

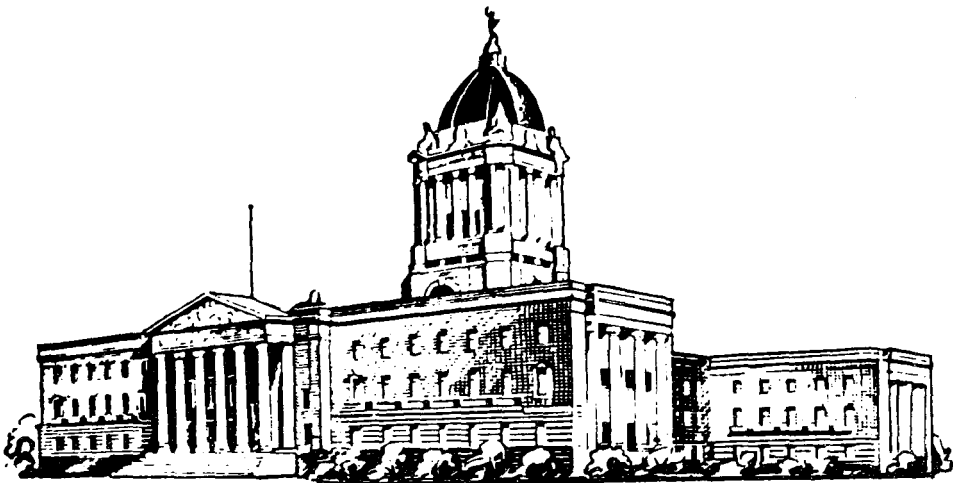


Legislative Assembly of Manitoba

**PROCEEDINGS OF THE STANDING COMMITTEE
ON
PUBLIC ACCOUNTS**

Chairman

Mr. D. James Walding
Constituency of St. Vital



~~February 29~~
MARCH 1
2:00 p.m. Wednesday, ~~February 29~~, 1978

Public Accounts
Wednesday, February 29, 1978

Time: 2:00 p.m.

CHAIRMAN, Mr. D. James Walding (St. Vital)

MR. CHAIRMAN: Order please. We have a quorum, gentlemen, the committee will come to order. Before we get back to the Report of the Provincial Auditor, Page 33 - Mr. Craik.

MR. CRAIK: Mr. Chairman, there are two items I wanted to deal with. I must apologize for not being able to be here during the entire discussion this morning and I won't be able to be here for any significant part of it this afternoon but there were two issues that Mr. Minaker mentioned to me that had been raised that he thought should be dealt with.

One was the question brought up by Mr. Cherniack with regard to the letter that I sent out to the members of the government, the MLAs from the government side, which was raised yesterday. In answer to that I'll distribute that letter at this time so that it's available, which will presumably answer that question. I don't think there's much to add to it. The letter of instruction was sent to all Conservative MLAs; they were the only MLAs who had approached the government for information in preparation for this meeting. Had there been other MLAs approach the government for information that the staff felt should be funnelled through the Minister's office there would have been appropriately a communication go out to that extent too. I would expect that the government House Leader may, when the Legislature sits, if necessary, deal with it there if anybody feels that it should be dealt with. That will be tabled so that if there is any concern on the part of members of the opposition it should be erased by that letter. If it's not then I'll comment on it accordingly.

The second item was the matter of the recommendations to the Minister of Finance or the Finance Department regarding the Auditor's recommendations for changes in his Act and whether or not this sort of thing should not come to the Legislature rather than just to the government. I understand that in former years that it has always gone just to the government. The last substantive changes to the Act were in 1969 so I went to the government of the day, which was the Conservative Government, and I gather that there were instructions since then went from the Auditor to the Premier, Premier Schreyer, about certain things regarding the Act. Premier Schreyer in turn made a press statement, press release, giving the Auditor's position on the particular matter that was dealt with at that time with reference to his terms of reference within the legislation, although there weren't changes to the legislation.

Since it's been raised at noon, the only comment that I can make is that I think that the Auditor should use his own discretion. If he wishes to handle it within the terms of reference contained on Page 1 of the Report which gives the Legislature terms of reference for the Auditor, if he feels that it should go to members of the Legislature rather than just to the government, we certainly I don't think would have any objection to it. I would point out though that this has not been the precedent that has been followed in the past. I would also indicate that if that's his wish, to do so, that it should be mailed to all MLAs because the Liberal Party for one is not represented on this committee. The information should go out by mail to all the members of the Legislature so that they will have it at the same time.

Now I guess the bottom line, so-called, to those comments is that I think that the Auditor has to do what he feels should be done within the terms of reference that he's been living by and whatever he decides, so be it.

MR. ZIPRICK: Well as far as I'm concerned I feel that it would be useful information to the members in consideration. I would distribute it, the only thing is it's addressed to the Minister of Finance and because it's addressed to the Minister of Finance, if I could have his permission to send it out in that kind of form I would be quite pleased to do so.

MR. CRAIK: I have no objection but I feel, Mr. Chairman, that it would be within the powers of the Auditor, or broad enough in here that he can do whatever he so decides. Since it's been raised here as a matter of interest, we have no hesitation in it going to the Legislature, but as I say I think it should go out to the entire Legislature rather than to this committee.

