



Legislative Assembly of Manitoba

PROCEEDINGS OF THE STANDING COMMITTEE

ON

PUBLIC ACCOUNTS

Chairman

**Mr. James D. Walding
Constituency of St. Vital**



THURSDAY, May 11, 1978, 10:00 a.m.

HEARING OF THE STANDING COMMITTEE
ON
Public Accounts
Thursday, May 11, 1978

Time: 10:00 a.m.

MR. CHAIRMAN: Mr. James D. Walding.

MR. CHAIRMAN: Order please. We have a quorum, gentlemen, the committee will come to order. When we adjourned at the end of the last meeting, we had reached Page 132 in the Main Public Accounts Book. Before we proceed, I understand the Minister of Finance has some documents to table with the committee.

MR. CRAIK: Mr. Chairman, we have here answers to all of the questions I think that were posed up to the end of the last meeting so I provide them to you for distribution.

MR. CHAIRMAN: Those copies will be distributed to the members. May we proceed then in the Public Accounts Book, page by page? (Pages 132 to 145 were read page by page and passed.)

Page 146 — Mr. Minaker.

MR. MINAKER: Mr. Chairman, under Other Expenditures there, I notice there is a travelling charge of \$54,353.00. I wonder, would that be just related directly to the Minister and his direct staff or what does that actually cover? I'm sorry, that's under Item Executive \$650,085.90 under Travelling it shows \$54,353.00.

MR. CRAIK: Do you want a breakdown? We can get you a breakdown on that.

MR. MINAKER: Yes, Mr. Chairman, if it doesn't entail too much, I would be interested in having a breakdown of that.

MR. CHAIRMAN: Mr. Wilson.

MR. WILSON: Under (b), I was wondering if somebody could explain Planning and Policy Development. The Other Expenditures, while they're only \$92,000, there's some odd-type of expenditures such as clothing for \$1,835 and if I knew what the item was then I'd be able to envision why the expenditure was justified.

MR. CHAIRMAN: Mr. Parasiuk.

MR. PARASIUK: I think in this area there is usually provision for survival parkas and sleeping bags.

MR. WILSON: Well, what I mean, is this the Minister himself or somebody on his staff or is it somebody in the Planning staff or what?

MR. CRAIK: Well, would you like . . . we can get a breakdown.

MR. WILSON: Yes, I'll leave it, . . . yes, right. And the other one was on Page 147, there's an item of Travelling under . . .

MR. CHAIRMAN: Any further questions on 146? Page 146—pass. Page 147 — Mr. Wilson.

MR. WILSON: Under 2.(b) the project there, it's got \$71,322.59 for travelling. That seems to be quite a substantial amount. I wonder if it could be explained.

MR. CRAIK: Again, on those items it's a question of . . . the answer to the question is that a breakdown can be provided. It will be supplied to you the same way as the answers to the questions we tabled today.

MR. WILSON: Yes. Could you explain what the project is that cost \$360,000.00?

MR. CRAIK: Which item?

MR. WILSON: Item 2.(b). I'm just interested in finding out what the project Pimadjihowin, or whatever it's called, the \$360,000.00.

MR. CRAIK: Mr. Wilson, I'm afraid we're examining accounts here that ended a year ago and I've never even heard the name before so I'm going to need some help on it myself.

MR. WILSON: Okay. Well, the Member for Transcona might be able to elaborate, he seems to feel it has to do with the eastern edge of Lake Winnipeg. I wonder if he could explain this?

MR. CHAIRMAN: Mr. Parasiuk.

MR. PARASIUK: If you can recall, there was a moratorium put on resource development on the eastern side of Lake Winnipeg pending the development of some development projects by native groups in the area. This was a one or two year exercise cost-shared with the Federal Government and it involved a lot of local consultation, that's why you're going to have fairly heavy travelling costs in there. I think if you look back under press releases on Project Pimadjihowin, you'll find that detailed information there, if you look at Information Services.

MR. CHAIRMAN: Any further questions on 147?

MR. CRAIK: Do you want any breakdown on that, Mr. Wilson?

MR. WILSON: Well, if I could have not so much the breakdown as just maybe an explanation of why the travelling expenses were so high.

MR. CRAIK: We'll get you a breakdown on that.

MR. WILSON: Right, thank you.

MR. CHAIRMAN: Page 147—pass; Page 148—pass; Page 149 — Mr. Minaker.

MR. MINAKER: Yes, Under 148: Airport and Airstrip Operation and Maintenance, there is a travel expense under there of \$91,566.91. I wonder possibly if we could . . .

MR. CHERNIACK: Mr. Chairman, I'm trying to hear but I'm really having difficulty.

MR. CHAIRMAN: Before you proceed, I wonder if we could just move those microphones around so that you don't have to share one up here. No, move that one to you, Mr. Johnston, and move 12 over for Mr. Minaker.

MR. MINAKER: Mr. Chairman, to repeat the question so that Mr. Cherniack could hear it, under Item (d) Subsection (2) Other Expenditures, on Page 148, there's a total of \$101,566.91 for travelling. I wonder if there's any possibility that we could possibly get a breakdown of that particular item.

MR. CRAIK: Yes.

MR. CHAIRMAN: Mr. Orchard.

MR. ORCHARD: Thank you, Mr. Chairman. It seems as if, Mr. Chairman, that in each department and numerous examples in each department where we're running into a travelling expense, and we go up to Winter Roads and we've got travelling of \$71,000 some-odd. They represent a sizeable expenditure in each appropriation and I'm wondering if it wouldn't be a worthwhile suggestion by members of this committee that travelling expenses be better delineated. I think in the earlier session of Public Accounts, I tabled some information which indicated how the Ontario government tables and accounts for their travelling expenditures. I've got some notes here and apparently . . . well the difficulty being that it's a lump sum figure of travel expenses that we're faced with in Public Accounts and apparently the cost of computer time required to retrieve the data vis-a-vis travel cost is some \$300 to \$400 and it would be suggested that maybe if we could come to Public Accounts with tabulations that could show total expenditures for travel vis-a-vis total departmental expenditures as well as total travel expenses by sub-appropriations vis-a-vis total sub-appropriation expenditures addition tabulation should show travel expense as a percentage of the total appropriation. It gives a clear idea of how many dollars are being spent, by what department, for what purpose, for travelling, because it is a major expenditure in pretty nearly every department.

MR. CHAIRMAN: Mr. Miller.

MR. MILLER: Mr. Chairman, certainly that could be done but perhaps not only in travel because in every department, every division, there are similar types of expenditure, whether it's maintenance supplies, whether it's fuel, whether it's postage, what have you, materials and related costs. Unless Mr. Orchard is suggesting that it should be shown this way but that there be a sort of a summary in which these items can be lumped together where they are very similar from department to department and shown as a bulk figure and not assigned necessarily to winter roads construction or to airport construction or what have you, but just to the department itself. If I understand him correctly, he's suggesting travel for all of Northern Affairs, travel for all of Health and Social Development. And if that's what he is saying, then there's nothing wrong with that, it may be very simple to then look at the figure. But rather than just stop at travel, I'm wondering why it doesn't also include clothing or automobiles or other items which could then be lumped together, if that's what he's seeking.

MR. ORCHARD: Thank you, Mr. Chairman. Well, automobiles in terms of travel are, I mean you have to stay on the roads, and that item by itself probably doesn't require very much breakdown, but in view of the fact that in most cases where we have a high travelling expenditure, or a reasonable sum of money expended under the category of travelling, we also have a reasonable sum under automobiles, and since travelling can involve bus, train, commercial plane, government plane, boats, — I doubt if it would include shanks' mare as the Member for St. Johns would indicate, I don't think we pay mileage on footwork — but the travelling item can include several modes of transportation. It would be interesting to see how effectively commercial air-transport is being used vis-a-vis the government owned air service, how well each mode is being utilized. For instance, if we are taking a government owned aeroplane into a remote location a couple or three times a day with one person on it each trip, maybe that's not the most effective use of government expenditures of funds on travel, and I think it's a sizeable enough expenditure to warrant detailed breakdown particularly when we also have automobile expenditures in the same categories of winter roads or whatever department you want to take.

MR. CHAIRMAN: The Honourable Member for Seven Oaks.

MR. MILLER: Mr. Chairman, I'm not disagreeing with Mr. Orchard, I'm suggesting though if you are going to break out a particular code, then you take a matter like freight express and cartage, \$70,000 under (d)(2). It's a significant item, and it could be, following his line of reasoning, that this does apply in other areas as well, and perhaps the shipping of certain supplies, instead of every branch doing its own, maybe they should lump together and make a larger shipment out of it and save money that way, is what I think the suggestion is. Because freight express and cartage is \$70,000 in (d), it's \$16,000 in (e); all the way through, you have \$47,000 under winter roads construction; so if the idea is to lump them together, after they have been detailed in this way, then you have total figures for certain kinds of activities, or certain kinds of material purchases. And if that's what the member is seeking, then I suppose Finance could consider that, or the Minister could consider whether it is feasible to do it and whether it's not a lot more work, to add it all together or break it out after it's imprinted.

MR. CHAIRMAN: Further questions on Page 148? Mr. Einarson.

MR. EINARSON: Mr. Chairman, I was wondering — you were talking about travelling expenses via various means, and what I'm concerned about is the air travel service provided by the Provincial Government to citizens in the north. Now, I've been informed on more than one occasion that government planes would provide air travel to people and there might be one person on a plane maybe land at Thompson or other places in the north where they have a strip — and this would be a flight service that would be coming in maybe two or three times a day. I don't know how true this is, but is there a log kept as to the travelling service that is granted to our citizens of the north, and if so, can that be shown whether or not there are one or more people on any particular flight and how often these planes are used for the people? The point I am trying to make is that I am wondering whether we are not probably costing the taxpayer more money than is necessary by utilizing and organizing our air service. I can understand it's a disadvantage to some people in the north when they have to maybe require the services in, say, the City of Winnipeg. I have been told, as I repeat again, that the air services by the Provincial Government are not being scrutinized as well as they might be, and I am wondering if there are records of how many flights these planes make and how many passengers are on each flight.

MR. CHAIRMAN: Mr. Curtis.

