

# LEGISLATIVE ASSEMBLY OF MANITOBA

Friday, June 2, 1978

Time: 2:30 p.m.

## SUPPLY — HEALTH AND SOCIAL DEVELOPMENT

**MR. CHAIRMAN, Mr. Abe Kovnats:** I would direct the honourable members' attention to the gallery on my left where we have 30 pupils from the Lord Roberts School under the direction of Mrs. Luckwell. This school is in the constituency of the Honourable Attorney-General. I would welcome them and ask you all to join me in welcoming the students from the Lord Roberts School.

I would direct the honourable members to Page 41, Health and Social Development, Resolution 62, Clause 6. Fitness and Amateur Sport. We are on (a)(1) Salaries—pass — the Honourable Minister.

**MR. SHERMAN:** Mr. Chairman, just before the lunch break the Honourable the Leader of the Opposition had put a series of related comments to me that were really combined in one basic question having to do with the apparent disappearance from the appropriations in this branch in the coming year of any funding in the area of the financial assistance required for the Administrative Centre for Organized Sport, and in the entire area of fitness development. I would like to respond to those now, Mr. Chairman.

The position is that the branch and the department are actually going to be spending considerably more money on Fitness and Amateur Sport in 1978-79 than was the case in 1977-78, Mr. Chairman, but the bulk of the expenditure does not appear in the printed Estimates in front of members because they were late to the appropriations necessary to be voted for the department. The bulk of the expenditure is going to come out of the lottery funds that are available to sport and that have accumulated to some degree and the projections on which indicate that they will be building up to even a more impressive degree in the current fiscal year.

The total to which we are committed, in terms of decisions that have been made by me as Minister, and by the Cabinet through Order-in-Council, up to this point, Mr. Chairman, comes to something in excess of \$2,600,000 for Fitness and Amateur Sport in 1978-79. That's with the lottery money included.

The figure breaks down this way. We are looking at \$462,300 for the Sports Directorate and the Administrative Centre, which honourable members have in front of them in their printed Estimates. There is \$2,251,000 earmarked for expenditure in this field out of lottery funds, including \$1,075,000, which goes to the Canada Winter Games in Brandon in 1979.

The rest of the package breaks down this way, Sir. The Sports Injury Centre is \$70,000; Reh-Fit, that is the Reh-Fit running track project that members are familiar with — \$250,000; sports administrators' salary grants. . . —(Interjection)— That's capital, that's right. Sports administrators' salary grants — \$171,000; Financial Assistance for Sport Development — \$245,700; the Manitoba Sports Federation — \$30,000; 1978 Manitoba Winter Games, that is the cleanup on the account for the Games that were successfully staged in Dauphin earlier this year — \$56,500; National Coaching Certification — \$78,100; Sports Special Projects — \$174,000; and the Man-Plan Athlete Aid — \$100,000.00.

Now that package, Mr. Chairman, adds up to \$2,251,000 and if you take the Canada Games commitment, the Brandon Games commitment out of there, which was \$1,075,600, we are looking at \$1,175,000 going to these other projects and undertakings, ranging from the Sports Injury Centre to Man-Plan Athlete Aid. And if you take that total and add it to what the honourable members see in front of them in the printed Estimates, we are looking at approximately \$2,700,000, earmarked for Fitness and Amateur Sport this year, with the vast vast bulk of it coming out of lottery funds.

Now I don't mean to beg the Honourable Leader of the Opposition's question, he asked particularly about fitness and fitness development. There are a number of fitness projects and initiatives under consideration. I have not moved on them yet. I do not have them in place in terms of sanction and agreement from my colleagues in the government, but they are under active consideration and may well be included in this year's package of activity under the Branch.

Those include the Western Canada Summer Games, which are scheduled for Saskatoon in 1979

— \$161,000; the Manitoba Summer Games projected 1980, which would be \$100,000; and Fitness Development, and this is really what the Honourable Leader of the Opposition was zeroing in on; Fitness Development projects, all of which will be familiar to the Honourable Member for St. Boniface, the former Minister, the Partici-Community Project, Fitness Awards, Fitness Leadership Certification Agency Fitness Development grants, Operation Renew, and the operating expenses of the branch. And that package together, Sir, would add up to \$510.8 thousand, so if we were to go with all of that, we would be looking at something in the neighbourhood of \$3.2 million. The money is there, it's available through the lottery funds. I repeat that I have not yet formally approved and initiated the fitness development projects to which I've just referred, but the earlier package to which I referred of \$2.251 million has Executive Council approval and is going ahead.

**MR. DESJARDINS:** I might say, Mr. Chairman, that I would hope that you'll be flexible in this resolution. It is very difficult to deal with just the Directorate and the Administration Centre and then the Fitness, especially when the program will not be completed until you've dealt with the lottery revenue. Also Sir, I hope the way we deal with the Fitness — I will be jumping around from one to the other, you can be assured of that, but I can promise to the Minister and the Chairman, that once my questions are answered, I'm satisfied that this thing as far as I'm concerned will go very fast, it is practically impossible to go in the way that we're dealing now.

Now, I'm kind of disappointed that the Minister did not have something ready for us a few days ago. It is very very difficult to deal with any semblance of intelligence when we are just given all these figures as the Minister just gave in answer to my Leader a short while ago; I think that it's quite difficult. It would appear to me — and by the way, one thing I won't be guilty of is repetition, I will wait until I see the answer, by then this will be passed I'm sure. But as far as the Advisory Committee, I just wanted to make a point, I thought it is kind of misleading the public. I think it is unfortunate that we can't have a little more trust in each other although there's a change of government, that we've got to start from scratch any time we do anything. I still feel that the added people that the Minister — and I congratulate him on his choice, those that I know, there's no objection there at all. I'm very pleased to see Jim Daly there, and as I said I was going to make every effort to, although he's never been known as a supporter of a card-carrying member of the NDP, I felt that he had a role to play and I certainly intended to try to convince my colleagues that he would be a good addition. I wouldn't even mind if the Chairman is going to be replaced — and this is no criticism of the present Chairman — I have no objection to see a man like Jim Daly, I think he's got a contribution to make. But this duplication, I think it is bad for the morale of these people who have worked without any partisan appointment or partisan reason and all of a sudden you're looking over their shoulders and they've done a lot of this work already and you start anew and you ignore them completely; I think this is wrong. But, as I said, I'll see what the Minister has to say on this.

Now it would appear, as I say, from following the words of the Minister, that there is a major change in policy of this government. The previous government, and I as former Minister, repeatedly stated in this Chamber — and it seems that I had the backing of everyone, every member in this House — that gradually and as fast as we could, the government would pull out of lottery revenue. And this was done. If you remember, Mr. Chairman, the revenue from the Provincial Lottery now goes directly to the people that are running the lottery, the wholesalers, and that it is not individuals who are profiting by that, it is groups of the people of Manitoba such as the sports, the arts and also the United Way.

Just a few days ago, the Minister said that he was looking at the lottery — and I know there are some changes in the lottery that are being contemplated — and the Minister said that he was going to look at some lottery revenue for research and I certainly agree with him. I hate like hell to — well, no I don't, I'm pleased to be able to say that because I stood in this House pretty well alone being criticized from all sides including some of my own colleagues on this question of lottery and I think that we should be proud the way it is going now in all phases. I think that there is no private individual benefitting by it; I think there is a safeguard and I think that if we're going to measure by the profit we're making, I think that there is quite a bit. So now the embarrassment seems to be that there is too much money, what to do with the funds, so it seems, because the Minister has cut down over half a million dollars, I think, from last year.

Now, does that mean that the government is going to rely more and more on the lottery revenue? If that is the case, and if the government is going to try and increase its revenue, then maybe it would be time for the lottery revenue to go directly into the Consolidated Fund. I'm sure the Minister of Finance would love that and then the government and the departments would have to be responsible for their programs.

I think the way we're going now is dangerous. There is no doubt that many of the programs — I don't object to all this money. The money of the lottery has to be spent but to cut down on certain things especially in the area of fitness because you might as well change this division's name

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to just Amateur Sports, the fitness is taken right out of it, and especially when the Minister is one that believes so much in prevention and in fitness — or at least talks about it as if he believes and I have no reason to doubt his sincerity.

Now the revenue is going to be derived from the lottery and I think this is dangerous. Now if we start that, these areas will be cut, the fitness next year I'm sure, this will completely disappear, number (c) will disappear because there will be nothing for next year on it and nothing for this year. It might well be that after — I don't know which Advisory Committee; there's quite a few these days — but it might be that even the Administration Centre for Organized Sports will be under a different organization. It might be that maybe the Sports Federation or another group will run it. And I'm not criticizing them. This was an idea that we were going . . . So there would be a directorate and the directorate then could be cut, because all they will be doing is giving certain funds, with the help of an Advisory Committee, to the sports group. I don't know, as of now there seems to be no money in here, either for game development — that also is going on the lottery — so it might be that then the consultants on games and so on, will be paid by the lottery. So eventually, the government might be able to say, "Well, we cut this thing down." Is that what they want? I don't know. That, to me, is dangerous.

The government has commitments or certainly has obligations as far as I'm concerned in this field as well as any other field. There are certain things that should be financed by the government itself. I'm not suggesting that it has to be a big government and they can't farm this out to somebody else, I don't object to that at all, but something that should be funded under these Estimates, because then we're going to rely more and more on the lottery revenue, and then it will be very difficult to go in any other direction, or the government will not have any responsibility in this field of fitness and recreation, or very little, and it will be somebody else that will determine. So I think that in many instances it will work quite well.

