishing tax by some members. Income tax used for this purpose, if it is being used for this purpose, in my opinion is a partially hidden tax because those people who do not pay income tax they really don't know how much money is being paid by other individuals and for what purposes, and therefore I feel that this is a partially hidden tax to many people.

The matter of utilization fees which is being introduced in some provinces, and has been in use in some provinces for a number of years, I think it need not be large, but I think it is there to remind the citizens that this service is not free and therefore I endorse such utilization fee for this very purpose, so that the people will know that the service is not entirely free and that the cost has to be met by someone.

I think the matter of these social services, unless we bring them about in such a way that the people will know about what is happening, it can break the economy without the people knowing, unless the taxes are levied so that all people are affected, otherwise they will keep on asking for increased services which would then be free to them.

MR. CHERNIACK: Don't you know when you pay income tax?

MR. FROESE: Pardon?

MR. CHERNIACK: Don't you know when you pay income tax?

MR. FROESE: Well you know, but you don't know how much is being applied to the matter of health services when you pay income tax. — (Interjection) — Well the same applies equally there. I already mentioned that the premium is a smaller portion of the total cost of operating the health department and the health services here in Manitoba. It has been a minor portion over the last number of years because the total premiums roughly amounted to \$13 million per year whereas the total cost of the Hospital Commission alone was \$62 million the previous year.

I already mentioned that we should take a closer look at the monies being spent, and the Member for Lakeside in his speech yesterday mentioned home care, whether we could not do more in that direction and probably effect savings. These are the things that I feel should be looked at much closer. Then, too, the matter of premium increases, I take it, is done by regulation. This will not be a matter of legislation to be passed. However, any monies needed for this matter have to be voted in Supply and therefore this is the time that we have the right to speak on it and to question any matters.

It was also mentioned here this morning the matter of private versus public spending, and to me what the member inferred, at least the way I understood it, he would like to lead us to believe that if we paid premiums that this is private spending. Mr. Chairman, I disagree to that, because if you pay it into a commission it is still public spending and we have to differentiate in this way. I believe in private spending as much as possible, because here individuals can effect savings directly if he so desires. You have the incentive to economize; you have the reward for initiative if you take greater care; and these are the qualities that you have in personal spending versus public spending.

Bill 68 was discussed here a little earlier by the Honourable Member for Turtle Mountain and I would share some of his views, although not all of them. However, I endorse that it is being shelved for the time being at least and that we will not go into any compulsory scheme. I think any programs of this type should be voluntary and that our citizens in this province should be free to choose whatever they like, and there should be alternatives provided.

There is also, in my opinion, a certain fallacy that is creeping in from time to time and that is that if another level of government collects the taxes that it does not affect us in the same way or that this is less harmful, and that this is the type that we would like to see. Mr. Chairman, I do not necessarily subscribe to this at all. Naturally we're getting large grants from the Federal Government, but this too has to be provided by the taxpayers of Canada and therefore we have to pay the moneys in first before we can withdraw them and have them apply to the province.

One thing I would like to dwell on is the matter of specialty care. I wonder if we could not exclude certain cares from the general program as was outlined by the Member for Turtle

(MR. FROESE cont'd.) Mountain, probably in a different way though, that those desiring extra special care of one kind or another that we have a differentiating premium. We did have this under the MMS program, and could this not also be applied to the hospitalization scheme? This might take care of a good portion of the costs, those costs that in my opinion are rather exorbitant from time to time, and that in this way whether we should not give some consideration to this matter. Maybe the Honourable Minister or the department has done and has given consideration to this, and if he has, could he let us in as to what plans could be developed and in what ways we could make such an operation feasible.

I haven't had the chance to completely read the report that was given us just the other day. Maybe it does contain a projected statement of the expenses for the next several years. If so, I will read up on it. However, if the Minister could expand on the future program for this province and project the cost for the next several years so that we would have a better understanding of what we're letting ourselves in for or what the needs will be, I would appreciate hearing from him. For the Federal Government I would have some quite substantially different proposals to make, but under the circumstances and the economic setup that we have in our provinces, these would not be suitable to advance at this particular point and therefore I will not make them.