MR. CURTIS: We don't have access to the log books, although I understand there are log books

relating to all the flights. We do, in our public accounts, record some breakdowns as between costs relating to scheduled public air transportation, chartered aircraft, and the Manitoba Government air service, but that's the extent to which we analyze it.

MR. CHAIRMAN: Mr. ZIPRICK.

MR. ZIPRICK: I could add to that. There are logs kept of all the trips, the people travelling on them, and we do examine these during the course of audit and ask questions if there are signs of inefficiency to some degree. Now, in some instances, I guess when you are running a schedule, that you will have a very low load, but we can't be critical of one particular load. So there is no doubt that improvements could be made, but it's not that there isn't a system. There is a laid-on system whereby for each plane there is a logging of the time that passengers are on there, and the reasons for the trip, and the trips are approved by responsible officials, so that there is a control system.

MR. CHAIRMAN: Mr. Einarson.

MR. EINARSON: Mr. Chairman, I bring this to the attention of the Committee — as I say, I have no way of knowing whether the information is accurate or not so I just pose questions to the Committee. I appreciate the comments from Mr. Ziprick; if he's satisfied that there is no undue misuse of public funds, then I am satisfied. Thank you.

MR. CHAIRMAN: Mr. Orchard.

MR. ORCHARD: Mr. Chairman, thank you. To partially comment on the Member for Seven Oaks. In the Department of Northern Affairs, per se' as a specific department, I have done a rough calculation, and if my figures are correct, we've got roughly a million, one hundred and some thousand dollars in travelling in the Department of Northern Affairs. Ad when you're talking about a budget of \$17,100,000, it represents a sizable portion of this particular department's budget. In other departments I could see possibly no need for delineating the travelling costs, by trip, by person, by mode, but in the Department of Northern Affairs where it represents a sizable portion of the budget, maybe it's something to consider in Public Accounts to make our understanding of the Public Accounts a little easier.

MR. CHAIRMAN: Mr. Craik.

MR. CRAIK: There is a breakdown here that I think we should distribute on how the expenditures in the department are coded, including travel, and I think it will help to give you some idea of how these vouchers are processed. They all have to be processed according to a code and it's mandatory, say, on all travel costs whether it's scheduled public air service, chartered aircraft, or Manitoba Government air service to be coded when it goes through so it's not that difficult to pull out and gather the specific information. What I will do is distribute this and you can see how it's done, and then you'll see that it's pretty complete. Under one of these items you have a breakdown that will fall under this code, so we'll have those distributed right now and you will be able to see it.

MR. CHAIRMAN: There are copies for the Committee members that are being distributed now. Any further questions on Page 148? 148—pass; Page 149 — Mr. Minaker.

MR. MINAKER: Mr. Chairman, again, I notice on this particular page, I think under Local Government Development, Travelling, that you're looking at somewhere around \$396,000 in Travelling Expenses out of a budget of 3.6 or 3.7 million, which exceeds a 10 percent mark, and I am wondering how much work is required in order to give a breakdown in terms of the codes for this particular department. Is it going to create a lot of cost or effort to provide this type of a breakdown?

MR. CHAIRMAN: Mr. Ziprick.

MR. ZIPRICK: Well, you know, I'm not sure just how much the breakdown will help you. I think what you're trying to get at is, it's back to the observation that I made in my report, in that there is a substantial amount of travelling that totals in excess of \$10 million. Now, I have assured in my report, and I am completely satisfied that the expenditure for travelling is vouchered, and reasonable room service; all the expenditures and documentation that's behind it is reasonable, so when you get the particulars of these items, there is no doubt in my mind that the amounts will fall into the reasonable category. The question arises, was that amount of travelling necessary? This is the point at issue and I think that to arrive at some judgmental observations in that regard, you've

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got to know the program, know the amount of travelling pertaining to that program, and the comparisons between years; until we set up the Public Accounts in a more meaningful manner, we will be continuing to have difficulty in understanding what is involved.

I think Mr. Orchard has suggested that Ontario has them organized in a much different manner and as far as I am concerned it's much more meaningful and more readily subjected to a logical review. So that just getting whoever had spent the money and the amounts, I doubt would be of very much help because I can assure you if you went in there and looked at the specific backup to that particular expense account you would find that it's for room service and whatever have you, and it's all within the limits set by the Management Committee of Cabinet which I am satisfied is not out of the way; they're not exorbitant limits — they are very fair limits, and they all comply with that, so this is the point that I would just like to indicate, that I don't know how much it will help you.

MR. CHAIRMAN: Mr. Minaker.

MR. MINAKER: Well, Mr. Chairman, I would like to thank Mr. Ziprick for that information. The reason why I raised the point, particularly on Northern Affairs, is I believe, in the Expenditure coding, that while it's not mandatory for certain travel expenses to be coded, I would interpret from the Financial Administration Manual copies that we just received' that when it involves air travel, and I would presume that the majority of the travelling in the north is air travel, they are required to put in a fourth digit which will identify the type of air travel. I think that would be interesting and useful to the committee, because if I follow the explanation of the code in front of us, any air travel expense has to be coded and would be coded for either scheduled public air transportation, or chartered aircraft, or Manitoba Government air services, so we could see where this travelling is being used and maybe in this manner something will come to light where we can save money and operate more efficiently by using public air transportation rather than chartered aircraft where it's feasible, or Manitoba Government air services.

MR. CHAIRMAN: Mr. Miller.

MR. MILLER: Travel includes hotel accommodation as well, does it' Mr. Ziprick? Travel includes hotel, meals, or whatever . . .

MR. ZIPRICK: Yes, they aren't separate.

MR. MILLER: It isn't just the mode of transportation. It isn't just getting there, and getting back, it's the whole thing. I see.

MR. CHAIRMAN: Mr. Cherniack.

MR. CHERNIACK: Well, Mr. Chairman, I'm looking forward to more information from Mr. Ziprick in the future, as to manner in which there are ways of reviewing this, that have been developed in other jurisdictions. He seems to prefer the Ontario one — I'd like to hear more about that. I have never been able to resolve in my own mind a yardstick by which I could tell whether there was too much or too little or just enough travel to conferences. You can find a variation, I found that Finance Minister's conferences a variation — we were usually the lowest — but we would have, say, four people, others would have ten people, and I could never quite decide who was rights So anyway, if Mr. Ziprick can clarify for us, without substituting his opinion for that of the Minister, because I don't think the audit is capable of deciding the needs at a conference of the number of staff, unless they go there and assess in their minds whether or not there is a contribution being made.

So I'm just looking for some means of clarifying it — I agree that it is a large overall item. It's silly, in my opinion, to relate it to a percentage of the budget of any department, because different departments have different kinds of needs, and if you have something like the Department of Health and Welfare, etc., I should think that, percentage wise, travel would be a small part of it, whereas if you go to Northern Affairs, which is largely administrative, I would expect it to be a large percentage. So I wonder if Mr. Ziprick could give us, in due course, a sort of a review of various methods with samples of the way they are done elsewhere?

MR. CHAIRMAN: Mr. Ziprick.

MR. ZIPRICK: Yes, well basically I completely agree with Mr. Cherniack that, under no circumstances, would it be the auditor that would be setting policy and deciding on how much travel

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is appropriate and necessary to carry out a program effectively. The system that is basically followed is, in the first place the Estimates are lined up, which indicate for each particular program as to how much is expected to be spent, while during the course of the review of the Estimates in the Legislature, there's discussions as to whether that kind of ratio of allocation of input into this particular program is reasonable. Having gone through that and established that that is a reasonable approach, then our job would be to see that it's complied and lived within what's been estimated, and if it's not lived within what's been estimated, the reasons why there was deviation. That information then would be available to the Legislature for the differences; you would have comparisons between years and changes for variations, and on that basis you can come to some judgmental evaluation as to what directions a particular program is taking. But this is the approach basically that is being followed.

MR. CHAIRMAN: Mr. Cherniack.

MR. CHERNIACK: I would like to ask Mr. Ziprick if current departmental Estimates have in them a breakdown to the extent that the Public Accounts has in each of these categories, or whether it's just Other Expenditures?

MR. ZIPRICK: Well, for Manitoba, what's presented to the Legislature for vote is just Salaries and Other Expenditures, but when the Estimates are drawn up for management's consideration, for the government's considerations, they're broken down by more or less the kind of breakdown that's here in the Public Accounts.

MR. CHERNIACK: You mean in each category?

MR. ZIPRICK: There is a breakdown for each category, and the Estimate is established for each category.

MR. CHERNIACK: What discretion is there in the spending — by each resolution, is it? I mean, you can spend less on wages and more on rentals and even more on travel than is estimated in the preparation of these Estimates, can you not?

MR. ZIPRICK: Yes, you can transfer between one and the other, that's right.

MR. CHERNIACK: Now, what is the extent of transfer? Is it within each resolution or within each department, or what?

MR. ZIPRICK: Within each vote, within each resolution, yes.

MR. CHERNIACK: So that resolution includes salaries, wages, gasoline, clothing, all of it can be transferred back and forth any way — it could all be used for travel — you would have a comment, but you couldn't stop it.

MR. ZIPRICK: Well, the rigidity of setting up the resolutions whereby you can't make a move unless you go to special warrant, I think would introduce an awful lot of red tape to run programs effectively. It's not a question of, well, it's being over-spent, it's a question of why it's being over spent, and if the explanation is reasonable one, then there should be no difficulty. But in the accountability system, you estimate something and then you compare it, and if it doesn't work out that way, then you have an obligation to explain why.

MR. CHERNIACK: I assume Mr. Ziprick has access to the breakdown in the Estimates, which we don't. We just get the Estimates sheet where it says (a), (b), (c) — Salaries, Other Expenditures. That's all we get.

Does the preaudit look at each individual item, or do you just go on the basis of the total amount shown in the resolution?

MR. ZIPRICK: Just the total amount shown in the resolution.

MR. CHERNIACK: Then when are you able to recognize that there is an over-expenditure in one of the categories within the item Other Expenditures?