I would suggest to the Minister that he doesn't rush into anything like that. I think that there are certain areas that he, as the Minister, the department and the government, will feel that they have or should feel, anyway that they have certain responsibilities and they have certain priorities. Now those, I say to my honourable friend, might not be very popular because when you are dealing with groups, they would like to get all the money. So, there is no doubt that at one time, if you had been dealing with the different sports organizations they would have recommended against a Manitoba Games, because they felt that they could do a better job by having that to promote their own sports and no doubt they could.

We felt, and I still feel, that it is the government's responsibility to have mass participation; that's what the Games do. It is mass participation that develops leadership in different communities, and it helps these different communities. Now, as I say, it wasn't the most popular thing, although they were quite successful and most of the people now feel that this is good; there's lots of things, lots of improvement to make, and that's part of the game. But there is a danger if this is done, if the government doesn't accept certain responsibility and farms everything out, that something will go lacking, and especially when you're dealing — because that's not too spectacular. You know, you get fellows my size playing baseball, well, that's not too spectacular, but I think this is a needed thing, and they enjoy it also. And it's the same thing on fitness. So, I'm very concerned about it. Well, my size, or the ability of my friend the Minister of Tourism, you know, that would be even more embarrassing, Mr. Chairman —(Interjection)— That would be a miracle and we don't expect miracles. So, this is a concern that I have.

Now, Mr. Chairman, there was something that was resisted last year and those that have always complained about the lotteries, you know, it wasn't going to work they were going to lose their shirt, you know we had queered the lottery and the revenue, we had killed something. Now, they're the first ones that are saying the money is not spent fast enough. You know, it would have been easy to spend real fast and to get — I'll never be the PR man that my honourable friend is — but to hire a PR man to really tell the people of Manitoba where this money was going, and maybe this should have been done. But there was a committee and I won't accept any criticism on this part from the present Minister because he's done that all along, he said, all right, we're not going to rush into anything, we're going to look and we want to do it the right way.

Well the situation on the lottery changed an awful lot, changed an awful lot in the last few years in all respects, the competition is fierce now, there's no other word for that, in fact, I think it's getting to be ridiculous. What kind of a nation are we going to have if we're going to keep on with this lottery that the Federal Government and the provinces will fight to see how many millionaires they can have every two months. In fact, I'm a little concerned because it's going to kill our party. There won't be any need for socialism because all the money will be distributed, everybody will be a millionaire in Manitoba so I'm quite concerned because everybody will be a millionaire. —(Interjection)—

**MR. ENNS:** It's still an immoral business way of raising money. Deep down in the bottom of your heart you know it is immoral.

**MR. DESJARDINS:** Well, that's the thing that I'm afraid of, and we always agreed that it was brought in for a time but there has been abuse and there have been people that lost all sense of responsibility because of the revenue. It is a danger, politicians will do the same thing. Like right now the Minister can very easily knock off half a million dollars in his Estimate and it looks good, he's going to come and say, look at what we saved, these people couldn't run a peanut stand, and that's going to be dangerous.

Now, the minute that you do in essence send this to the consolidated fund and use that money for programs that you're responsible for, you're in danger. I certainly would not advocate that we stop the lottery because then we would just be picked clean and the other provinces would go ahead. I think that we have to go along. I would like to see the day that we, the Minister of the day, administer it, and it might be not only this Minister, will have to shift certain things, but not everything and not just as a blanket, especially things like fitness. And it was felt, you know, that the lottery could go kaput any time. A group of politicians led maybe by a very strong individual one of these days might bring a resolution that we do away with lotteries and what's going to happen then. There'd be a real turmoil.

I'd sooner see more given to certain groups — such as the three groups that are partners in the wholesaling — I don't think you can improve on that. You might have a fourth group, you can reduce one, but all in all it is the best way and it is the envy of all the other provinces. We started slow and we were open to all kinds of criticism but you didn't see any scandal here like they had in Quebec, Ontario, Saskatchewan and B.C. you didn't see any scandals at all because there was nobody, it wasn't friends of the then Minister or the government that were given these licences to make money. For instance an areain Quebec the fellow that had a district made \$900,000.00. Now, he had expenses, but that was half a million clear. It just happened, just a real nice coincidence that all these people, when you look at their books every single one of them had made a donation of \$5,000 to the Liberal Party that was then the government. Just a coincidence, Mr. Chairman, and that is the danger and I'm very pleased to see now that I'm sitting on this side I don't see this happening. I don't see anybody losing this and being replaced by friends of the government because it wasn't set up like that and I'm quite proud of the way that it is that nobody can be accused of playing favoritism. Some of it is going in sports because originally, and that could be changed, the Act was done so that any revenue would go for sports and culture, that is the revenue that the government had. We carry that on in the setup of the lottery and include the United Way which certainly should please my honourable friend because he knows that these agencies, the United Way deals with all the agencies that my friend deals with in social programs and Health and this is helping I think my honourable friend is on the right track when he's talking about looking at it, if there's any other revenue, and maybe including research, medical research, I believe that.

But it is the concept, I'm not making any accusation at this time, but I'm saying be careful. If you rely, that is exactly like the Minister of Highways is saying, you can be the person with all kinds of moral and a good sound citizen, the temptation is there and it's going to be a lot easier to chop of half a million here and half million there but then you're going to be a victim, you're going to pay for it yourself and the people that will get this money then will never leave you alone, they'll never be satisfied and they'll want more and more and more. So, I would like, I would hope that the government will follow in the footsteps of what we started, move to give more of the revenue to this wholesaler, and of course the retailer gets his fair share also. Some of the retailers are getting more now than they did when they had the Golden Boy Lottery. So, I think that this is important and I wanted to make sure that this is understood. And again, I don't apologise because the money wasn't spent. My friend is fortunate, now he can go ahead and look at the program, and it's a real challenge and he's got some good people on both his advisory committees that will help him I would hope to spend this money wisely and will resist the temptation of going crazy and spending all this money so we can tell the people there's no money, there's nothing accumulating.

Now Mr. Chairman, there is something that is not too pleasant that I have to do, but I certainly intend to do it. It is that I want to congratulate the Minister of Highways — no, it's not that, Mr. Chairman, it's not that at all, that would be very pleasant.

Mr. Chairman, it is time that something be straightened out in this House. There's been out and out lies, and I think that it's time that I defend myself, and I'm talking about the Manitoba Sports Federation. The Manitoba Sports Federation; the concept is excellent, there's no doubt about that, so I'm not attacking, not that I'm too concerned, but I'm not attacking an organization the aims which — many of those that founded the association are no longer there — are there to become an umbrella organization to help the sports organization. I'm attacking a group of people who did very little in sports and have always hidden behind the name of Manitoba Sports Federation, who have been unfair and have in fact, lied to the public, and this is the Manitoba Sports

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I'm afraid that the present Minister is pretty well committed to that group of individuals. Before the election I was present where he made a speech, I think it was in all his speech but he read it and he said it so he endorsed it, but I'm very much afraid of that. And I can see now that the Minister who has cut down on grants to the — what is it — the advocates of citizens, anyway the people in the north end that have been working with the poor people, and some of these groups, but he has helped without any recommendation except that it was the Sports Federation. He's cut all over the place and already, without this . . . what should I say, not the mandate, really the evaluation of their programs has already up to now committed \$30,000 to this group.

ow, Mr. Chairman, just a few days ago when the Minister announced that he was going to give them another \$20,000.00 — this was in the paper and this is the reason why I chose to meet this dead on at this time — "Province Bails Out Federation". And the end was, "Mr. Fraser said the Federation has been having financial problems for two years as a direct result of the NDP government's policy of encouraging government lotteries such as Winsday."

That, Sir, is a damn lie. I repeat "damn lie" that I am ready to repeat in this House and go outside and repeat it. —(Interjection)— No way; you can stand here and yell "withdraw" until hell freezes over and I won't withdraw. —(Interjection)— I'm being too nice; that's the trouble.

Now, Mr. Chairman, first of all, let me go back for those that are interested. The Manitoba Sports Federation ran their own lottery before there was a reorganization of lotteries. Well, only Manitoba and Quebec were in the lottery business. They lost their shirt. They came to me, I was the Minister of Tourism, Recreation and Cultural Affairs in those days and they came to get letters, to get bailed out, and so on. They were over \$100,000 in the hole. They were busy. Actually so far it has been a lottery wholesaling, more than anything else. They have done little, if anything, for sports in general except presentation, except a pressure group of the government; that's true.

We were in the process of reorganizing this, I told them at the time that it would be reorganized and that that weekly lottery would not be allowed any more. They wouldn't be licensed — they were losing their shirt anyway — because the whole system was going to be changed.

Remember, Mr. Chairman, that they were not taking part in the Golden Boy Lottery. They can't say, "You killed that lottery." They took advantage of a reorganization to get in, because the government of the day at the time said, "Okay, we will close our eyes. We don't want to have more of these lotteries. We want to tie this thing up, but morally we feel that we should help you to get out of the hole that you are in."