MR. ZIPRICK: That's good. I'll send it out to every MLA.

MR. MILLER: In that case, Mr. Chairman, I assume therefore that the resolution which Mr. Cherniack introduced isn't necessary because with the concurrence of the Minister of Finance and Mr. Ziprick now saying that he will simply send copies to the Legislature, that's all members, that it would be done and therefore the whole question of that resolution I think is pretty well looked after because the resolution addresses itself to the question.

MR. CHAIRMAN: It would appear to be redundant although the committee did agree that Mr. Cherniack would be able to bring the matter up again when he returned later this afternoon.

MR. MILLER: You can report then what occurred.

MR. CHAIRMAN: Perhaps we can leave it until that time.

I would then direct your attention to Page 33 of the Report of the Auditor. Are there any further questions on Page 33? Mr. Parasiuk.

MR. PARASIUK: Mr. Chairman, if I might, now that the Minister of Finance can be here. I'd like to get his comments on the bottom paragraph of 32 if that's possible. We discussed this morning the possibility of having staff available for future Public Accounts committee meetings and we talked about the pros and cons of that and whether in fact it would be possible to eliminate too much partisan questioning of civil servants as opposed to directing those types of questions to ministers. I think the general impression was that if it's practical we'd like to see it and I think that was on both sides of the table so to speak. I was wondering if the Minister of Finance has given thought to that particular paragraph and whether he's in a position to say anything about it.

MR. CRAIK: Which paragraph is being referred to?

MR. PARASIUK: This is the bottom of Page 32. I gather it's been raised in the past.

MR. CRAIK: I gather the difference is that rather than direct questions to the Minister you want to be able to direct questions to the staff.

MR. PARASIUK: All we're doing is commenting on what has been raised by the Auditor. We have said that there are some difficulties with it and there are some advantages to it and we've said if it is at all practical we'd like to pursue that suggestion. I gather the Auditor is going to try to find out what's being done in other jurisdictions, what type of guidelines apply to the committee meetings and I think that the ball in a sense is in the government's court in this particular issue and that's why I'm just raising it for your comments. Perhaps you haven't had a chance to look at it and we'll undoubtedly have another meeting of Public Accounts Committee and I can ask you then.

MR. CRAIK: Well we haven't considered that particular one a priority item.

MR. PARASIUK: It's okay, I'll hold it for the next meeting of Public Accounts.

MR. CRAIK: You've probably had some discussion of it but the normal way in which committees operate, whether it's this committee or other committees, is usually that questions are directed through a minister responsible. The reasoning behind that is the same reason for the letter that went out that you are receiving a copy of now. The staff sometimes recognize the difference between the executive and legislative roles that are in our system but can be easily caught in a crossfire if that's not recognized. I think that we're performing the legislative role at this committee and it should, I would think primarily, come for that reason primarily through the minister, whoever he happens to be. Not just this committee but generally.

MR. PARASIUK: Perhaps the Minister would look at the discussion we had in Hansard and maybe the next time we meet we could discuss that issue. I'll reserve that question.

MR. CHAIRMAN: Any further questions on Page 33? Page 33—passed; Page 34—passed. Page 35—Mr. Parasiuk.

MR. PARASIUK: I have a question to the Auditor regarding the statement that— this is in the middle of Page 35 — "Except for nine positions which recently became vacant and are in the process of being filled, in our opinion, this staffing meets the requirements of the Office." Have those positions been filled since this Report has been written?

MR. ZIPRICK: Four have been filled, five are still vacant.

MR. PARASIUK: Still vacant. Does the hiring freeze apply to these five positions?

MR. ZIPRICK: Yes it does apply to these five positions but it's modified to the extent that I've been asked to explore hiring on contract professional auditors to assist with whatever work is necessary to discharge my responsibility.

MR. PARASIUK: Would these be personal services contracts or contracts with an accounting firm?

MR. ZIPRICK: It could be both: a contract with an accounting firm to do a specific, assigned job and a contract with an accounting firm to provide an auditor. I have contracted already for services in the computer expertise just recently. I have been looking at it for some time. We have had a substantial turnover in our computer expertise, we have a specialty section and we've been trying to develop

Public Accounts
Wednesday, February 29, 1978

expertise and as it just gets developed there is a turnover. So I felt to get a broader capability in this, to discharge this very important responsibility to do with computers that I should get some more experienced input so I contracted with a firm for a professional auditor to provide service from their national computer specialty office. That will assist us in the computer audit.

Manitoba Health Services has acquired recently the Shriners' Hospital and so I think we'll get the firm that did the audit before to carry out that audit function on my behalf and then report to me.

MR. PARASIUK: Will that be taking the place of these five positions that are not filled yet?

MR. ZIPRICK: Right now, with this assistance for the fiscal year March 31, 1978, I think that by and large we will be able to discharge our responsibility within that scope. When it gets down to 1979 we'll have to contract quite a bit more to take the place of these five positions that are vacant. Now the understanding that I have is that I'll explore the contracting possibility and if it does not come within the costs that are comparable, then understand we will be taking a look at the other approach of filling the positions.