MR. ZIPRICK: Well, right now, and this is the observation I've been making, is that even the internal management system is unsatisfactory to evaluate the effectiveness of expenditure, because you have a budget process that's all decided, and then the expenditures are put through; there is really no

measurement of the actual expenditures against the budget internally for these specific items, and there is no requirement to obtain or provide variance explanations. Now, for us as auditors to undertake any amount of this kind of work, just with adding machines and going around and inquiring, wouldn't get us very far. I think that the system has got to be such that produces this kind of accountability and explanation, and then we would ensure that the system is being followed and see that the explanations are valid, and if they are not valid we would bring this to the attention of the Legislature. But I think it would be most difficult for an auditor to try and devise a system of his own with this kind of volume and get anywhere, when the system itself doesn't lend itself for that purpose. So what I've been saying is that that's exactly what we need, is an internal system whereby there is a continuous valuation and explanation and we can analytically review this and make observations, and then the exceptions can be brought forward to the Legislature for their consideration.

MR. CHAIRMAN: Mr. Cherniack.

MR. CHERNIACK: Mr. Chairman, would it be helpful for purposes of this committee, which is an opportunity by the opposition to review the expenditure programs of government, if on these pages we had the amount that was estimated opposite the amount that was spent, and break it down the way it is broken down in the categories that the 8 expenditures are shown? I suppose the information is all available but it may not be on the computer, and it may be quite expensive.

MR. ZIPRICK: First of all, having the two combined, and where there is a difference that wouldn't be much help unless there was an explanation or the department officials were present to provide an explanation, or otherwise you'd just see a difference. Now, as Auditor, I could not undertake to have all the explanation for all the variances and work it up because first of all, that would not be an efficient way of doing it, and I would have to have a staff that would be quite substantial, and it would not be a proper way to do it, really.

MR. CHERNIACK: So, Mr. Chairman, it seems to me that Mr. Ziprick's explanation makes us very much dependent on the effectiveness of his work, because really, we couldn't, as a committee, delve into all this detailed information with any degree of confidence that we are really getting to the root of the answers at any particular department. So that I'm looking forward to Mr. Ziprick just telling us how in the future we can improve the accountability of the government.

MR. ZIPRICK: Well, I think I've been pointing this out in the report, and the effectiveness of my work is dependent on the effectiveness of the work that's being prepared by the administration. And if the material, the accountability system, is not effectively organized and brought forward effectively by the administration, then I can do only limited work. I have pointed out in my report for a number of years that our audit is limited and we cannot carry out the kind of analytical audit that we would like because the information systems are not geared up to provide that, and the management evaluation by the government and senior people is not done systematically because of the lack of this kind of information.

MR. CHERNIACK: Well, Mr. Chairman, I'm really getting not at management audit as much as just information. What is estimated, what is spent? Now that is not an evaluation process, that's information. I nevertheless think it might be very expensive. Now, Mr. Ziprick in past years has spoken about management accountability, which means bringing down the Deputy Ministers and directors before this committee and questioning them on this. But even that, before we do that, we don't know yet whether the government is prepared to permit that — before we do that we would certainly have to have some information and therefore my simple question was, can it be done and is it too expensive, and maybe Mr. Craik will want to consider it?

MR. ZIPRICK: Well, in my view, it's being done in other places; it can be done, it's not too expensive and it's very essential for effective control of expenditures.

MR. CHERNIACK: To give us a report showing the estimate per item and the amount spent. Is that what you're saying?

MR. ZIPRICK: That's right. Now, these public accounts are overloaded with detail; you don't need that much detail to get a good handle on it, but there are systems that are organized in a way that you can get the information, it's pyramided from the overall working down to the lower categories,

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you can apply analytical considerations and judgments to it and make reasonable assessments and obtain reasonable accountability.

MR. CHERNIACK: Mr. Chairman, then could I ask Mr. Ziprick if he could take any page, any page from these public accounts, and give us a comparable pro forma page as to how it would appear the way he would like it to appear? Is that difficult to produce?

MR. ZIPRICK: No, a number of provinces have made changes in the last few years and some of them are very good. Alberta has just made a change in the last year in its presentation that seems to be quite good, so I can certainly pull together samples of the provinces that have made changes in the last number of years that are a substantial improvement on what we've got and makes it possible to do some analytical review in auditing.

MR. CHERNIACK: I think that would be interesting, Mr. Chairman. I just pick up and look at one page and they have, Building Maintenance Supplies \$8.28; well, who cares? And they have \$22.52 for Advertising and Exhibits — so that must be what he means by "too much detail," and I suppose committees in the past asked for this kind of detail and that's why they're getting it. But in any event, I would leave it at that and hope that Mr. Ziprick will give us sample pages of other methods.

MR. CHAIRMAN: Mr. Orchard.

MR. ORCHARD: Thank you, Mr. Chairman. To further round out the line of questioning re travelling specifically, I would like to make a request to have that travelling budget for Northern Affairs broken down into the various categories that we have available by the codes. Would that be possible?

MR. ZIPRICK: Yes.

MR. ORCHARD: Thank you.

MR. CHAIRMAN: Any further questions on Page 149? Page 149—pass; Page 150 — Mr. Wilson.

MR. WILSON: I realize that Public Accounts is one area in which you are examining expenses and moneys that have already been spent, and it was through this examination that I raised questions about certain individuals in the former government that I felt were living pretty high on the hog, and I was attempting to, through these type of comparisons on the expenditures, so by way of explanation, I wanted to be able to examine the former Public Works Minister in this particular light. If I could look under (1), does this Administration of \$205,000, does this apply to the expenses that come out of the Minister's office and his related staff?

What I'm trying to establish in my own mind — and maybe the information I should be seeking is some type of historical comparison from. If I could take the year 1974 and last year, there seems to be some areas in here which seem to be rather disturbing and need to be answered. Why would the Minister need such high professional fees every year, because when you go to the coding, you have architects, lawyers and so on and so forth? Why would the Minister need seed and garden supplies of \$129.45? Well, the information that I have, what I'm trying to find out here is that I had filed an Order for Return in which I was attempting to find out how much the Minister had spent on his penthouse and the Order for Return came back saying \$2,700.00. I have information that indicates that the true cost of repairing the Minister's penthouse at the Woodsworth Building was \$41,000, so in looking at these expenses, I try to find out where I can find out, attributable to the Minister \$4,365 for the gold plumbing fixtures and the rough-in fixtures that he had in his penthouse bathroom. So what I'm trying to establish is, when I look at these expenses, how do I find out where all these particular purchases are because if this is to apply Item 2 to all the money that the Minister spent — \$205,000 — then I have to raise some other questions. —(Interjection)— Yes, well, the \$2.00, forget about that but the membership fees, why would we be paying for membership fees?

I guess the question that I'm looking for is, could I have a year by year comparison for say the last three years out of Public Accounts for travelling and related expenses to this particular Minister so that I could get some kind of comparison as to the type of living habits that he had while he was Minister of Public Works because I think this is an area where we could save money. If we were to get into the examination of these kind of expenses, we could possibly avoid . . . Well, I can't find anywhere here. In Public Works I had asked; there was apparently \$160,000 worth of art work purchased and I can't find anything under the Minister's expenses for purchase of art.

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Does it apply to every office that he puts the paintings into?

I guess maybe what I'm asking for is an explanation from Mr. Ziprick, what does Other Expenses cover and what doesn't it cover?

MR. CHAIRMAN: Mr. Ziprick.

MR. ZIPRICK: Well, I couldn't provide the parameters right off hand. They'd have to do some research on it. The department would have to provide that information.

MR. WILSON: Well, could I then have a cost comparison for the last three years of under Other Expenditures under this particular Minister. Would that be possible? Like, if you could put down professional fees, this year, \$59,000; the year before \$70,000 and the year before \$50,000 or would I have to do that myself?

MR. CHAIRMAN: Mr. Craik.

MR. CRAIK: Just to get it clearer, are you referring under Item 2.(b) Other Expenditures to all of the items or to just the travel and the other that comes after the travel or . . .

MR. WILSON: I guess one of the things that I'm trying to say is that in the examination of expenditures of taxpayers' money, if one can establish a pattern of alarm and a pattern of waste or questionable purchases under a particular past minister, then maybe it would be the type of thing that, if it were examined, would prevent future ministers from continuing along spending habits that may be questionable. So maybe what I'm suggesting is, I could do this possibly myself, I'll get the other . . . I see where I can do it myself. I'm going to give a particular comparison but I just question why it's necessary for seed and garden supplies and stuff like that. Is there no one that says, "Hey, wait a second, maybe you should be paying for these things yourself." Maybe what I'm asking for, is there a particular guideline to determine what Ministers of the Treasury Bench can spend for their expense accounts? What can they charge to the taxpayers?

MR. CRAIK: Well, Mr. Chairman, we'll attempt to get any information that comes under the specific items here. The only difficulty is that the department I don't think can, through the Public Accounts, be expected to do interpretation, so you'll have to be fairly specific in exactly which items you want elaborated. That has been the practice. I think you'll find that with reference to an item like art work and so on, that it would not be contained in that item specifically that you're referring to but may be found throughout these Estimates as they go into the different buildings. You've got Law Courts; I don't suppose there's any in the Power House; the School for the Deaf and so on.

MR. WILSON: I see, in other words, the art work appears in the individual office of which they were placed.

MR. CRAIK: That's my understanding. you'll find that on 152 as an example, on 152(c) improvements to grounds, alterations, furniture, furnishings and incidental expenses, you would find art work included in those, sprinkled throughout the this book.

MR. WILSON: I see. So what you're saying, Mr. Minister, is that if you look at these expenses and it comes to, say seed and garden supplies — I'm specific — I then ask through this committee for an explanation of this expenditure and then it will come back to me. Is that the type of thing?

MR. CRAIK: Yes.

MR. WILSON: I see.

MR. CRAIK: I would think if you want to get something like a breakdown of all the art purchases that that should really more appropriately be an Order for Return.

MR. WILSON: Right. All right.

MR. CRAIK: But in order to facilitate here, the Auditor prepares the accounts that go along with his report and the Department of Finance does the necessary leg work to provide the answers that are specific to the items that are in here. A question that covers it completely through, something like whether it's the art work in the total government service, that should be formed into a question

that is placed on the Order Paper for an Order for Return.

MR. WILSON: Well, this was it. In other words, if a particular Minister orders a ministerial suite to be redecorated, it would apply as a cost and a charge against the building, like in the case of the improvements to the penthouse suite of \$41,550.16, this would be a charge against the Woodsworth Building itself rather than against the Minister.