Once the Western Canada Lottery Foundation was founded, one of the first priorities was to have responsibility and a change of tickets to bearer's tickets because there was up to 70 percent and 80 percent of tickets that were not accounted for.

Yesterday, I told the Minister that I was afraid to look at the personal care homes — some of them that he closed — because I thought that we would have to do something. And I'm afraid that I have to admit that I was afraid to look at the situation also of these tickets because I suspected there would be all kinds of difficulties.

If I regret anything it was when I was pressed by the then opposition to have an investigation into the whole thing, because I didn't want to kill the lottery at the time. It was going through a difficult time with all the criticism levelled at it in the newspapers and so on, and we didn't go ahead with that. I'm sorry that we didn't now, just as a personal selfish motive because I think it was a wise decision, because it might have killed the lottery.

Now, when this came up, this, Mr. Chairman, doesn't lend itself — the bearer's tickets — to a good system of middleman. Because the middleman operates by the more he sends away, the more chance he has of getting some returns. They will, for instance, take the phone book in Detroit and look at all these names that look like central European and they will send them tickets. Some of them just tear them; some others sell them and put the money in their pockets; and some of them sell them and send the money back. Then there is no way that the middleman could be checked at all. There is no way, because he was working for a non-profit organization, and this is what we were faced with, and this is where I got very little help to try to clean this thing up, Mr. Chairman, at the time.

Now, when we moved to these tickets, and we did when this Fitness and Amateur Sport was transferred to Health, and I was the Minister of Health. Before it was done officially I met with the Sports Federation and I told them what was going on and I thought we were doing a great thing. I offered him a partnership in this wholesaling of tickets.

They said we owed money. They had committed themselves without the Minister. As soon as they realized there would be some change they called a press conference and said it wasn't thought of. These are the programs that we are going to do and then they went to the press and said, "Look, he is trying to kill us, with all these commitments that we're going to have we won't be able to live with it." That was a little trick. Maybe it was fair, but let's expose that trick anyway.

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Then, Mr. Chairman, they said, "We want our lottery, also, and we want to be a partner. We will accept but we want our lottery." And everybody else wanted their lottery; it never would have worked. Can you see people competing with themselves? And the intent was to cut down instead of going along this proliferation of lotteries in the western Canada provinces.

So, Mr. Chairman, after a lot of discussion they said, "If we can only do it now." Their sincerity was challenged and it was agreed that if they understood that this would be their last lottery, to give them a chance while this other thing was being organized, and if the people retailing their lotteries would agree to that, well then we would go along. But then that was changed also. They wouldn't commit that.

They, in a very sneaky way, prepared a report that showed that the Western Canada Lottery was going to lose its shirt. They gave all this propaganda while we were trying to build it. They gave these reports to the press and the media and that, Sir, gave us a lot of trouble at the time of starting this lottery business. It's a wonder it didn't fold completely.

Then, Mr. Chairman, they have had nothing but trouble so finally this is what we offered them. I might not read this, unless I am challenged to do so; the Minister has all this correspondence. They were told, well, all right, here are the options that you have. You can become a partner in the Western Canada, Manitoba Distributors — that is, in the wholesale. The only thing is that we will look at your revenue, that we will make sure together that there is no duplication.

Also we then invited — it delayed a lot and it caused a lot of trouble in Manitoba — we invited the United Way who figured, well, you know, nobody offered us anything like that; where is the catch? And the Arts Council the same way.

We waited and waited until the Sports Federation made up their mind. They did everything to criticize, to kill. Then, Mr. Chairman, finally they insisted that they wanted to see the First Minister of the province and it was brought to a head that they had these different alternatives. Either accept a partnership — a full partnership — one-third of this corporation, wholesale. They were told that it probably would make \$400,000 a year when everything was set, because in those days it was felt that there was something that we didn't get, it was felt that there would be no Loto-Canada because the Federal Government, at the time, had stated that after the Olympics the province would take over and then they reneged and they turned that over to the Province of Quebec, for the debt in the Olympics.

They were told, secondly, then you go with this corporation B, which was all these other groups, exactly the same, not even bearer's tickets — I can't say that I approve of all that but this is what the government decided — that they would have another corporation exactly to do the same thing that the Golden Boy was doing, except the government would not dictate to them at all; they would have nothing to do with the running; there would be certain things that they would have to satisfy the Manitoba Lottery Commission that everything was on the up and up. They would have to tighten up the accountability; those were some of the things that they were to do; but they were going to keep all the profit themselves and they were going to decide themselves what they were going to do. So, then to be accused of saying that you killed the lottery, is not fair, if anything; and I think they're not doing too badly, but if anything it is all these different competitions that we did have. Nobody was offering million dollar prizes in those days and especially not what? 40 or 50 a year like it's going now between the two different groups.

So they were saying, "All right, you go with the other organization," and some of these organizations had been there from Day One. They could criticize, like St. Paul's College and the Legion, and so on, they were hurt up to a certain point during that transition, but not the Sports Federation because they weren't involved from Day One. They received permission knowing full well that there would be a reorganization just to help them out or they could run their own lottery that they wanted to do but not a piece of everything as somebody special.

Then they said, "Well, okay, we'd like to go if we can only run a lottery while this is organized." That was given under certain conditions that they agreed with and then couldn't meet.

Then they said, "Well, we're in the hole because we made certain commitments," the commitments that I was telling you about when they called a quick press conference and announced all kinds of things when they knew that there was a change in the lottery. They were told, "You'll get \$150,000 if you want from the lottery money to help you with your programs." So, Sir, they were offered \$150,000 and a full partnership in Western Canada-Manitoba Distributors. Today — I haven't got the latest information, I'm not in a position to have it — but from what I've seen in the paper in the last that I have when I was Minister responsible for Lotteries, they would be assured they would have had their \$150,000 — it was all the money that was left — they would have been left alone to run their programs and they would have had, I think by the end of this fiscal year at least, at least or around, and I don't want to exaggerate, \$700,000; and that, Sir, unless I'm challenged to read them, I'll tell the Minister to look at the letters he has in his possession from the Sports Federation to me on January 13, 1976, to the First Minister, then the Honourable Edward Schreyer, January 23, 1976, and also February 17, 1976, plus his own letters.

Now is it fair, Sir? Then there has always been again the same thing, is this confrontation with doctors. The members in this opposition have always said, "Desjardins is fighting with the Sports Federation." Mr. Chairman, I had a job to do for the lottery, which was in a "hell of a mess," as I stated a few years ago. They had this commitment and it's in black and white, that nobody can play games. They would have had \$150,000; they would have had another lottery and they would be assured that they would have about \$700,000.00. But they chose not to do that. As I say, Sir, they were a lottery operation.

Now they ran their lottery and now they're blaming the government and the NDP, as I said, when I said it was a bloody lie, because they've lost money and then the condition that they're in. Is there anybody that is honest enough that can stand up because they want to make a partisan point and say, yes, they're right. I refer the people also to a speech that I made here on a grievance on March 19, 1976, that explained the situation.

Now look at the financial statement of the Sports Federation for 1977. If you took all the programs, everything they did for sports and take that out and just look at their operation of the lottery, Mr. Chairman, they lost money on their lottery. They lost more money. They asked us to bail them out at the last minute. I was attending an important meeting of the Ministers of Health in Ottawa when I received the call, that they had to know immediately, that they would have to lose the program to help the sports coach and the one, also, on the clinic there that we — the Sports Entry Centre. Sir, we said we would help them.

I had a commitment from Cabinet and my leader, that we can pick up in total the Sports Entry Centre. Then I said to them, "All right, we'll transfer," — and they were just interested in sports — "transfer this thing over to the government and we'll keep on and you won't lose, and we'll keep your same staff, we'll assure your same staff." Then they decided that they would make a little money, they would sell us the equipment, and so on. There was no way that we were going to do that when we were bailing somebody out, and it was going for sports. We had trouble even then. Then the sports coaching, and so on, whatever was needed by sports we did have this studied by the Advisory Council to the Minister, and there was a recommendation made that there would be a certain pie to help the sports but fairly flexible because certain sports, Mr. Chairman, and I'm sure the Minister knows this, but for those in the House that are not too sure, some of them are not the same priority or the same need. Certain sports need equipment. Other people need more professional coaching. Others need ice time or pool time. Some of them, their first priority is transportation, Sir. So this was left that we could help. We could have kept with the offer that was made, what's her name? — my memory is not that good and I've got it on my tongue — that famous diver, Robertso Nancy Robert the tip o son, who is a big loss for the Province of Manitoba; we could have kept those with these programs.

Again we tried to play ball with the Sports Federation but again they tried to cut our throats. And it was lies; there was nothing personal, if anything something developed with the then administrator, the present administrator, I've met him a few times and I hardly know him, but he's taking it up, you know. Instead of saying, I don't even expect them to say we were wrong, we lost all kinds of money and we would have \$700,000 plus our own lottery, plus \$150,000 and we would be on the way up and we could stick our tongue at government because we would be financed on our own merits, we could run the show because I do believe in the concept of a Sports Federation.

But I'll be "go to hell", Mr. Chairman, if I'm going to stand here, year after year, and have a group of characters like that that are going to try to damage my character; because I think that they received help and I can stand that. I know there will be a lot of criticism in the newspaper and in the sport page and by special people that have certain columns that I won't name, that went out on a limb just to say that this would be a failure, and they can't accept that it is a success.