Mr. Chairman, these are a few of the points that I thought I would like to raise this morning and I will now give other people a chance to have a few words.

HON. CHARLES H. WITNEY (Minister of Health)(Flin Flon): Mr. Chairman, once more I have listened to a great deal of advice. Some of it has been given in the dulcet tones of the Honourable Member for St. John's; some of it has been given in the debating style of the Honourable Member for Inkster, and very logically it leads from point to point to confusion; I've heard the viewpoint of the Honourable Member for Rhineland; and I heard the advice that was given me from my own member, the Honourable the Member for Seven Oaks. And there was one point there that I had the real tendency to agree to. As a matter of fact, not a tendency to agree to but I'll agree to it openly. He said that people are not fools, the electors are not fools, and he looked at us and he said, "Now we'd better remember that the electors are not fools." Well, I toss that same advice back to all the opposition members and I remind each one of them that the electors are not fools, because in the advice that I have been given, some of it has been, to put it politely, Mr. Chairman, rather woolly.

Now let's take some advice that we had first of all from the Honourable the Member from Turtle Mountain. He gave us some advice that we should change the whole of the hospital system. That's what I gathered from him, and that in effect what the province should be building was 20 percent for the specialized field of hospitalization and that we leave the rest of it back into the administration and the development of the local people. Now in a highly specialized field as medicine, we would have specialized hospitals pullulating all over the province, and in time we would be right back to the type of system that we have now. So I appreciate that the honourable member when he was talking about the problems of the 85-year-old woman did come up with a plan because I was on the verge of asking him what were you going to do about it, and he did come up with a plan, but I'd humbly suggest to him that perhaps he'd better think it over again.

And then we had the Honourable Member for St. John's, and if I recall correctly, the honourable member said that we should take all of the income tax and all of the corporation tax and we should apply it to the hospital plan and we should pay for it. -- (Interjection) -- Well, that's the understanding I got. Now we've gone through quite a few hours at any rate so maybe we'll hear him again to explain it a little further. But if that's what he was saying -- (Interjection) -- All right, I'll drop the point then until we do hear just exactly what he was saying, because I understood that what you were saying was that we pay for it entirely from the income tax and the corporation tax. We have the plan in operation right now, so if you take all that money and apply it to the hospital plan, what are you going to do about all the other services that you have in government?

MR. CHERNIACK: Mr. Speaker, all that we suggested was that in the same way as we pay for other services from income tax, income tax should be increased in the higher brackets to provide these additional needs. Do not take what you're now using for other purposes; get your extra money in that same manner.

MR. WITNEY: There is one thing that has come however, as I've noted during the debates, and that is that everybody has recognized that the hospitals are going to cost us more

(MR. WITNEY cont'd.) money. We have really only had one suggestion as to how you might change that and it came from the Honourable Member for Turtle Mountain, and I have suggested to him that he better think that one over again. And you gave us some suggestions about the use of home care and as to how we might use our acute beds more effectively, and I advised you how we were working toward it.

MR. LAURENT DESJARDINS (St. Boniface): That wasn't good enough.

MR. WITNEY: I think it is a good plan that we are working toward the efficient and the proper use of our acute beds. I labelled them out to you and some of them - I don't think that the honourable members knew that we were taking these various activities - and the one was this medical equipment which has a very significant effect upon the utilization of acute hospital beds.

So you recognize that there is going to be a cost, and all during this the problem has been as to how you're going to distribute this money. How are you going to pay for it. I've heard from over here a great deal about the ability-to-pay. Well, if you take the other 72 percent of revenue that is coming from the Federal Government and is coming from the Provincial Treasurer, you've got a very large element of the ability-to-pay built right into that 72 percent as it is now. But how much further can you take it? How much further?

A MEMBER: All the way.