MR. CRAIK: Yes, the right answer may not be, I don't know that it can be answered directly. It could be capital or it could be under maintenance.

MR. WILSON: I see.

MR. CRAIK: Again, depending on how it was treated, I gather, is that right, Mr. Curtis.

MR. CURTIS: Yes, that's right. If it's constructed part of the building, it could well be in the capital cost.

MR. CHAIRMAN: Any further questions on Page 150? Page 150—pass; Page 151 — Mr. Wilson.

MR. WILSON: Under Architectural and Engineering, \$1,014,997.39. Could I have an explanation of the membership fees? Are we paying for memberships in associations? The architects that are working for the government, is this part of their working agreement? Do we pay for their memberships or, like in the private sector, do people buy their own memberships? Maybe you could advise me what these membership fees are for sometime; I would appreciate it. In checking Public Accounts, trying to arrive at the justification for this million-dollar expenditure, again I guess this is probably a question I should be asking of the Minister. But it seems to me in going through Public Accounts, that we paid out over \$800,000 for what they call contracting-out work, and it raises a lot of doubts in my mind as to whether we're getting full value for our million dollars from the in-house staff if we're contracting all our work out. I just put that on the record that I'm concerned about the workings of this department and why it's so necessary to contract out all these Public Works jobs. But I would like an explanation sometime in the future of the membership fee expenditure of \$404.00.

MR. CHAIRMAN: Mr. Parasiuk.

MR. PARASIUK: Mr. Chairman, it's rather unfortunate that the member wasn't here when Public Works was dealt with in Committee, because all of these same questions were in fact dealt with through that process, but I guess the member is somehow interested in turning Public Accounts Committee into an Estimates' review process and I don't know if that's the wisest way in which Public Accounts Committee time should be spent. I entered into the discussion to clarify a rather misleading statement that the Member for Wolseley made, that somehow architectural fees or professional fees in the private sector are all paid for by the individuals and not by the firms. I think that varies, and I don't think you'd make a blanket statement like that — in some instances the individual pays his or her own fees and in other instances the private firm will pay those fees. I think that type of variation exists within the Public Service as well, so I don't think you can make a blanket statement — the public sector or the private sector, as the Member for Wolseley just did.

MR. CHAIRMAN: Page 151—pass; Page 152—pass; Page 153 — Mr. Craik.

MR. CRAIK: Mr. Chairman, as I recall, Mr. Wilson wanted a breakdown on that item back on Page 151 — is that right?

MR. WILSON: The \$404.00.

MR. CRAIK: Okay.

MR. CHAIRMAN: Page 153—pass; Page 154—pass; Page 155 — Mr. Minaker.

MR. MINAKER: Mr. Chairman, my question maybe could be put under Page 158; it'll refer back to Item 112, under Utilities for the Norquay Building of \$241,000.00. My question will come forward under Page 159, Item 124, so maybe I should wait till then, but I wanted to make reference to that utility, and maybe it will be answered as to whether or not the operating expenses of 405

is for all of the year or just a portion.

MR. CHAIRMAN: You can refer back to it when we get there. Page 155—pass; Page 156—pass; Page 157—pass; Page 158—pass; Page 159 — Mr. Minaker.

MR. MINAKER: Mr. Chairman, my question is under Item 124, 405 Broadway, the Woodsworth Building. Does that include all of the cost for a year or is that just a portion of the year, when they opened it up? The comparison of the two buildings which are relatively identical in size, shows the Woodsworth at \$319,000 versus \$611,000 for the Norquay Building. It particularly comes under Utilities, where there is a discrepancy. I understand the staff is going to check into that.

MR. CHAIRMAN: Mr. Wilson.

MR. WILSON: In a way I guess it's kind of humourous, or maybe most questionable, but under Item 122, the Memorial Park washroom, you have only \$16,000 for the entire year's operation of that. You imagine this public facility and you wonder why you'd have such items as Express and Cartage of \$2,000, and then you wonder where the supplies come in. I mean, the way the expenditures are broken down it makes you sort of wonder why would there be such an item as Freight Express and Cartage charged to the Memorial Park facility. And if you look in the explanation of your coding, Other Fees \$12,000, you've got court reporters; witnesses; prosecution; security — is that security, Other Fees — would that be the security guards that you have on duty over there? Maybe I could write the Minister for an explanation but it just seems that if you're operating this facility for \$16,000 and you've got some really questionable expenses, Telephones and Telegraphs \$50 — I mean, I didn't even know there was a telephone in there, so I'll ask the Minister.

MR. CRAIK: You want a breakdown of which item?

MR. WILSON: Well, I don't think I'll ask it here. What I want is an explanation of the cost of operating this facility for a year, so I'll ask the Minister that question. I just raised the question of the way it's broken

MR. CHAIRMAN: These estimates are done, though, Mr. Johnston.

MR. JOHNSTON: I would like to have a breakout of \$12,496, Other Fees. You know, that's nearly three-quarters of the operating expenditure.

MR. CRAIK: Mr. Chairman, we have noted the request for a breakout of that item.

MR. CHAIRMAN: Any further questions on Page 159? (Pages 159 to 173 were read page by page and passed.) Page 174 — Mr. Minaker.

MR. MINAKER: Mr. Chairman, just a question relating to Rented Buildings, a does total of \$5,663,996 — that cover all leasing costs, because I am just wondering, further down under Leased Accommodations, there's another \$5 million under Item (d), that's part of the total, that's the overall total cost for Leasing.

MR. CHAIRMAN: Give the answer to the rest of the Committee.

MR. MINAKER: My understanding is that the \$5,663,996 covers all leasing costs for that year.

MR. CHAIRMAN: Any further questions? Mr. Miller.

MR. MILLER: Are we dealing with 500 rented buildings? Well, isn't the \$5,663,996 the total for all that follows under (a), (b), (c), (d), (e), and (f)?

MR. CRAIK: Yes, that's right.

MR. CHAIRMAN: Any further questions on Page 174? Mr. Orchard.

MR. ORCHARD: If the \$5,663,000 is the total of items (b),(c), (d),(e), and (f), the figures aren't right, because we've got \$5,100,000 under (d) alone plus an additional \$741,000 under (f), which would make \$5,900,000 which is above the total under 500, Rented Buildings. So there's got to be a better explanation than Item 500 being a sum total.

MR. CURTIS: It stops at (d).

MR. CHAIRMAN: Any further questions on Page 174? Mr. Minaker.

MR. MINAKER: Mr. Chairman, just so I understand, Employee Housing could also be leased then, or would they be houses that are owned by the government?

MR. CHAIRMAN: Can we have that answer right into the record?

MR. CURTIS: Included within Employee Housing is one item, Rental of \$28,000.00.

MR. CHAIRMAN: Any further questions on Page 174? Page 174—pass; Page 175 — Mr. Wilson.

MR. WILSON: In order to justify in my own mind that the former government was careful in their purchasing of automobiles, compared to the expenses we may spend this year, would it be possible to get — if I am correct in my assumption that under Central Provincial Garage, 2. — that the \$5,683,000 is for the acquisition of automobiles, where in other areas, the automobile, according to the coding, could very well be for a per mile expense or an expense of gasoline, repairs, and what have you. I am wondering if under this expenditure — I don't really know, I don't want a particular breakdown in the sense that I want to have the price of each car listed for me, but maybe what I am asking is — is this expenditure for the acquisition for automobiles or is it for the maintenance of all these automobiles? In other words, the purchase of an automobile wouldn't be charged to the particular Minister — does it appear here under Central Provincial Garage; or if a particular car is bought for a Minister, does it appear under his expense ?

MR. CURTIS: Mr. Chairman, the expenditure is charged through this account, but the credit recovered, you'll notice, takes the charge and puts it back to the department.

MR. WILSON: It does, eh? Well, what I'm asking is, do you feel that this 5.6 million-dollar expenditure is for acquisition of automobiles, or could this be everything lumped in together, repairs and the whole works?

MR. CURTIS: It includes acquisition and repairs, Mr. Chairman.

MR. WILSON: It does, eh?

MR. CURTIS: On the object code analysis, page 8, it reflects the kinds of costs that are included in that particular item.

MR. WILSON: All right. Well, because it could include almost anything, I guess really I would have to ask the Minister for sort of a historical breakdown of the cost to the taxpayers for purchases of automobiles each year, rather than hoping to find it under this item.

MR. CURTIS: That's fine.

MR. CHAIRMAN: Any further questions on Page 175? (Pages 175 to 192 were read page by page and passed.) Page 193 — Mr. Wilson.

MR. WILSON: Under the Public Library Services, it has an item here called Publications of \$95,000.00. What would that be for? Would that be for the purchase of library books? What would it be for, under Publications, Page 193? This is under the Public Library Services. There is an item, as you go down, for expenses, Advertising and Exhibits \$222.00, then it says, "Publications." It is almost a \$95,000 expenditure and I was just wondering in my mind what it was for.

MR. CHAIRMAN: Mr. Curtis.

MR. CURTIS: Mr. Chairman, we would have to analyze that particular account. It is likely books and publications for the library itself.

MR. WILSON: That would seem to be rather low, this is why I raise the question, because it would seem to be that the purchase of books and that for the libraries throughout the province would be really substantial. So maybe what I should ask is for a breakdown of that item, if I could.

MR. CHAIRMAN: Any further questions on Page 193? Before we proceed, the Minister of Finance has just advised me that if anyone is questioning the cost of the coffee before you, next year you will probably find it under the Auditor's Department rather than the Department of Finance. (Pages 193 to 196 were read page by page and passed.) Page 197 — Mr. Wilson.

MR. WILSON: These are the two pages in which I find out who the most travelled Ministers of

the former government are? Is this sort of related under Reimbursement and Expenses? Could you explain what that column is, say, for instance, the Honourable B. Hanuschak — \$4,750.00? What would that be for?

MR. CHAIRMAN: Mr. Ziprick.

MR. ZIPRICK: Yes, this is reimbursement of expense accounts submitted by the Minister.

MR. WILSON: Would those expense accounts be for his . . . For instance, if he was having coffee in his office, that would appear under the other section? This is for actual expenses incurred while he is living out of town in a hotel somewhere, and his related expenses?