So, Mr. Chairman, figure it out yourself. They ran their own lottery. They lost their shirt. They had to abandon. They didn't have one after we left office. They didn't have a single program to help sports. They had announced three, they got exactly what they wanted and they lost the three. There was another one that we were in co-operation with them; again to bail them out to help the coaches and we had to pay the whole shot, and they still lost money. They still lost money. There was nothing but discussion and fights between the government, the Sports Federation and the sports groups were the ones that lost.

If you go back a few years before that, I met many times with the different sports. I took them to Gimli once. I invited the Sports Federation. The Sports Federation did everything — (Interjection) — I took him to Gimli, and the people of Manitoba paid the shots, the same as the people of Manitoba are paying the shots when this government and when this Minister or the people on this side say this is what we do. Pardon the slip of the tongue, I think it is quite obvious that we are here talking about the affairs of the people of Manitoba. They were invited up there and the Sports Federation lobbied to have these people not ask a single question on the lottery.

We go a little further. There was certain money that was coming to them, and we were the first ones to give any grant, a start-up grant, to the Sports Federation. It was \$25,000, and then they started to have different representation. The Minister didn't have to do that, a Minister that has a mandate, but I invited — and I can't tell you the year now, it might have been 1972, 1973 — the Sports Federation and the different groups to have a meeting, and then the sports groups were asked, "What is it, because it is your organization; what do you want?"

1. Do you want us to take all the money that would normally go to you and go to the Sports Federation, and you will deal only with the Sports Federation?"

2. "Do you want us to not deal with the Sports Federation at all, and give it straight to you?"

3. "Do you want us to give a certain amount, because there is a role for the Sports Federation to act as a pressure group, as information, as an umbrella group for you, and give a certain amount?" I think it was \$25,000.00.

We agreed then there was nobody on the government side or staff that knocked the Sports Federation; nobody at all. In fact, we encouraged them to at least keep the Sports Federation, saying that if there was no Sports Federation, one would have to be started.

There was a vote, and we didn't even go by representation, because we felt that there was a responsibility, and that the Sports Federation couldn't do too much for large groups, such as hockey, because they had the Manitoba Amateur Hockey Association and so on; that it would help the smaller group, and we felt that that was important. So we didn't go by participation, by membership, and we said, "All right, whatever there is, who decides what we will do?"

First, it was practically unanimous that there was no way that they want to go through all the Sports Federation. Then it was agreed that there would be a vote and a certain amount of money to help the Sports Federation of \$25,000 that year, that would vary because that was money from the lottery. And the vote, I agreed that on a certain date, by a certain date the vote had to be in, and if anybody came back after that they wouldn't be counted, at their request, because they didn't trust us a damn bit. We named people amongst their group to be scrutineers. We have had — and I think that staff that we have now can confirm that — that on a certain date, that was it. They won by one vote, made no bones about it, but before the votes were counted, it would have been the easiest thing in the world to put in a couple more, because two came in in the afternoon instead of by noon, and that would have turned the thing over.

So, if that's not democracy, if that is not helping in trying to do what the sports wanted, and every year, practically, there was a meeting with these groups. So Mr. Chairman, I am not, there is no way, that I'm going to knock the concept of a Sports Federation. But I'm not going to stand here any more and get this kind of unfair criticism of automatically, because there is a confrontation with somebody else who's played all kinds of politics — they can do what they want at election time. There was a concerted effort to get me out; that's fine; that's their privilege. And of course, they did everything they could to knock this government out; that's also their privilege, but they don't have to lie. If they don't want to admit that they were wrong, at least they don't have to keep on adding fuel to it and say that they're in the predicament that they have now because of the NDP government, who offered them what would be now, over \$700,000, or at least half-a-million dollars a year, and that is without a stamp; that is clear money, clear money. They could then get the kind of people that could work for sports, work on the program for sports, instead of being a lottery, lottery wholesalers like they were in the past.

So, Mr. Chairman, the Advisory Committee that we had was told to discuss the Sports Federation. The Director, Mr. Minister, sitting in front of you, was advised, was encouraged to talk with them as much as possible. Mr. Fil Fileccia was working for the department, who I believe has an awful lot of experience, and did the same thing to discuss programs. But that didn't go too far either.

So, Mr. Chairman, besides that, to make sure that sports would not be short-changed, one of the partners, and that was one of the reasons why the Advisory Council was set up, knowing that it probably wouldn't go forever, but at least that sports, that this would be kept for sports, and the money was there. So, I hope that we can look forward from now on, I think that I have to straighten this thing out. I think that the Minister was wrong when he made the commitment of \$30,000 without examining what they were doing; he's not doing that on any other issue that we went through, believe it is a commitment and he needs to keep it alive; fine. And certainly, he is wrong, and I think that we would have — again, I say, we would have more respect for politicians if at times even the members that can profit in a partisan way can say, enough is enough; I know the score, but don't try to con me any more, or to try to turn one party against the other, or the government against the opposition, or the opposition against the government.

Now, this is not just a dream that I had this afternoon, Mr. Chairman, it's all there; it's all there in black and white. Anybody that wants to challenge me, they don't have to come to me for the information, they can go right to the department and the department can do the same thing. Of

course, we'll talk about the lottery again. I would hope that these are certain things — I don't carry a grudge, because it's the people of Manitoba and the sports. I'm not too happy with certain individuals who constantly have lied and misrepresented and did everything to screw up this revenue; everything possible, but now, that are up in line, and saying, "We want a part of it; we want part of it," and are blaming a government because they didn't have a government that offered it to them on a silver platter.

Mr. Chairman, I would hope, and I would go along with the Minister and his Advisory Committee, who will look at the situation and it could well be that the Sports Federation, if they can ever get out of the lottery, maybe they can come in as one of the partners, or at least that they could have some of the money. Realizing that you can't count on lottery; that the lottery might be — that the House and the government might discontinue lottery, or that something might happen and it's not always going to bring the same revenue, and therefore that there is this flexibility, and the government would keep on with the responsibility, the minimum, that they have to do in this field, and letting the extra, the frills and all that, to be paid by the lottery. It could well be. I know that as a Minister, there's nothing that I would have liked better than to get out of the Sports Administration Centre and let somebody else run it. Why should you get all the criticism anyway? This is something that I think had to be held by the hand to start with, and get the funds that it needed, and I think that there is certain value for the Sports Administration Centre. I certainly would like to see a Sports Federation of people that are going to quit playing these games and be interested in doing something for the people of Manitoba. I would be interested in that.

So therefore, I don't disagree with the Minister in the direction that he's going; I kind of suspect that he's a little bit in the pocket of the Sports Federation by his actions so far and by the commitment that he made before he was the Minister, when we met with the Sports Federation, the three parties. I suspect that, and I guess that's natural, and I guess that maybe we could be accused of maybe favouring different groups — I guess that's human nature. So I can't say that I approve of it, not because it's the Sports Federation, of blindly giving \$30,000 when we are cutting on everything else of much more importance. Especially that there are other groups that are doing, including the government, that are doing things for sports. I think that these people should have to deliver and I think the Minister should have scrutinized their financial report, their Annual Financial Reports for the last few years, and I doubt if he would have been so ready to give them, with no strings attached, certain money to keep them open. I think it is up to them to prove . . . they are the ones that mismanaged, if anybody, their affairs. They are the ones that refused all the funds that would have made it easy for them to operate. Now they have got the nerve and the gall to blame somebody else for that and that, Mr. Chairman, is cheap.

So, therefore, now that I've got that off my chest for one more year, I'd like to say again, to repeat, that I am a little concerned with the direction that the Minister is going. I hope that he will marry these two Advisory Committees now, that he will have the Advisory Committee that he is entitled to, that he should have under the Act. I think it would be very easy. I think that maybe some of the people find that it is taking too much time. I think that he should meet fairly soon and look at the recommendations of the true Advisory Committee and he should have them working together. That is one thing, and again I say, "Be careful." You can't say that it is immoral to raise money for a government through lottery and then give in and give in, and abdicate your responsibility and say that's going to be paid by lottery.

I'm not saying this won't be done. It will be done, but a different fund. And the one that concerns me the most. I'd like to see the government saying, "This is something that we must do. So therefore we will have that in the Estimates and we will fight it out during the Estimates." The rest could be frills, or more money for the sports group. The more you can give them, the better. They will have more games. It will be more help for the coaching clinics and more help to keep violence out of sports. And we know that the Minister is quite concerned with this. I think that that is all right.

The one that concerns me the most is the fitness development, that there is nothing under this at all, Mr. Chairman. You have been very lenient. I'm sure that I spoke more than my time, so I will sit down and give the Minister a chance to comment or any other instead of taking over. But I'll be back, Mr. Chairman; I'm not finished.

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

**MR. SHERMAN:** Mr. Chairman, there's just one or two things that I think I should say for the record with respect to the government's approach to the Manitoba Sports Federation, I want to assure my honourable friend that their position and their reason for being and their work and their record were examined and are continually being re-examined. I want to assure him that he may think that I'm in the pocket of the Manitoba Sports Federation but he is misguided if he does because I am not, nor is any member of the government and I have no hesitation in making that statement in

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a declamatory way to the House. I have no connection and never have had any connection with the Manitoba Sports Federation. I know a number of people who belong to it, who serve on its executive, the same as the Member for St. Boniface does.