MR. WITNEY: All the way. And then you want to load and to concentrate the ability-to-pay in about 50 or 60 percent of the population who are earning in the area of about \$7,000 and less. That's what you want to do. Well, I think then you'd better think that one over again as well.

MR. GREEN: Mr. Chairman, will the Minister permit a question?

MR. WITNEY: No, not when I'm in full flight of oratory and I was in full flight of oratory for the moment at any rate. I'm just wondering too what my honourable friend from Inkster would have said had we come along and we had raised the income tax by one percent. I think we would have heard this same type of argument that we heard when we introduced the sales tax, because if I recall correctly, you were the people over there that were talking about the sales tax having such a severe effect upon these little people - upon these little people. I think you did term it a regressive tax, and now you're asking for an even greater regressive tax be put upon those people. -- (Interjection) -- Well, I haven't got the books here to check your remarks but that's what you said, and at any rate if you didn't say it in those exact words that was sure the message that we were getting across here and the message that you were putting out to the people of the province exactly, and had we had come in with one cent more -- or one percent more income tax, that's the message we would have been getting again ad nauseum, ad infinitum. We would have had it.

Well, I want to point out to you again that when we increase this hospital premium that we have maintained the hospital premium roughly at the same percentage of about 28 percent and the other 72 percent is coming from other sources, and in that is a good bit of ability-to-pay.

You'll remember you said that I was introducing a deterrent, and I said to you that when we increase these hospital premiums that people certainly knew that we increased these hospital premiums and people realize that hospitals cost money. Last year we increased the subsidy from the government to the Hospital Plan by 70 percent and we didn't hear a thing about the cost of hospitals in relation to what we are hearing right now. We didn't hear a thing. The people know, and they know now, and most people are recognizing that the hospitals are going to cost them money and most people are prepared to accept that fact and they're going to be prepared to pay that premium.

So we're talking about -- well really, I don't know in a way what we're talking about because these people -- we're getting all kinds of financial advice and I almost can see the Chinese abacus coming out and going back and forth across as they figure out these weird and wonderful financial schemes. But this is quite clear, it's been in effect in the province now for 10 years and the percentage that is covered by the premium is approximately the same as it has been for a long time, about 28 percent and it was about 20 percent at one time.

MR. CHAIRMAN: Order. Order. I'm calling order. The Minister has sat for a long time listening to the opposition and members of the Committee making their comments on his estimates. Give him a chance to reply.

MR. WITNEY: Thank you very much, Mr. Chairman. I was rather enjoying the kickback

(MR. WITNEY cont'd.) that I was getting from the other side; I don't normally have that.

Now just answering some specific questions before we leave, for this part of the session at any rate. On the differential premiums, the Federal Government legislation does not allow for differential premiums because the hospitalization has to be provided on uniform terms and conditions, and under uniform terms and conditions it means that if we're charging a premium that premium has to be on the same basis to everybody. This is one of the problems when you talk about deterrents, because in deterrents they say that if you are deterring you do not have hospitalization on a condition of uniform terms and conditions, so the differentiating premium just is not acceptable under the Federal Government scheme.

I noted the argument that the Honourable Member for Turtle Mountain put up about the old lady of 85, but that old lady of 85 is going to need a hospital system. She's got it now and that hospital system is a good hospital system and that hospital system is run efficiently and economically, and we do so because we have got good boards in the Province of Manitoba and because we've got a good Commission. When the Honourable Member for St. Boniface asked have we ever considered changing the Commission, reassessing, it has been considered in reassessing and I have considered that the Commission that we have in the present form has been good for this province and that if it hadn't been for that Commission that our costs might be higher than they are at the present time. Their problem has been a difficult one.

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

IN SESSION

MR. J. DOUGLAS WATT (Arthur): Mr. Speaker, I beg to move, seconded by the Honourable Member for Springfield, that the report of the Committee be received.

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

MR. SPEAKER: It is now 12:30. I am leaving the Chair to return again at 2:30 this afternoon.