MR. ZIPRICK: These are expenses that are covered by his own vouchers submitted, and payable to reimburse his expense account.

MR. WILSON: So I am to assume that the Member for Burrows was the most travelled of the Ministers, according to this. In other words, I would be able to use this column to find out which one of the Ministers of the former government did the most travelling? This is how I could tell?

MR. CRAIK: No, not necessarily.

MR. WILSON: No. Could those travel expenses to conferences appear somewhere else?

MR. CRAIK: Well, you may want to ask for a breakdown of it to find out exactly what it is. But normally, for Ministers travelling . . . As an example on a recent trip that I would have made with regard to the Manitoba Bond Issue, the costs of my travel and that would not be charged against me here but would show up as a departmental expense. It may be that if I had paid for it personally and put it through a personal expense account, it would show up here. But normally when provision is made for a Minister to travel, usually those arrangements are made by the department in advance and the Minister travels and it shows up as a departmental expense, which would, I guess, come under that No. 1 item in each department, which is all-inclusive. This may not include any travel, in that item you are looking at. You won't know until you look at . . .

MR. WILSON: So one really can't draw the conclusion that Mr. Hanuschak travelled more than any of the other Cabinet Ministers because of this particular figure?

MR. CRAIK: You don't know that there is any travel in there necessarily.

MR. WILSON: What could it be for, then?

MR. CRAIK: If you want a breakdown . . .

MR. WILSON: If I could just take the one person — I'm not singling him out for any particular reason — but I think if I get the answer to this, then it will be able to give me the idea of how these expenses are incurred and run up. So if I could ask for a breakdown of the \$4,750 for the Member for Burrows, under Page 196, that would answer a lot of my questions.

MR. CHAIRMAN: Mr. Parasiuk.

MR. PARASIUK: To begin with, I would like to know whether those types of breakdowns are going to be provided regarding Ministers' reimbursement of expenses statements, because I think, frankly, they can give a misleading picture to a person or to the public generally if a complete package isn't provided breaking down what the department might have expended on behalf of a Minister with respect to travelling or with respect to expenses. Often expenses can be picked up directly by a Minister or by a staff person and put through expense accounts and charged directly to that person, so it might look as if that person is spending a lot when in fact another Minister or staff person is having most of the expenses picked up by the department, either through prepayment or just having the bill sent to the department. I don't know if it will provide that clear a picture, just to provide a breakdown of one Minister's expenditures in this manner.

So I am just asking the Minister of Finance whether it is going to be a practice to provide these types of out-of-context breakdowns of expense accounts?

MR. CRAIK: Well, maybe if I can answer that, I think it has been the practice in the past, on a

request such as this, to do it. We had an Order for Return for one back about two years ago and I know that going back over the years, many years ago I can recall this same sort of thing being requested here. I don't know that it was this item — it may well have been later — but it was with regard to a Minister's expenses and I don't think it was the former government, I think it was the government before that, where the request was made at this committee to get that sort of information. It was provided just like any other item.

MR. PARASIUK: Okay, I just wanted to know if that would be the case.

MR. CHAIRMAN: Mr. Miller.

MR. MILLER: Mr. Chairman, certainly if the member asks a question, he can get the answer. But to carry on with what Mr. Parasiuk was saying, looking at my own in which it appears that I haven't travelled at all, \$397.86, which is, I think, the least of the Ministers, the fact of the matter is that as I recall, in the fall of 1976 and early in 1977, and Mr. Curtis will refresh my memory, I think he and I must have gone to Ottawa a dozen times in about two months because we were dealing with the new form of financing education and post-secondary education, health and Medicare. And yet it appears so very small. That is simply because my Deputy Minister or the staff that I had with me, whoever it might have been, when I checked out of a hotel, the billing was to the department. On the other hand, I could have easily signed and the bill would have been in my name. It would have shown a higher figure here and it would have shown less in the department. So it depends entirely on how you work it. I had a good staff and they just signed everything.

MR. CHAIRMAN: Mr. Ziprick.

MR. ZIPRICK: I should probably elaborate a little on my answer in the first instance. As I understand, this schedule is in compliance to indicate what money was paid to the Minister and so it is only that money, or those items consist of the cheques issued to the Minister personally that he has cashed and it's a requirement of the Legislative Assembly Act that this be done and it is not in any way indicative of the total travelling expenses that might have been associated with his particular travelling for the reasons that Mr. Miller had said. And, I might add that this also applies in the same way in the supplementary data when you look up for individual members and employees. The same thing applies there too. It's not necessarily indication of the total travel expenses for that particular official. It's only the amount that was paid to him. If his hotel room was paid directly to the hotel, it would not appear under that individual, but would appear as a payment to that particular hotel. So if there was going to be an accumulation of the total expenses by individuals, then all these costs would have to be accumulated specifically and then you would get a fair comparison as to how much applied to each official.

MR. CHAIRMAN: Mr. Orchard.

MR. ORCHARD: Thank you, Mr. Chairman. Well then if I follow the information put forth by the Member for Seven Oaks, then we may not get an interpretation of what the Member for Burrows' expense habits were like from examination of this \$4,750 because, if I follow the reasoning correctly, he went on government business say at an Education Minister's Conference, he may have personally signed the tab for his department's expenditures whilst on government business at that conference, and hence that would appear in here as part and parcel of the \$4,750, or do we have other methods of expenditure that can appear in the \$4,750.00.

MR. ZIPRICK: No, here if he was in the hotel, paid with his own money, \$500, then came back and put in an expense account and said I paid out \$500 to a hotel, I want a reimbursement, a cheque would be issued to him in his name, it would be recorded here. But, if he signed a tab in the hotel, \$500 and say just send it on to the Province of Manitoba and you'll get a cheque, the voucher would come from the hotel. It would be certified that the service was provided by the hotel, and the payment would be paid to the hotel, and it wouldn't appear here. So, this is a very confined statement. It's a statement that legally is required to indicate the exact amounts that were paid to specific Ministers and members, paid in their name and they endorsed it and took the money.

MR. CHAIRMAN: Mr. Wilson.

MR. WILSON: Well, I think I'll let my request still stand. I wasn't on any particular fact-finding

as to how and how many trips each particular member of the former government took. However, each year the media prints the amount of trips that city councilors take. This information is available and each year they make quite a particular ha-do about who travels where and usually certain individuals lead the hit parade, but if I was to get this particular information I think it would be sort of a guideline for me. When we're examining future expenditures I would be able to know more about the particular role of a Minister in government, and how his expenses are covered and so on and so forth, by reviewing just the one. In other words, I'm not putting our staff to a lot of work by asking for a breakdown or an Order for Return to try to find out where and when each Minister travelled. I think by getting a breakdown of just the one item of \$4,750 I'll be able to then find out the information that would, you know, sort of give me an indication as to general information that I think I need to be able to operate as a member of the House.

MR. CHAIRMAN: Any further questions on pages 196 and 197? (Pages 196 to 211 were read page by page and passed.) Page 212 — Mr. Wilson.

MR. WILSON: Just by way clarification, I see where we got some answers to some questions pertaining to the grant to the Law Society and a breakdown of the moneys that were in a particular trust account. Now, can I assume from this that on one hand we received from the lawyers \$1.1 million and on the other column "Payments" — where would we pay the \$772,000 to? I'm trying to say one column is a receipt column. I assume that this is the money that's been paid to the government, and the other is a payment column so, what I'm saying is where would this money be paid to, the \$772,618.00?

MR. CURTIS: Mr. Chairman, the answer to that question is in the responses that were provided to the members of the committee. It's on the second page of the part that relates to the Law Society, Legal Aid Services. There are three items that we've broken down that make up the \$772,000.00.

MR. WILSON: So, in other words, \$509,800 was paid towards the Legal Aid Society and the lawyers in the province received a grant of \$250,000.00.

MR. CURTIS: By Order-in-Council.

MR. CHAIRMAN: Any further questions on Page 212? Pages 212 to 236 were read page by page and passed. . . Mr. Craik.

MR. CRAIK: Mr. Chairman, I just make a note here that when we start talking billions, nobody has any questions.

MR. CHAIRMAN: Page 237 — Mr. Craik.

MR. CRAIK: Mr. Chairman, I might just ask the auditor for nothing specific in the way of a fixed figure, but if these direct public debt bond issues that we have responsibility for, the statement here is generally what they were purchased at, or what the sale of the issue price was and so on, its interest rate. Has there been any undertaking by the Auditor to do any sort of analysis of the present value obligation rather than the issue price at the time of issue?

MR. CHAIRMAN: Mr. Ziprick.

MR. ZIPRICK: No, actually the amounts stated here are — the U.S. is converted to U.S. \$1.00 amount and the others are at the amount actually realized. The desirable, probably, approach would be to convert the U.S. to the same as others. In other words, there's a big reserve that's been showing up as the difference between the cash that was realized at par value in U.S. dollars. The total amount would be stated at the actual amount realized, cash realized at the time of sale. Now as to whether there should be periodic adjustments or provisions for the change in dollar fluctuation from year to year, I don't know just what it would prove. Recently there's been a substantial downturn, and there's a substantial difference, a negative difference. Just a couple of years back there was a substantial positive difference so you would be, if you were recording this through the books, you would be going up and down. I think that for the amount of time or effort that would have to be used, there would be nothing wrong establishing the amount that would have to be paid at that year just as a note to show that that's the amount that would have to be raised in Canadian funds to pay it off at that year. But, I would certainly not recommend to put adjustments through the books each year. Now, just having that noted as an amount difference, I don't think it would

present too much difficulties in calculating the amount. It's not very difficult to calculate and there would be a note which would be some indication as at that particular year-end. But in a few months the situation could change and it becomes a meaningless figure. So, my view would be to change the American to the actual cash realized. Do away with the reserve, and then reflect the amounts continuously at the amount of Canadian dollars realized. And then at the end of the fiscal year determine what the difference is on the foreign borrowings and just indicate it as a note, not as something that's been put through the accounts. But indicate it as a note, that particular difference. That would be my view about the best disclosure that would be useful.

MR. CHAIRMAN: Mr. Craik.