I have had some concerns about the — not only the directions perhaps that the Sports Federation has moved in, but about its financial and business capabilities myself but I recognize also through communications with sports bodies and sports people generally that there is a recognized and accepted need for an umbrella organization, a spokesman, a voice for organized sport for the various sports governing bodies that exist in this province, and I think that taken at its best the Manitoba Sports Federation or any body of that type, whether that's the name or not, any body of that type can serve a useful purpose and I'm prepared to give them the benefit of the doubt.

They've been in financial difficulty, that's true. I went to the chairman of my special ministerial committee, Jim Daly, and consulted with him and consulted with others before recommending to my Cabinet colleagues that we enable the Sports Federation to continue to exist for the next little while pending the outcome of the Daly committee's deliberations. The feeling was that there is a body there that has assembled some expertise, some experience and some exposure to the problems with which the Advisory Council and the Daly Committee and the government are wrestling at the moment in the whole area of fitness, sport and recreation, and it would have been premature and imprudent to have stood idly by and allowed that organization perhaps to collapse for lack of funding when we had a ministerial committee at work examining such relevant questions as whether sport administration and organization and direction in this province should indeed ultimately be turned over to a body like the Manitoba Sports Federation itself. So the decision was made purely on the basis of straight logic, that since that was a question being looked at, since the jury is still out on the field of study on which the Daly Committee is embarked, and since the whole question of the concept of a sports federation of that type as the directive body for sport in the province is one of those key questions under review, it simply wasn't logical to turn one's back and allow the experience and the talent that was there to be dissipated and perhaps to collapse totally to the extent that it couldn't even be revived or resurrected again.

So I want to assure the Honourable Member for St. Boniface that there was a recommendation and I feel that I did have a mandate to urge upon my colleagues that steps be taken to at least insure the Sports Federation's survival for the moment, and it's not correct to suggest that I did it without examining the Sports Federation or examining what they're doing or examining the justification for it.

The honourable member's suggestion with respect to the marrying of the two committees is a reasonable one. I have said that the Daly Committee was appointed for a specific purpose. It doesn't have a permanent mandate. Once it reports the Cabinet will distill conclusions out of its report and start to put firm directions and policies into place and into action and out of that may come a committee of the Jim Daly type, the Advisory Council type, or the Manitoba Sports Federation type. That's going to be one of the conclusions hopefully that'll come out of the work of that ministerial committee, so we may well end up with a marriage between the two committees that already exist and, in fact, with a marriage of even more concepts than that.

With respect to the whole question of lotteries and whether we should be relying on lotteries or not, I'm not going to pass any long term moral judgments on lotteries, Mr. Chairman. I'm familiar with the moral dilemma associated with the whole process of raising money this way but I can defend fully the decision to fund these operations in the field of fitness, amateur sport and recreation for the time being out of lottery revenues that are there, that have accumulated, and that are designated in part by statute to go to sport, because if I weren't going to do it that way, I would have to be articulating the support that I want to show for sport, and recreation, and fitness, through a departmental appropriation. And if I were going to do that, it would mean I would have to be taking some money away from another area of Health and Social Development, and the honourable member is familiar with the struggle and with the difficulties that the Minister of Health and Social Development goes through in order to guarantee the kind of funding that he or she would like to guarantee for the programs that operate in the Health and Social Development field. And I don't have the leeway to say, well I can take \$2 million away from Child Welfare, or from the hospital budgets, or from the personal care homes, or from Day Care, or from Social Allowances, and spend it on Fitness and Amateur Sport. I do have it out of the lottery funds, so it seems to be only the logical and sensible course of action this year.

That does not commit us all time, forever, graven in stone, to a marriage to the lotteries concept. There are some things in here as I pointed out, are one time undertaking, such as the Canada Winter Games in Brandon, which accounts for more than a million dollars that we're looking at right now, such as the capital grant to the Refit Centre, which accounts for ¼ of a million dollars out of that that we're looking at right now.

So viewed in that context, Mr. Chairman, I suggest that this approach at this time, can be justified. The lottery money is there; we're not spending consolidated funds, we're not spending taxpayers'

money in a sense that it's taxpayers' money, it's the money that certain taxpayers have laid out at a dollar a crack or five dollars a crack on a chance to win something. So we're not depriving anybody of anything, or diverting taxpayers' money to do these jobs; we're doing these jobs with money that has been paid by persons who want to engage in that kind of search for opportunity, and is designated by statute for this purpose. The alternative is to let it sit there and accumulate and gather more dust, and of course gather more interest. But I suggest that there are pressures that should be responded to, and since I don't want to divert money from my departmental appropriations, I do the logical thing in using these resources.

We'll be naturally measuring the ongoing product and production of lotteries in the future to determine just how much of a base could be counted on in the future, and I will be exploring very strenuously the possibility as I suggested to the honourable member the other day, of having those lottery funds divided up among more beneficiaries and more recipients. The prime one in my mind for addition to the list right now being medical research. Those are things that I have to work through with my colleague, the Minister of Consumer and Corporate Affairs, and my other colleagues who have a say in the distribution of lottery funds.

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

**MR. DESJARDINS:** Mr. Chairman, is the Minister saying that Fitness and Amateur Sports and these programs that have in the past been funded through the estimates, will now be funded through the revenue accruing to the Province of Manitoba, or the share of revenue going to the one partner, in this case the Advisory Committee on Fitness and Amateur Sports?

**MR. SHERMAN:** For the time being to the latter, Mr. Chairman, to the share of revenue coming through the one partner that is entitled to it; for the time being most of it comes from that. There is 25 percent of the net proceeds to the Manitoba Lotteries Commission to which were entitled, which stood at \$1,292,500 on hand as of April 1st. Estimated revenues for 1978-79 in that category are \$800,000, so we're looking at \$2 million plus there, our share from the proceeds coming out of the Manitoba Lotteries Commission, Mr. Chairman. So really I'd have to revise my answer to the Honourable Member for St. Boniface; it's a combination of both.

**MR. DESJARDINS:** Let me correct the Minister, then. He made a statement that by statute that money must go to that, and that's wrong. The statute refers only to the revenue to the province. You know, it doesn't say anything about helping United Way as one of the partners. He could, without any trouble or without any change, enact an act, he could have as a fourth partner an umbrella group representing tiddly-winks. It has nothing to do with that at all; it is the revenue accruing to the Province of Manitoba, and what I was afraid of is already starting to happen. The Minister has said exactly what I meant; the Minister has said there is so much to do in my department, that if I don't put it there I can put it somewhere else. If there was no lottery, would he say that that branch — Fitness and Amateur Sports — would disappear? No. Therefore it would be the responsibility of paying through taxes, exactly. If the government, like certain governments say, that is not the case, we're using that as a revenue, like Quebec. That's what they want. But the province, and I think with the backing of all members of the House, or at least the majority from all parties, the Province of Manitoba never wanted that. It did not feel, as my friend, the Minister of Highways said, it did not feel it right to use lottery to finance certain things that should be financed through the Estimates.

And then, you know, why not carry on, why not go a little further? The Minister said —(Interjection)— well that's the next thing that I'm afraid of, and that could come with the greed going in now with more and more, the casinos might be welcome and then God help the province. I hope not. I think the Minister shook his head, I certainly hope, and I wish the Minister responsible for lottery was here also. Now, Mr. Chairman, this is what I'm afraid of, and carry that a little further. The Minister said, well if I didn't have, you know, whatever I'm getting paid through the revenue — not of the government's revenue for the lottery, of one of the partners, but until this is set, that he certainly has a chance to control. Well, why not go a little further. Why not get them to take more of that money, and pay for certain things in the hospitals, or in personal care homes; why not? You know, you can't have it both ways; you either say this money is to help, we find that is a revenue the same as taxes, therefore let it go through the consolidated fund, let's not have a hidden pot somewhere, and this is the way we're going to do it. There is going to be the temptation, I say to the Minister, more and more, this is what's going to happen, that's a problem.

And then, another thing that received approval from all sides of the House at the time, was that the Minister would more and more — the government would pull out of sharing the revenue. The first step has been done, the second step has been done, and the third one would be just with

the Express and when that is the case, then there won't be any money. It could be that of course the Cabinet should take into consideration that these people are getting a certain amount of money, so they are getting funding somewhere else, not only from us; we are funding certain things. And it could be that the government might say, run your sports administration, it could be that the government will say, well no more direct grant to the Association. I can understand that, and I think you can do what you want that way and get out of it, of the administration and so on, and let the people, especially a Conservative government — I wanted to do that believe it or not — that there would be more of that you should do. But certain responsibilities that with lottery or no lottery that you should have, and one of them certainly is fitness, especially after all we've heard about this, that should not come from the lottery. And, Mr. Chairman, the part that comes from one of the partners is stolen from them, that is their money. Now the Minister is taking it to finance, some problem that he has the responsibility of financing. Sure they hadn't spent that much, it doesn't mean that they didn't want it, because as I repeat, the Minister is doing exactly the same thing, he's frozen certain things, he wanted to make sure that the money was well spent. In the meantime, it was getting interest, and it would be wrong to go on forever.

Now, Mr. Chairman, there was a duly established, and it's still there with the Act, an Advisory Committee on Fitness and Amateur Sports. It coincides, I'll admit it. I was very pleased to announce it a few days before the election, I'll admit that. But that committee had been working for months and months and finally they brought this recommendation and the people were waiting, and those were good recommendations, and there was certain announcements made by the government of the day on, I think it was October 7th.

Now I want to know from the Minister, because there was money coming from the revenue of the Advisory Committee, there was money coming in from the department, there was money coming in from the revenue from the Olympic Lottery, and so on, and there were commitments of quite a few thousand dollars. Now, is that going on? Has there been some changes to that or has that been frozen? And I'd like to go with the Minister, program by program.

**MR. CHAIRN:** The Honourable Minister.

**MR. SHERMAN:** Mr. Chairman, that hasn't been frozen. The honourable member is referring to Fitness Development Projects ranging from the Partici-Community Project through Operation Renew, and including Operating Expenses of the Branch in the area of Fitness Development, plus Sports Special Projects, which is an undertaking that has Cabinet approval and is funded to the extent of \$174,000.00.

The other ingredients were the Partici-Community Project, Fitness Awards, Fitness Leadership Certification, Agency Fitness Development Grants, Operation Renew, and Operating Expenses of the Branch. In total, they added up to a little over a half-a-million dollars, \$510.8 thousand. —(Interjection)— \$770 thousand if you add in the Sports Special Projects, that's right —(Interjection)— But I've already said that Sports Special Projects are already included in the package that's now in place and moving and been approved. The other ones to which I've just referred were approved by the previous government, by Order-in-Council, but none of them had actually been developed and put in place. They were announced by the honourable member when he was Minister —(Interjection)— Prior to the election —(Interjection)— so they had his and his colleagues' approval. And they cleared the Executive Council through Order-in -ouncil.

**Well, that's fine. But that was that government, and this is this government, and all I've said is, we have not yet put them into action, but they are under consideration and may well be included in this year's program. What I have given the honourable member, and what I gave the Honourable the Leader of the Opposition verbally, but I didn't have a complete sheet to hand to him, was a breakdown of the package projected by the government in the area of Fitness and Amateur Sports this year, and the first section identifies those projects that are in place, approved and under way. -- The second section shows those that are under consideration, and that includes these Fitness Projects.**

**There is enough money to fund them in terms of the lottery revenues that are on hand, and the projected revenues for 1978-79, but they have not been approved by our government for implementation yet.**

**MR. DESJARDINS:** Mr. Chairman, I cannot understand this Minister. We're here considering Estimates and the spending. I asked a very simple question, and that question has been asked in every item under every Minister and the opposition will continue to do that. I asked a very simple question, not sarcastically, I asked a question you had . . . there was a certain— of course before the election — there is no way that we can announce anything now. There is certain money that was committed, money coming in. There was \$770,775 to be spent on the programs; \$350,000 comes from the Advisory Council's own share of lottery funds at their recommendation, \$120,000

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from government appropriation at the Advisory Committee's recommendation; \$300,775 from the government's share of lottery proceeds again at the recommendation. The same kind of committee that he has now, and he figured I've got a mandate because Jim Daly told me to do that, the same thing. And these people had been working at it for a long time. I asked a very simple question.

There were other things that were approved. There was a 5-year construction plan for personal Personal Care Homes that has been frozen.

I don't have to be reminded again that I'm not sitting on that side, that there is a mandate for that government to cancel anything they want, but the Minister should be reminded that I have a responsibility to try and find out what's going on, and I don't have to be chastised because of that. I'm asking a very simple question, I'm asking of those programs that yes, went through in Order-in-Council, and I want to know very simply which one — of course we didn't have that much time to develop them. The money was committed from the different sources, received approval as the Minister said by Order-in-Council, there were people working on them for the development. Some of them could be implemented immediately, it didn't need too much, it didn't need too much work on that, and I just want to know which ones are going ahead and which ones are temporarily discontinued or if there is any that are frozen, and that's a very simple question?

**MR. SHERMAN:** Well, Mr. Chairman, the honourable member is complaining that my last answer was too long, so I'll make this one short. The answer is, no.

**MR. DESJARDINS:** But it could be no to what?

**MR. SHE. HAN:** His question originally is question several minutes ago was, "Are those programs frozen?" The answer is, no.

**MR. DESJARDINS:** If we have to play that game, if we have to play that game, I'll play it. They're not frozen. Are they going ahead, now, all of them?

**MR. SHERMAN:** No, not necessarily. They may go ahead next month, they may go ahead in August, they may go ahead in September, that decision hasn't been made yet.

**MR. DESJARDINS:** Mr. Chairman, the Partici-Community Project, is that going ahead?

**MR. SHERMAN:** You mean the Partici-Community? That's one of them. Let me give the honourable member the list again, I put it in front of him. If you'd look in the middle of the second page under Consideration. Come down beyond the Western Canada Summer Games, which is under consideration, we have not agreed to fund them yet, to participate in the funding, beyond the Manitoba Summer Games of 1980 which we have not agreed will be staged yet to a line that says, "Fitness Development". Under there are 1, 2, 3, 4, 5, 6 items ranging from Partici-Community to Operating Expenses of the Branch, those six items add up to a commitment of \$510.8 thousand. All of them are under consideration but they are not in the category of those programs in the top section above there that are approved, agreed and going ahead. In other words, these have not yet received approval to go ahead, but they are under active consideration, and all of them may go ahead.

**MR. DESJARDINS:** Mr. Chairman, if the Minister had sent me this copy before a couple of days ago, I could understand him being impatient. I'm a very clever fellow, Mr. Chairman, but it's pretty hard to speak to the Minister and read this at the same time, it's something that was just sent to me while I was on my feet. So fine, if we've got the information I'll look at it. I can't look at it and discuss it at this time, but if it's committed, fine. That's all I wanted to know.

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

**MR. SCHREYER:** Mr. Chairman, perhaps the Member for St. Boniface could have some time to peruse that document. I would like to, in the meantime, follow-up with the Minister on one overall point, and that is that the Minister's response as to how it's possible to carry forward with the Fitness Development Program and the Administrative Centre for Organized Sport and Related Activity, while showing either a much reduced appropriation and in another case a wipe-out of appropriation, no appropriation whatsoever, and his answer is that this is going to be paid for by using funds from the Lotteries Program.

Now, Mr. Chairman, the lotteries have been in place in Manitoba since our Centennial Year, and quite frankly the Minister is engaged in wishful thinking when he says that if we don't use it as

a replacement for Consolidated Revenue Funds for this purpose, it will simply sit there and gather interest. Well, that's a rather peculiar argument to come from an honourable gentleman opposite who accused us of the very opposite for many months and years. In their rush now to use Accumulated Funds, which, to listen to them, I wouldn't have thought we had, is both ironic and also I think it raises this question that the lottery funds even though from time to time there might be surpluses, they were of a temporary nature because they were all dedicated funds. Eventually, all lottery funds were supposed to go for purposes of recreation and cultural affairs, and also they specifically were supposed to go to assist local government, and local organization, in the building and maintenance of community recreation facilities.

Now, I'd like some assurance from the Minister that even while disagreeing a very basic principle with him, that he should be diverting lottery funds for a purpose here which, up until now, we have been paying for out of general revenues, that even if he's going to do that, that I'd like an assurance that he will not be doing so to the subtraction of available funds from lotteries for community recreation facilities through local government support and the like.

**MR. SHERMAN:** Mr. Chairman, I'm sure that I can give the Honourable the Leader of the Opposition that assurance. We are, of course, dealing here only with sports' share of the lottery revenues, 25 percent. That is my department's share.

The Department of Tourism and Recreation and Cultural Affairs, as the honourable gentleman knows, receives 75 percent, and the responsibilities, some of the responsibilities to which he refers arise in that other area. I can certainly assure him that the danger, or the potential danger that he fears will not come to pass, will not be realized. We have a certain amount here that is available to sport only, and if you look at the breakdown of the programming that we intend to do, and if you look at the revenues to be derived from the three sources, The Manitoba Lotteries Commission, Loto Canada, and The Western Lottery Manitoba Distributors, everything has been carefully worked out to insure that specific projects are to be funded from specific sources of revenue within the limitation of those sources.

So there's no danger that those things that should be funded, for example, the Advisory Council funds from the Western Lottery Manitoba distributors' resources, would have to be funded from the Manitoba Lotteries Commission or from LOTO Canada. It's set up in such a way that we will keep the projects and the accumulations of the projects confined to the categorical limitations, but once again, I repeat we're just talking about sports 25 percent here and perhaps the Honourable Leader of the Opposition should be also conveying his concerns to my colleague, the Minister of Tourism, who has a much larger share of these revenues to contend with.

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

**MR. SCHREYER:** Mr. Chairman, my concern is principally not with Tourism, Recreation and Cultural Affairs, but rather with the change that is indicated here in this department, because then I'm inviting the Minister to explain what phenomenon has been afoot here, has been at work, that should make it possible to do everything that has been done in the past through the two departments with respect to recreation and cultural activity and that we should be able to continue to do all that, and in addition to fund certain amateur sport and physical fitness activity which up until now has been necessary to be financed out of consolidated revenue. Obviously something significant is happening here and I'd like him to explain it. If we're able to do everything that was done in the past plus a diversion of responsibility from consolidated revenue over to the lottery funds connotes to me that there is some explosion of lottery revenue or something of that nature, or else we are surreptitiously hiding the detraction or subtraction of activity that was carried out before with lottery funds but for which there will not now be funds available because of diversion of this responsibility unto the shoulders of the lotteries funds.