MR. CRAIK: Well, I mention it, Mr. Chairman, because at our last Public Accounts meeting I mentioned that we were looking at this as possibly being a way of indicating what the implications of the trends are in currency, currency shifts in the different currencies that we borrowed in and are borrowing in. I thought I'd note it here because we're still looking at the possibility of doing this, sort of indicating it not as the main way of expressing the debt, but footnoting the impact of the shift in currency values and the implications it has. If the currency values were to stay the same as they were at the date of the issue you , y reportou'd have some idea as compared to what your obligation was the day you borrowed it , whether it was five years or ten years before that or whatever it was. But, I mention it because we're still looking at this as a possibility of trying to determine whether it may be valuable public information to know not only what the debt is in terms of when you borrowed it, but what the debt is if the currency, relative values of currency stay as they are at the date of the particular public accounts as they come out.

MR. ZIPRICK: Yes, I would agree with the footnoting as being useful information for looking over the years as to the kinds of trends that have been going on, but I would not recommend that adjustments be made in the accounts each year to bring the accounts into the foreign currency values.

MR. CHAIRMAN: Mr. Parasiuk.

MR. PARASIUK: Mr. Chairman, I find this area somewhat confusing, and I don't know if it's the proper place to bring it up here, but in our last Public Accounts Committee meeting we did discuss this whole question of shifting currency values, and at that time the Department of Finance officials indicated that the past foreign borrowings were still in our favor despite the fact that the dollar had declined relative to other currencies, because of the interest rate. However, after that meeting the Task Force on government efficiency and economy came out and on pages 154 and 155 of that report, Volume II, dealing with Crown Corporations, the recommendation of the Task Force was that the government not proceed into foreign capital markets, because of shifting currency values, that the whole matter should be reviewed. Despite that recommendation in this area which is somewhat confusing, despite that recommendation by a group of people who supposedly are somewhat expert in this field, and I think the chairman review team looking at this whole area was Robert Jones, or is Robert Jones, who is President of Investors Syndicate, a private firm of some repute, and possibly some of the other. But at the same time, that review team recommended not proceeding with foreign capital borrowings. Despite that recommendation, the Minister of Finance and the Department of Finance seem to have rejected that recommendation and gone to the Swiss money market and negotiated a loan. If that's correct — I don't know if this is the place to get that explanation — but given our past discussions in the past Public Accounts Committee, I would think we should get some explanation of that because it was raised in the last Public Accounts Committee and it's being discussed again today, and I find it somewhat confusing. We are being told by the staff that this is still in our favour, given the interest rate differential, it's still in our favour to go to foreign money markets, and yet we're getting a Task Force which the government seems to have placed a great deal of faith in, recommending the opposite. I'm somewhat confused at this particular stage, and I think an explanation is warranted.

MR. CRAIK: Mr. Chairman, in that particular case, we were cued for that particular issue some time dating back to about Christmas or New Year's, somewhere in there, so that doesn't mean that we're not going to continue to borrow in markets outside of Canada, but in that particular issue the decision was in no way related to the Task Force report. One point that the Task Force report did make that we do feel is an important point, is that when you borrow off-shore, that it should not be the Crown Corporation that does it, but that the government should take the risk of the currency value changes and provide to the Crown Corporation some guarantee of the fixed or guaranteed interest rate from the province to the Crown Corporation, so that the risk of currency

change up or down falls on the province, rather than on the Crown Corporation. That seems to be a valuable recommendation that we'll look at, not that it's necessarily directly relevant to the pages we're looking at here, but is one the Task Force made that we thought was a very valuable recommendation. With regard to the foreign borrowing by the province, I would think that the guidelines will be to try and retain a balance, and the conventional wisdom does change with regard to this and seems to change even from month to month. The conventional wisdom as of this month is that Canada probably is safer in the foreign markets than would have been judged to have been two months ago, mainly because the Canadian currency is strengthening in relation to the U.S. and the U.S. appears to be strengthening in case of the other strong currencies.

So it's a question that shifts. The answer is going to be different, depending on when you look at it. Hopefully, you can borrow in a sufficient mixture of currencies for these heavy capital investments so that you hedge your risk on the movements up and down of the currencies. The current rates in the United States are going quite high. The last issue by a province in the States that's most familiar is Saskatchewan where they paid 9 ¼ on American just the same week, it was in the ten days when we borrowed at 4 percent in Switzerland. Our Swiss issue will be a good issue providing the Swiss franc doesn't strengthen relative to the Canadian dollar too greatly, and the calculation would indicate that the Swiss franc would have to increase in value by between 50 and 60 percent average over the complete life of that loan, in order to get to about the same interest rate that we would have had to pay if we had borrowed in Canada. That's the sort of guidelines you use. There's many ways you can look at it, but that's one way you can look at it. That was the guideline when we made that particular decision and will continue to be that sort of a guideline on future issues.

But as long as we have heavy obligations in capital construction, primarily Manitoba Hydro, it's very likely that we're going to have to look at a mixture of markets, Canadian, American and off-shore.

MR. PARASIUK: Mr. Chairman, I appreciate that the Minister has, I think, rejected the somewhat superficial recommendation of that Task Force because the answer he gave reflects a situation which is far more complicated and requires far more judgments over a period of time than the Task Force recommendation certainly indicated, and frankly, the Task Force recommendation did create some confusion in my mind, especially in the light of the department's action. Also, given the explanation of the Minister, it would appear that the borrowing of capital in the Swiss money market was a good thing, and if all things go well, will be a good thing in the future, given the fact that the dollar, just in the last while, seems to be strengthening, although this is a very momentary thing. You don't know how it's really going to work out over the longer run. It's just that that Task Force recommendation did seem to be a blanket statement, did seem to be a very narrow one, and the department seems to have rejected that narrow recommendation, and recognizing that the matter is far more complicated than the Task Force indicated, I think is proceeding in a wise, rational, calculating way.

However, the Minister did raise something which really does confuse me again, and that's with respect to the Task Force's recommendation that somehow Manitoba Hydro shouldn't take the risk of its foreign borrowings, but that somehow the people of Manitoba should underwrite that risk, and the Minister said that that is a good thing. I don't know if it's necessarily a good thing. It might produce a fair amount of carelessness on the part of Manitoba Hydro if they know that someone else is going to be around to pick that up. I was wondering if this is an area that the auditor will be looking at . . . \$

MR. CRAIK: The province does the borrowing, just on that point, not Hydro.

MR. PARASIUK: So the province is already doing the borrowing. So then why did they make the recommendation, did they not know that the province already does the borrowing?

MR. CRAIK: Mr. Chairman, all the issues that have been done in the last six months at least, have been done by the province on behalf of Manitoba Hydro, and issues traditionally that are done in North America are usually done in the name of Hydro, guaranteed by the province in the marketplace. But in the past, the Hydro issues that have been done and guaranteed by Manitoba — and Mr. Curtis can correct me if I'm wrong on this — the Hydro has been taking the risk on these relative changes in the value of the Canadian versus the American dollar, rather than the government taking

the risk.

MR. PARASIUK: Is that a good thing or a bad thing?

MR. CRAIK: Well the Task Force recommendation is that the government take the risk of the up and downs in the currencies, and what would happen is that the province would borrow as we've done in the European and the Yen markets and lend the money to Hydro, but if the values of it, those currencies change, what we would do is lend to Hydro as presently and has been the practice, the lending rate from the province to the Crown Corporations has been at the bank prime rate, and when the bank prime rate changes the lending rate in that period of time where loans may be made to the Corporation has been fixed at the bank prime rate, which now is 9 ¼ percent. That's just a short term. But anyway, perhaps the rate at which the province loaned to the Crown Corporations, if we adopted that, would probably still have some relationship such as that.

MR. ZIPRICK: Yes, I read that observation by the Task Force and I don't know, I'd have to study the implication quite a bit because I think that costing the Hydro service or the Telephone service that this foreign exchange is a legitimate cost of that service. Now, to establish the cost, I think that we'd have to determine and pass it on. Now, if the government wants to subsidize it and wants to do it as a matter of policy, then that's another matter, it's not the auditors or the way the things are presented to business, but is a matter of directing the costs to their proper sources. I don't know how you can construe that this foreign borrowing and the exchange losses on there are not a proper cost to that particular program. You could probably accept on maybe the narrow view that they don't have a right of say as to where they could borrow, but to me that is too narrow a consideration of the operations of the whole system. I certainly would want to take a good look at it if this was done as to whether certain costs would have been diverted from a utility to the government and then there was a subsidization which was not really disclosed.

MR. PAR ASIUK: I just wanted to make sure that you would keep yourself apprised of any developments in this area because the Task Force's task supposedly was to clarify accountability, and yet it strikes me that this recommendation would confuse accountability in terms of the utility pricing principle. You could have an implicit subsidy from the province, or the general taxpayer to the Hydro user, or the Telephone user, or other people. As long as I'm assured by the auditor that he will keep himself very closely apprised of this matter, so that if there are any changes you could possibly look at it, because I do think it would confuse accountability, and I frankly think that it could be a matter of government policy, and at that stage it's up to the government to make that type of decision. But it would strike me that the recommendation itself was not dealing with what might be called sound or generally accepted accounting principles, but was possibly venturing into the area of policy and going beyond its narrow task, which I thought was to deal with businesslike methods of operating. I just hope that the auditor will keep himself very closely apprised of what's taking place in this area.

MR. CHERNIACK: Mr. Chairman, I now have five points that have been discussed that I want to deal with. I'll start with footnoting and suggest that any information that is given that is not specific, such as we have before us now, is liable for great misinterpretation. If you have a footnote saying that if we had to pay off all the debt as of March 31 of any year, then it would cost us X dollars is foolish, and it's distorting. It may be that there might be some value in saying that the general trend over the last five years has been an increasing, or deflationary, inflationary, which I don't think could be done.

But if you are going to footnote, you would really, in all fairness to the Department of Finance have to say, at the time this loan was taken out, the comparable interest rate in Canada would have been X percent, and the term related to the percentage saving would have to be something, and then you start getting into complicated formulae. So although people may think there is a desire, I think mainly it's because they trace their thinking back to general accounting principles of a tax nature, where taxable corporations set up reserves and actually defer payment of taxes on the expectation that possibly they can show that a return of repayment would be more costly, therefore they have to set up a reserve which is therefore not part of the profit. I would advise against it, but we will hear yet what the Minister will propose in due course. All I would say is that one footnote will lead to two, three, four, more footnotes, in order to give a comprehensive picture, which is what should be the desire here.