**MR. SHERMAN:** Mr. Chairman, the only answer I can give the Honourable the Leader of the Opposition is that the approach is a straightforward one and an honest one and a direct one based on the increase in lottery revenues, based on the fact that the lottery operations have produced revenues in the past year which are substantial, and projections for the current year, which are reasonable projections because of the activity that's taken place to date, are substantial. Prior to that those revenues were insubstantial. I'm not sure what view the previous government took, and the honourable gentleman took when he was First Minister, as to disbursement of those lottery funds, whether he and his colleagues felt that time should be given to prove the concept and to allow the funds to accumulate a little because I gather the returns were not so good two years ago. But we're in a position as a government where we're looking at lottery revenues in 1976-77 of — that is the accumulated revenues on hand of \$3,200,000.00. The estimated revenues for 1977-78 are \$3 million and on the basis of the traffic thus far we see no reason to lower that projection for

1978-79.

Now when my honourable friend was concerned with what should be done with lottery revenues he was looking at lottery revenues for 1975-76 of \$1.6 million. That's a lot less money. The money is there. We have the right to spend a certain amount of it on sport, fitness and sport, and that's the decision that was made, Mr. Chairman. It's a decision that it's possible to make because there's substantially more revenue there.

**MR. SCHREYER:** Mr. Chairman, I rise now not so much to take issue with the Minister as to observe on two supreme ironies here: the one being that — and I believe it is ironic — that a Conservative Government should be so anxious to rush to deplete an accumulated reserve. One should have thought that especially the image of this particular Conservative Government, which has by its own doing created the image of being among the most conservative on the continent, that they should rush to deplete and run down a capital reserve fund is, I think, a little strange.

But apart from that it does bring out another ironic point which really in a sense deserves a belated word of commendation to my colleague, the Member for St. Boniface, who at the time when he was piloting the concept — indeed he did pilot the concept — not just here but in all of western Canada with respect to a reorganization of the lotteries system on an interprovincial basis, that at that time, and not only were there from certain quarters outside this House all kinds of, what now is obvious in retrospect, ill-informed comment but also from at least two or three honourable gentlemen opposite who were then sitting on this side, all kinds of warnings and, yes, warnings, that the reorganization of our lottery system was going to result in a complete or near complete death knell of the lotteries and an unfortunate diminution of the effectiveness of the lotteries for fund raising, that, according to the words of the Minister of Health and I well believe them to be true, the very opposite has happened. Isn't that correct? That as a consequence we at least learned some lessons in retrospect, that all of the warnings that were issued outside this House, inside this House, about the supreme misfortune of touching and changing, reorganizing the initial lottery concept into what we have today all weren't worth a pinch of salt.

**MR. SHERMAN:** Mr. Chairman, the government of the day is not rushing to deplete the capital reserve. The majority of this revenue as I have said — pointed out to the Honourable the Leader of the Opposition and he well knows — is revenue that is available to my colleague, the Honourable the Minister of Tourism, Recreation and Cultural Affairs, and those Estimates have not been examined by the Legislature yet and my colleague can speak for himself but as far as I know there's a substantial amount of them that are not committed, a substantial amount of them that are not committed. All we're doing is making some use of the sport revenue that's available and at that we won't come close to depleting the capital reserve. We're projecting a surplus at the end of the year of  $\frac{3}{4}$  of a million dollars. So we're not rushing to deplete a capital reserve; we're trying to maintain those programs that we regard as essential, and we have a means of doing it without going through the exercise of tightening down in certain other areas of Health and Social Development which, if I did tighten down on them, I'm sure I'd hear very quickly from the honourable gentleman and members opposite.

As far as his comments with respect to the lotteries and the success of the lottery program are concerned I don't quarrel with them. There has been a good record, obviously an impressive record established in the last two years. That doesn't say that the lottery system is perfect. That doesn't say that there couldn't be additional resources, that there couldn't be additional revenues if there were additional components and ingredients built into the structure that would provide the opportunity for greater sales and greater participation. I'm not arguing for that but I'm simply saying that the fact that the lotteries are good at the present time in terms of the revenues they produce doesn't exactly mean that we've achieved paradise.

**MR. CHAIRMAN:** (1)—pass — The Honourable Member for St. Boniface.

**MR. DESJARDINS:** Mr. Chairman, I don't think that anybody in the House on this side or the other side suggests that we've achieved paradise. I don't think that we'll see that no matter how long we're in this House, and even if we have a Conservative Government I don't think that'll be paradise — it could be paradise lost. And there is no doubt that there's always improvement. I might say, in all fairness to the Minister, he's saying that maybe there could be more sales, that he's not advocating that. I can say that we certainly didn't advocate it. In other provinces I know that certain people we've had to constantly remind and we had to stop them one time to develop something that would bring in an awful lot more revenue, but it is felt, as I said, that we don't necessarily want this nation to have that kind of system. You know if you get greedy there's always that temptation that you can go to casinos and gambling and you can go all kinds of things, but that brings organized crime and many of the other things that we don't want in Manitoba.

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It was felt that because of the situation, especially that the Federal Government passed an Act, they can sell if we want it or not, we can't exclude them legally. Others we can try to exclude them legally but they would find a way to sell, and we felt if they're going to buy — because there's always some kind of a greed and different motives. With people some of them play them as a game and other people think that they're going to be a millionaire and it's the greatest thing in their life.

I remember in Africa people that didn't have two cents to rub together, and I was talking to one of the youngsters there and I said, "What are you going to do?" And he says, "Oh, I want to leave here. I want to get an education and so on and I'm moving as soon as I win the lottery." And it's a way of life and that's unfortunate. But we never wanted this pressure in Manitoba. That's one of the reasons that we were opposed. We felt that if these were going to be offered for sale then they should be in Manitoba so we could keep our share.

Now, you know, this isn't the roll of the dice. You win some and you lose some. The Minister was left in a pretty good position and the government was left in a good position. We've talked about the deficit but in all the lottery revenue — if you talk about that 75 percent of my honourable friend — I think that there must be, and I'm taking a guess, but I think it's pretty close to \$6 million unspent, and I don't think the Minister is depleting the funds too fast — not more than we did. Things happened fast and furious over the last two years: This is not all money that we left but because of the setup was accumulated since then, and I agree with that. But I don't like to see the wheel re-invented constantly. I think that there was some good work and some good programs and I daresay that most of those programs will be implemented by the present government that we had.

And it was the same kind of people, just as qualified as his advisory committee, and I hope that he hasn't abandoned them, that he knows they exist, and I hope that he will try to marry the two groups as soon as possible because some of them are not too happy with the dedication and the work they did for the province and all of a sudden they're ignored. They're not that happy.

My concern is not that and I'll even go further. I would see certain areas that might have been — if there was no lottery — that might have been covered through the Estimates because after all it's a province with revenue and you don't want to be heavy only in one area and not in the other. I buy that. I'll buy that. And I can even see the Minister coming in and he doesn't have to change the Act because those partners don't do very much, those partners just spend the money. Mind you, they have two members of their board that are on the board with somebody representing the province so that is something that is working. Now I certainly wouldn't be shocked or be against it if the Minister decided that a fourth . . . especially if the revenue kept on improving, and I know that they're going to weekly which was the intent, the first weekly lottery. It might be that there would be an instant game — I'm not too crazy about that but I'm no longer responsible for the lottery. It might be that this will be allowed. Fine. I'm not going to criticize that. It might be that the government as a whole will find another fourth partner, fifth partner and sixth partner. And I think that's the way to do it because there's a lot of money coming there especially if the government pull out of it. There's not only my friend, the Minister . . . of Health who might say for instance, it would seem to me it's strictly for sports, he might say well you run, here, take it over, give it to the Sports Federation and say, here, run the Administration Centre. I think that would be a good move. I'd give him that as an example, not even in advice to the Minister. He's got a committee that is looking into it. And you will also find that in certain areas, you will find that the Minister of Tourism, Recreation and Cultural Affairs, through the other partner also. You know, because we're looking at what would be more than \$6 million. I'd forgotten that because they get the same share of whatever the share is for this side — from Western Advisory Council there's \$1,158,000 — well they are exactly getting the same share, so the same \$1,158,000 — well, mind you, you've got something on hand because maybe they spent it earlier, I don't know, but roughly, this is what they have. Maybe they have more, because the last time I looked, I don't think that my colleague of the day was doing any better than I; I think he was lagging behind.

And then, there is also the 75 percent of the revenue of the government that goes on to this, so it might well be that the Minister of Tourism, Recreation and Cultural Affairs will be faced with exactly the same situation. At the time the Arts Council had very little funding; there was always that some of them were quitting, you know, there was no point, and now they're getting a good share of profit. And it might be that the government, as we go along, to balance things. . . . You know, I want to be reasonable here. I might say, well all right, either the Sports Federation, or the Advisory Committee, you accept more responsibility than you had before, something that we were doing in the past, certain things, especially what would be classified more as extra, depending on the day, not a fixed sum and that could go along and the same thing with the Arts Council. They can do that.

But my concern is that the government is relying on this too much and is taking programs that

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in the past, and normally should be funded through Estimates — I think there is a better way of doing it; I think you have certain responsibilities and assuredly in the idea of fitness, you know that all politicians talk about fitness but nobody is putting any dollars there. For instance, Operation Renew, that was always through the government, in fact it was through the department even before Fitness and Amateur Sports came in. That was a program of the department. That's now transferred to the lottery revenue.