Next, Mr. Chairman, the Minister referred to the Swiss loan. He sort of gave it an explanation that because he was cued, therefore he went ahead with it. And frankly, I don't see the point to

even mentioning the fact that he was in line for a loan. If the loan was a bad idea, then he would not have gone ahead with it, I assume, and being cued doesn't mean you have to borrow.

MR. CRAIK: You get a little better interest rate if you do.

MR. CHERNIACK: Oh yes, but you still didn't have to. If the Task Force was right in its recommendations, then the fact that you were cued, I think, is not a factor at all.

The next point, No. 3, I have not studied the Task Force Report. I think that if the province wishes to become a money lender then it can borrow in Switzerland or units of account, or whatever, and then lend to Hydro at the comparable Canadian rate. Then, by all means, the province can take a risk if the province wants to be a speculator in dollars and a money lender, which I suppose it is when it comes to advancing money to MDC, which has been the practice up to now. But it sounds like a foolish idea. Hydro would object violently if there was a favourable rate offered in Hong Kong to be told you have to pay the Canadian rate even though we can get the money favourably in Hong Kong, and the people in Manitoba would have every right to object if they are required to take the risk for a utility which sells an exportable product.

Therefore, if the government takes a risk, then indeed it may well be subsidizing the purchaser in foreign lands who may be paying U.S. dollars. It creates a great deal of confusion.

So I would like to know whether, in making this report, that the Task Force actually interviewed the Minister of Finance and the Deputy Minister of Finance before they arrived at their recommendation? That's a specific question.

And the fifth point I'd like to make is to suggest that we invite Mr. Spivak and Mr. Riley, and possibly Mr. Jones, to come here and discuss this recommendation so that we can find out what is really behind it and just what is the basis for it. It's an important recommendation and I think Public Accounts should be concerned.

So my specific question, after my first three counts, are, firstly, did Mr. Craik and Mr. Curtis discuss this matter with the Task Force before the report was made? Secondly, I would like to propose that this committee invite those gentlemen here for a subsequent meeting.

MR. CHAIRMAN: Mr. Craik.

MR. CRAIK: Mr. Chairman, first of all, just two or three items, the practice of showing the obligations — we have suggested here some options and the auditor has indicated his feelings with regard to how the obligations are shown, whether they are shown on the basis as now, which is the date and the conditions under which the specific loans were made and entered into. The practice of showing them up-to-date referred to by Mr. Cherniack, as indicating that he would not be in favour of it, I point out to him that that is the practice that in fact is being recommended and has been recommended by the Canadian Institute of Chartered Accountants, that on the 31st of March each year the obligations should be stated as they are at that point, based on the currency rates as they are . . .

MR. CHERNIACK: Because they are academics. Sure, they are accustomed to think that this is business in the commercial sense.

MR. CRAIK: But those are the recommendations that they make for government as well. So it's not without some body of opinion that we have looked at all of these things.

Now, the second was the practice of guarantees of fixed interest rates to Crown corporations. Again, it's not that Manitoba is looking at this in isolation from other jurisdictions and it's not particularly because the Task Force has recommended it. It's a practice that is, for instance, followed by the Canadian Government in its relationships with its Crown corporations. They borrow the money on whatever markets are available to it — the same markets we borrow in — and provide the Supply to the Crown corporations at a guaranteed fixed rate, with the Canadian Government taking the risk in the ups and downs. Either way — whichever way it goes.

MR. CHERNIACK: What I mean by that is, the Canadian Government, I assume . . . Well, I'll ask it: Are they charging the interest rate that was payable at the time of borrowing or are they charging more, or a Canadian rate, or how do they arrive at their rate?

MR. CRAIK: Mr. Curtis advises me that it's charged at a Canadian rate.

MR. CHERNIACK: So they are profiteering.

MR. CRAIK: Well, they may not be, because the . . .

MR. CHERNIACK: But so far they have been profiteering.

MR. CRAIK: I wouldn't think so, if you look at the last five years. I would think they probably are in a down position. We are in a position now, in all our U.S. borrowings, where we are eating into the gains, we are starting to shift now. —(Interjection)— Mr. Curtis says, as of today with the rate, we are back even again, but we have been, over the last two months or so, been losing, eating into any gains that we had made before.

So it depends on what term you look at it. But what happens is that the Canadian Government is taking the fluctuations out, the ups and downs of the currency changes, by guaranteeing a fixed rate to the Crown corporations. So we're not looking at it in isolation, at it being unique to Manitoba; it is being done elsewhere.

Now, all of these topics we're talking about, really, are ones we're looking at. We're simply indicating that we're examining them and if something is important enough then it will have to be stated to be instituted, that the government feels it should be done, and it will be done in consultation with the auditor. It's most likely that most of the issues that we would want to see pretty general agreement between the practice that the government wanted to adopt and what the auditor thought was the proper practice, and that will be worked out. If somehow there is a deviation of thinking, I'm sure that in traditional fashion the auditor will mention it in his next report. But that's not a suggestion that that's going to happen. All I'm saying is these areas we are talking about are speculative, at this point in time.

With regard to the Task Force recommendation, there were discussions between the Finance Department and the Task Force people, as there were in all government departments. The report and recommendation by the Task Force is one that I stated that we think may have value, and that we want to look at further, and that is the one in particular with regard to guaranteeing a fixed rate to the Crown corporations. The decision hasn't been made to. I indicate to this committee that it's being looked at and it's one of the recommendations that we think is valuable, not necessarily because the Task Force itself recommended it but because it is being used by other jurisdictions.

With regard to bringing the Task Force people before this committee, I would be opposed to that particular move because if we make the move in this direction, it won't necessarily be because of the Task Force; it will be because we have looked at other jurisdictions further and found out there is some justification or further justification for a move to do that.

MR. CHERNIACK: Mr. Chairman, I would like to know what the department recommended to the Task Force in relation to borrowing overseas.

MR. CRAIK: Well, there was really no recommendation from the department that I am aware of, unless it came from some personal opinion of some individual, which could happen. But there was no recommendation by us to the Task Force. There were discussions on it, and it was their conclusion.

MR. CHERNIACK: Mr. Chairman, I don't know that there are many people in Manitoba that know more about the money market for public funds than Mr. Curtis. I would like to know what was his recommendation in relation to foreign borrowing, as compared with the recommendation of the Task Force.

MR. CRAIK: I have no concern about Mr. Curtis answering that directly.

MR. CHAIRMAN: Mr. Curtis.

MR. CURTIS: Mr. Chairman, we weren't really asked for opinions. We were really only discussing the topic, generally, with the Task Force personnel. I know at the time my recollection was they stated their view that they felt that suggestion had merit. We have, in fact, gone that route for most of the smaller corporations already — the Water Supply Board, the Agricultural Credit, and so on. You know, we have provided advances to them over the years at fixed rates, then had to go out and borrow the money to fund those advances. So we are in fact doing it to a very large extent with all of our smaller corporations. And, as Mr. Craik has mentioned, we have looked at Canada's system, which is basically that they are acting as fiscal agents for their larger corporations and their view — and we have had discussions with them — their view is that in order to allow their operating corporations to plan ahead and not have to worry about exchange fluctuations that they provide them with Canadian dollars at the then Canadian rate, guarantee that rate to them, and then look

after any subsequent funding in whatever markets they feel are appropriate at the time.

MR. CHERNIACK: I was really referring to foreign borrowing. Did they ask Mr. Curtis . . . What did he recommend to them in relation to foreign borrowing?

MR. CURTIS: Well, at the time I said I was sympathetic, because we were already doing it for our smaller corporations.

MR. CHERNIACK: I'm sorry; I'm talking about whether or not the government should borrow money off-shore, in Europe or in Asia, which is . . .

MR. CURTIS: Well, my view is that in view of the size of the borrowing that we expect to be facing over the number of years that it will take to develop Hydro, that we will probably have to look at borrowing in foreign markets.

MR. CHERNIACK: But I am just wondering if Mr. Curtis expressed this view, or was asked for his view by the Task Force.

MR. CURTIS: I don't recall whether that was specifically raised. I can't answer that; I'm not sure whether that was raised or not.

MR. CHERNIACK: Well, that's good enough, Mr. Chairman, from that standpoint. But I would like to think that a Minister of the Crown, who has given his name to recommendations to the public, should not avoid coming here and telling us what the base of it is. I'm rather surprised that Mr. Craik is opposed to bringing in — I suggested three people — Spivak and Riley, who together took on the responsibility publicly of making the recommendations. He is opposed to bringing them. And I mentioned Bob Jones because I assume he knows more than they do about financing, although I think he is a money lender more than a borrower. I'm surprised that Mr. Craik did not jump at the suggestion that they should be asked to come.

MR. CRAIK: Mr. Chairman, Mr. Cherniack is right; it is a recommendation, and that's as far as it goes. It's a recommendation from an advisory body to the government and the final decision has to be made by the government, and I think Mr. Cherniack is well aware of that. It's the same as any other advisory group to the government, which presumably has many precedents to be called on, over the years. The recommendation of such a body is of value and we recognize, in this particular case, that we ought to look at this one further, which is the type of practice that Canada is following with regard to its Crown corporations, which we're now following with our smaller organizations and apply it to the others.

I don't see that it would add any great value to the work of this committee, and would add any further value to the work that the government is going to have to do before it reaches a decision on this. In the final analysis, it will be a government decision.

MR. CHERNIACK: Mr. Chairman, Public Accounts is the opportunity for us to review the financial operations of government in the past and to make recommendations for accountability in the future. We have been discussing here accountability of capital financing, which is a very, very important. I can think of very few things that are more important than the manner in which we raise funds by borrowing them. When we raise funds by taxation, then we have that opportunity to review it. When we raise funds by borrowing, there are various methods by which it can be done. Then here we have a highly touted report with high exposure, high profile people making recommendations and for Mr. Craik to say, well, it's just recommendations, I think demeans their efforts and I should think that. . . Mind you I am shocked to learn that Mr. Curtis does not remember discussing with them the advisability of foreign borrowing, when indeed . . . Well, as I understand it, he doesn't recall making recommendations, or being asked for recommendations in that respect and yet they are making recommendations. So, Mr. Spivak and Mr. Riley and their group must have imposed their opinion in such a way that they feel confident that their recommendation is right.