You know, I can't draw the line today, and I don't want to draw the line today; it's not my responsibility, but I am just advising the Minister to be careful not to get caught in this thing of you know, there's extra money and I could beat my colleagues in Cabinet, because they don't even know I've got this money and it's earmarked. I think maybe there should be a good discussion to see if it should be brought back if the Act should be changed, and should go in the consolidated fund. I would imagine that if I was a member of the Conservative caucus, that's the recommendation I would make, when you're talking about restraint and everything, I would want to balance that. I say, if I was a member of the Conservative caucus.

Now, if I would have kept on as the Minister, I would have gone in a different direction. I would have unloaded certain things from the government, certain things that we had started, but I certainly feel that certain responsibilities we should keep. I would have done that in the Arts, and I would have done that in Sports, and then I would try to decide that this was, I must admit — I said that I wouldn't be vindictive — this was Advisory Committee, at no time did I feel that this was going to be forever. I was hoping that some time we'd have some people in the Manitoba Sports Federation or these groups that could work together, and work for the good of the people of Manitoba and then when they felt that they could be responsible, that maybe they could administer some of that. It might be that they're the natural partners, they were meant to be, we did everything but hit them on the head to ask them to take over.

You know, the part that I don't like in my long speech this afternoon is that they're still blaming us, when it's obvious to everybody that it was a bad guess, and I'm being very charitable at this time, and mind you they did everything to knock but anyway I don't want to go back on that.

Now, the situation though is, this thing like Fitness and Amateur Sports, Fitness mostly, I think that this is something that the government should do. I'm not saying that more money from this group because the Advisory Committee is not an Advisory Committee on sports, it's an Advisory Committee on Fitness and Amateur Sports, and they can go in that direction. I think their program should be flexible because they don't know from one day to the other, from one year, the government of the day might say, "No more lottery; this has gone far enough," and they should not count on that for their regular budget. It should be for programs that are good, but programs, if you add restraint or that kind of thing that we're going through now, that people of Manitoba can live without, and this was my concern.

And this leads me, Mr. Chairman, if I may, to another big disappointment that I have; it is the Refit Centre, the Kinsmen Refit Centre. There was a lot of money spent on that and lot of hours spent on that. The concept wasn't one of the government's; no credit to the government of the day at all, it was the Kinsmen and the people at St. Boniface Hospital and the volunteers, people such as Dr. Mymin, Dr. Ayotte, who are dedicated and are doing a hell of a job, and they had facilities, a track I think in the basement somewhere at the university where they had to run with one of those masks, a surgical mask, because there was so much dust, and the best spot they could have was a place on Taylor, where they were going to go ahead. Normally, it was something new, normally the government wouldn't participate. They approached us; there was no commitment at all on this, but then it was felt that maybe if there was — at least at first it was just encouragement, sympathy, approval, for what they were doing — a few dollars from the government it would help others to participate. Then it built up on that. All the dreams that the Minister has now, I had them. I was very interested in trying to do something for Fitness in this province. I can see us working with the different groups such as the Refit Centre, Service Clubs, non-profit organizations such as the Kinsmen, hospitals, the Hospital Commission and the private sector. I think that if there was a movement and if this was well organized, that you could go to the Great-West Life or to other groups like this and say, "Here, what can you do? You can supervise, you can sponsor some of these participact or participation, or some of these stations that they have in other countries that we are starting to have, and I think that we have in Birds Hill and other places.

You know, a few years back, we looked at Manitoba and Canada as a nation of watchers, and nobody could prophesize just a few years ago, how many people would be interested in jogging and so on, and I think that all these things the games, and all these things, and the groups themselves, and the interest of the medical profession, certainly help and the groups such as the Kinsmen certainly help. So the setup was going to be just a track on Taylor, good in itself, not a very good place, squeezed, where the parking might not be that good, where you couldn't improve, where you couldn't use the outdoors in the summer. And then the Concordia Hospital was moved. The Provincial Government had brought in legislation that said that whatever was unpaid or whatever was borrowed

by any municipality including Winnipeg, to form the 20 percent of the cost on hospitals, would not be the responsibility of the municipalities and they would be paid up. The City of Winnipeg had not put any money in the new Concordia, they put a certain amount of money, but they were given that property. So it was understood that they would get whatever money was coming to them, but they weren't going to have it both ways. That would be turned over to the city. There was the discussion — anybody that I talked to said it's going to go along, and this will be done, every councillor, and that was in the process of being done. The government agreed to participate. There was quite a bit of money in the lottery, it wasn't taking anything from the Estimates, and the government of the day was going to put in a quarter of a million dollars that being, a quarter of a million dollars, or 25 percent to a maximum of a quarter of a million dollars. You know, it wasn't felt that if you don't get the donation, then you end up that you're going to have half a million, and we're going to pay for a quarter of a million; it was felt that they could raise that.

Another service club of sorts, the Knights of Columbus, wanted to ask there about all these service clubs — some of them are going on Renew, other people on . . . Testing, another one on Refit — and that is their reasonable . . . and the Knights of Columbus felt, we would like to do something for the elderly, and that was again right down our alley and right down the alley of the present Minister, I am sure. They had a design of the outdoors for a track near the river, some kind of a park, the River Park could have been turned over to the city, part of the old Concordia Hospital could be used, the government would have tried to turn it into a personal care home, because it was in need of beds. It was felt that it would be too costly so that was abandoned. It was felt that after all kinds of tests, that they could build in a certain way near the river, and that was quite costly to the Kinsmen and to the government, the taxpayers, as my honourable friend would like me to say. Then the Knights of Columbus were coming in. The government itself through that department of Fitness and Amateur Sports, which was transferred to Health because we felt, this government, as a government, or the former government as a government, felt that our role in Fitness and Amateur Sports, should be mostly amateur sport for fitness and mass participation. We were not interested as a whole; we were ready to help different associations, but not in training professionals. That was something where we were ready to make grants but leave to the different sports associations themselves. That was up to them, but what we felt that we must do with or without the approval of these groups, was to have mass participation. Our aim was to see that if we can make it possible for every citizen of Manitoba that wanted, that they can participate in at least two sports, one in the winter and one in the summer. I don't say we reached that, but that was the aim that we had.

Now, the only reason why it was felt that we . . . the Kinsmen, but we were ready, we had no obligation to participate, that we felt that we should participate, but in this area, because we did not just see a track going on as part of just a program, and the hospital. We wanted these pros, these experts — and God knows we've got the best in North America in that heart team in St. Boniface Hospital — those people that would help, and not wait until somebody had had open heart surgery and he was on the waiting list and he ran, because those were the lucky ones, there was, and there still is quite a waiting list. But we felt exactly like my friend the Minister would like to say, this prevention. We would like to see them go ahead and start and offer programs, and we hired somebody, I think it might have been only at first a quarter of the time, and we didn't have that in the Estimates, it wasn't something we took out. We also hired somebody who was supposed to prepare these programs. Then our intent was to go to Great-West Life and to go to different places, go to the Province of Manitoba, and there would have been an interdepartment committee of Education, of the different groups and our group, the Home Ecs, so that people would eat the right food, and so on, and work together as a committee and have these programs. We felt what better place to work, with these experts. They would run their programs.

Then there was facility at that time — that came after — there was this treatment for the injured athlete or whatever you call him and the possibility was to bring that also and then to work. As soon as this was progressing, the medical profession got involved in that, because they don't want to see people that are not medical people advise what kind of treatment they should do, that should be under their care, and they say this is, you know, the more you progress, the more people want to get in and feel that there is something that could be done. And this is why I'm so disappointed, for no other reason. I heard the Minister on "24 Hours" shortly after his election, say, "That's got the wrong spot." I don't know. I can assure the Minister that I never played politics on this at all, I'm not saying he is. It might have been other members, that you go from one constituency to the other, I couldn't care less. I wanted a facility where you can have that but the Minister will have to do an awful lot of talking to convince me that it's better in an area where it's boxed in, where they will be able to have that building, that program might be very good, but that you can. . . I was just starting, Mr. Chairman.

**MR. CHAIRMAN:** Order please. In accordance with Rule 19(2), I am interrupting the proceedings

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for Private Members' Hour, and will return at the call of the Chair.

**MR. ENNS:** Mr. Chairman, I wonder if I can make inquiries of the members opposite, whether or not there isn't a disposition to do without Private Hours this afternoon, and call for the adjournment of the House?

**MR. SCHREYER:** Call it 5:30.

**MR. ENNS:** Call it 5:30.

**MR. CHAIRMAN:** Committee rise. Call in the Speaker.

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

### **IN SESSION**

**MR. SPEAKER:** The Honourable Meer for Radisson.

**MR. ABE KOVNATS:** Mr. Speaker, I beg to move, seconded by the Honourable Member for Portage la Prairie, that the report of the Committee be received.

**MOTION presented and carried.**

**MR. SPEAKER:** The Honourable Minister of Highways.

**MR. ENNS:** Mr. Speaker, I beg to move, seconded by the Honourable the Leader of the Opposition, that the House do now adjourn.

**MOTION presented and carried** and the House adjourned until 2:30 p.m., Monday.