And here is a Minister of the Crown, a Minister who has no other responsibility given to him, than to deal with the question of the Task Force. That's what he's called I believe, the Minister responsible for the Task Force. For our committee here, not to have an opportunity to discuss with him his recommendations, makes it very difficult for us to make recommendations to the government which I assume government would listen to. If the government wouldn't listen to them, then I suppose it can say, "Don't waste our time fellows, we won't listen to you." But if they will listen to what

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this committee is going to recommend, then surely they would want this committee to be able to share in the thinking process that went on in the recommendation of this Task Force, which is probably the most important investigative effort of the current government so far.

So, need I move that they be invited to come?

MR. CRAIK: Well, Mr. Chairman, I will point out to Mr. Cherniack that he'll have opportunity to raise it in the House under the Executive Council Estimates and he can discuss it directly then if he wants to gain Mr. Spivak's comments with regard to this particular recommendation. So there will be opportunity for that to take place. But I'm not going to suggest, or go along with any recommendation that we expand the operations of the Public Accounts Committee for the purposes of bringing in people who have been on an advisory body, namely the Task Force.

MR. CHERNIACK: Mr. Chairman, I point out to Mr. Craik, something he knows very well, that the only opportunity that we would have to discuss the Task Force would be when we discussed Mr. Spivak's salary, that's really all.

MR. CRAIK: That's wide open.

MR. CHERNIACK: Well, it so happens that we can discuss the salary from today till doomsday, that does not mean that he has to respond to what is, I think, the immediate concern of this committee, and that is to study the recommendations they're making in relation to borrowing. So, on that basis, and because apparently they want to protect the — Mr. Craik referred to the advisory committee, I don't think that Mr. Riley is on the advisory committee — but I would move that we invite Mr. Spivak, the Honourable Mr. Spivak, Minister of the Crown, to come here and discuss the recommendations that he has put his name to, in relation to the work of this committee.

MR. CRAIK: Well, I think, Mr. Chairman, we should recommend to the House that the House request it.

MR. CHAIRMAN: Before you speak to that, can I make sure that I've got the resolution down. Move that the Committee invite the Honourable Mr. Spivak . . .

MR. CHERNIACK: . . . Minister responsible for the Task Force, to come to a meeting of this committee in order to discuss his recommendations, or the committee's recommendations in regard to borrowing.

MR. CRAIK: I'll just repeat, Mr. Chairman, that this can be done adequately in the Chamber itself, there would be no value added.

MR. CHAIRMAN: Any further discussion on the motion? Mr. Parasiuk.

MR. PARASIUK: What we have is a Minister who has put forward recommendations. Now, he has people who have worked with him. He has Conrad Riley who has worked with him. He has had Gordon Holland and he has had a whole group of volunteer staff who have worked with him, but he has put forward recommendations to Cabinet. Now, I hope these recommendations have some substance to them. I hope he wasn't just thinking out loud. I hope he wasn't just thinking out loud when he made those recommendations. —(Interjection)— No, but you see I'm trying to find out what this means here in this case because we have a Minister putting that forward. Now, given Ministerial responsibility he is responsible for those recommendations. He can't say, "Well, I disagreed with the recommendations, but I put them forward because . Conrad Riley liked it." If he does that, as the Minister responsible and not clarifying that that is how he is putting forward the recommendations, then frankly the whole notion of Ministerial responsibility is . . .

A MEMBER: Phone Riley up and . . .

MR. PARASIUK: No, I wouldn't want to, I want to do it here. Why should I phone him up.

MR. CHAIRMAN: Order please.

MR. PARASIUK: So, the point is that the Minister is either ducking his responsibility or is being completely irresponsible in making those types of recommendations without any substantiation. Now, it may turn out that the recommendation itself may have some substantive aspects from the prospective of the Crown corporations. It may provide more certainty for the Crown corporations, and that might be better from their prospective, but we have had the auditor say that he is concerned with that recommendation from the viewpoint of accountability. He has raised that concern here,

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and we say, "Okay, fine, given that there is that type of concern, and it is in Public Accounts Committee, that we discuss accountability, it would be best to have the Minister come forward and provide the rationale for that type of recommendation". He is really hasn't consulted staff specifically on this matter, it looks as if he hasn't consulted the finance officials with respect to that specific recommendation. It would appear, and I can just check with this, did he consult the Provincial Auditor? Was the Provincial Auditor consulted with respect to that specific recommendation regarding the province lending money to Crown corporations? Was the auditor consulted and asked specifically for his viewpoint on that? How would it affect the accountability? Would it help it, would it confuse it? I am asking that specifically of the auditor right now.

MR. ZIPRICK: You're on a motion now.

MR. PARASIUK: Okay, well, I would assume that he wasn't asked that. Can I ask him just in passing? Okay, I will assume then that he wasn't asked.

A MEMBER: Assume anything you like.

MR. PARASIUK: Sure. And the point of that is that since he wasn't asked, since he has raised concerns about this matter, since it is something that the Minister has put forward as a Minister, not as an advisory group, then I would think that warrants the Minister coming before the Committee of the Legislature which is responsible for accountability of financial expenditures to explain that particular recommendation which could really confuse accountability very drastically.

MR. CHAIRMAN: Mr. Minaker.

MR. MINAKER: Yes, question.

MR. CHAIRMAN: Have you any further debate on the motion? Do you wish the motion to be read? Mr. Cherniack.

MR. CHERNIACK: I'm astounded to hear that a member of the Legislature who has every right to come and participate in this committee should be protected from being invited to come, not ordered to come, we have the right to order a person to come as a committee, but the motion was to invite him to come, I'm astounded that there is opposition to it, and people have indicated their desire to vote against it. I would just say, Mr. Chairman, we should have a vote, but if, as a result of that vote, Mr. Spivak refrains from coming to this committee it would be an awful affront, I think, on his part and I would expect that he'll come anyway. So, I would suggest that his colleagues should protect him by voting for the invitation, which he doesn't have to accept, and then they would not embarrass him by making it appear as if they are trying to help him avoid coming before this committee.

MR. CHAIRMAN: Mr. Minaker.

MR. MINAKER: Well, Mr. Chairman, I'll be very brief. I'll be voting against the motion because I question whether in fact it is in order, because my understanding of the responsibility of this committee, the main responsibility of the committee is to deal with the public accounts as they closed off on March 31st, 1977. In fact, we are dealing with what has happened *fait accompli*, and what Mr. Cherniack is suggesting is that we invite one of our colleagues here to discuss recommendations on which decisions have not as yet been made by the government. So, I think, for that reason, I have to vote against it.

MR. CRAIK: Mr. Chairman, I'm sure the mover will remember that in this very committee three years ago, or four years ago, a similar motion was put forward by the present Finance Minister and ended up with considerable debate and the motion was ruled out of order, when Mr. Parasiuk was going to be asked to appear before the committee. I believe the chairman at that time even had his ruling challenged for allowing the motion to sit, so I certainly can't support the motion, and if we have time, I would suggest the question be put, Mr. Chairman.

MR. CHAIRMAN: Mr. Parasiuk and Mr. Wilson.

MR. PARASIUK: I hate to be a steam roller —(Interjection)— Well, that's what happening

MR. CRAIK: We'd better roll back to Wabowden and get Mr. Parasiuk on the stand for

MR. PARASIUK: No, I don't think we have to. I think that we are talking about a situation where the Minister is the Minister responsible. He may in fact, and I don't care if the Member for Minnedosa isn't in the House, because he isn't responsible for anything and he's accountable for nothing as a member of the Executive Council, but this is a Minister who is responsible, and is accountable and there is some speculation that if a Federal election is called, this person may in fact run, which means that that person resigns and isn't present then to answer questions. Now, since Public Accounts Committee is meeting right now, I think it is a fair and valid question to raise.

MR. CHAIRMAN: Mr. Wilson.

MR. WILSON: The reason that I have to vote against the motion is because . . . I could have given it some support, for instance, if the committee would entertain bringing the former Cabinet Ministers of the former government here, and justifying their expense accounts and this type of thing. So, I mean, I can see how this committee would end up being a sort of court of inquisition, if we were to bring all the former Ministers of the former government here and the former Minister of Public Works, and have to justify some of his expenditures. So, I'm going to vote against the motion.

MR. MILLER: Mr. Chairman, I find the comment of a court of inquisition coming from the Member for Wolseley very interesting because most of his questions appear in that category. Although it's true that we are dealing with the former accounts, nonetheless what is proposed by the Task Force through the Minister — and I'm not talking about Riley or Mr. Jones because they are on a committee, they are not on the Executive Council, the suggestions or recommendations made by them are pretty far sweeping, not only with regard to foreign borrowing but other aspects as well. If the House refused to grant to the members of the Opposition, the background material, the reports, the evaluations etc., that led to the recommendations, then surely Public Accounts should be able to question the Minister who is in charge of that Task Force and who made those major recommendations as to the whys and wherefors and the logic behind it. There must be some rationale, I'm sure they just didn't dream it up. They must have a reason for it, and it may be a good reason. But surely if it means a departure from the past and an important one, then surely we should have an opportunity to question it somehow. The suggestion that we can question it during the Minister's salary is almost impossible, because all three Ministers without Portfolio are lumped together in one line and to get this kind of detail is almost impossible. It seems to me that Public Accounts is the logical forum to question Ministers, and I'm not talking about staff, I'm talking about Ministers, as to why certain policies are being followed, why certain methods are being used, why there's a departure, and they may well convince the committee that what they are proposing is valid and is correct. I have an open mind on this subject. I'm not saying that everything has to be done exactly the way it was last year or five years ago or 30 years ago, but if there's going to be a change and it is going to be considered seriously, then the rationale for it should be known to the committee.

MR. CHAIRMAN: Are you ready for the question? Are you clear on the motion?

QUESTION put, MOTION defeated.

(Pages 237 to 242 were read page by page and passed.)

MR. CHAIRMAN: That concludes the Public Accounts Main Book. Committee rise.