I have done some sort of review of the situation and if we can approach the firms during the summer seasons, particularly starting around the middle of May, the 1st first of June to some time in November — that's their relatively slack period and I understand we should be able to get pretty favourable rates; and on the basis of those favourable rates it could well be that we could get the work done at a very good price. On the other hand if we don't get the favourable rates, well then I'll be reporting back to the government .

MR. PARASIUK: Right now, if I can understand you, you're building to any entity that you audit, the building is cost of the salary plus a 25 percent for overhead. ,

MR. ZIPRICK: For overhead, yes.

MR. PARASIUK: Okay. So that will be the comparison that is made when you look at what types of bills you receive from these private companies that you're contracting out with.

MR. ZIPRICK: Basically yes, the cost plus 25 percent plus because the 25 percent in our situation does not take into account any provision for building usage, so really the 25 percent just covers the stenographic and a few other expenses. So we'd probably be looking more like cost plus 45 or in that area.

MR. PARASIUK: From the private side. The new government has learned quickly, they're having attrition of staff which they're publicizing but still the public funds are being spent for that particular function.

A MEMBER: We won't know till next year.

MR. PARASIUK: Well, that's fair enough. That is a definite fact and that's an area that the past administration had been attacked for holding back on a number of Civil Servants but yet contracting out. I think that the same process is at work within five months. Okay.

MR. CHAIRMAN: Any further questions on Page 35? Page 35—pass; Page 36—pass; Page 37—pass; Page 38—pass; Page 39.

MR. CHAIRMAN: Mr. Ziprick.

MR. ZIPRICK: If I may just make a general observation for the material from Page 39 to the end, it's either material that has been reproduced from the Public Accounts or schedules and information that's been referred to in the text of the report. I just point this out. So if the material that's been reproduced from the Public Accounts, if you debate it or discuss it here, then it will be a repetition in the Public Accounts.

MR. CHAIRMAN: Can we then pass the remainder of the book and go on? Mr. Parasiuk.

MR. PARASIUK: I have one final comment pertaining to 35, if I may reintroduce it.

MR. CHAIRMAN: Go ahead.

MR. PARASIUK: If I correctly understand — I was just looking for the specific reference and I can't find it this quickly, Mr. Ziprick — you said that you implied that the Auditor's office should have, in a sense, better control over the auditing of expenditures that are undertaken via grants by private non-profit agencies. Would that be municipalities, hospitals, school boards, Children's Aid, entities like that, is that correct?

Public Accounts
Wednesday, February 29, 1978

MR. ZIPRICK: Yes, and I didn't only mean the Auditor but the Auditor and the Legislature and thereby they would have a better accountability for all that money, or about the same kind of accountability as money spent by the government directly.

MR. PARASIUK: Now is it not true that these entities are also audited by private firms? Don't they all submit audited statements to you?

MR. ZIPRICK: Yes. No, not to me, but they submit audited statements to the government which are available to me. But the point that I am raising is the terms of reference of what the private firms are asked to do. In the case of, for instance, school divisions it's just a straight attest audit that these financial statements present fairly. It doesn't go into any area of, for instance, purchasing procedures that are normally followed up or the level of expense accounts; if anything that's approved by a board that's fine. So that the firm doing the audit here certifies that the financial statement is purely on the basis of their audit, carried out for that purpose and that purpose only.

MR. PARASIUK: So in the future when you contract out for auditing you will be doing so according to your terms of reference. That's the difference between what is being suggested in your answers to my previous questions regarding . . .

MR. ZIPRICK: That's right. If let's say, Manitoba Hydro is being done by a private firm in addition to, if I hire them to attest and certify to the financial statements, they will also carry out procedures of the kind that we do in what I consider to be my responsibility to the Legislature in the broader sense and they would draw to my attention any matters of the kind that needed the attention we would pursue it and if a reporting to the Legislature on that matter was necessary I would report it. So, in effect, I would be involved in the same way and the broader concept would apply.

MR. PARASIUK: I guess a final point I have to make is that cost plus 45 percent for a private firm is still higher than the cost plus 25 percent that you charge right now for an audit that you conduct of an entity?

MR. ZIPRICK: Well you know even the 45 percent I just sort of make a . . . We'd do a comparison and take in regard all the factors and in the light of all these factors, is the charge reasonable. You see there are other factors. This would give me more flexibility in that there is highly qualified staff available for a short period of time and then when I don't need it I don't have to have it. So it would broaden my capabilities to that extent. There are other pluses that would come into consideration, there are a lot of minus, too.

MR. PARASIUK: Okay.

MR. CHAIRMAN: Mr. Wilson.

MR. WILSON: Well, if we're getting on to Page 49, if you've gone that far. . .

MR. CHAIRMAN: Mr. Craik.

MR. CRAIK: Mr. Chairman, perhaps before we go that far on this question of the overhead factor for firms, the different businesses I've been involved in usually operate on an overhead factor that ranges anywhere from 100 percent to 150 percent. If they don't they go broke. I don't think government is really any different and I think a pretty hard look has to be taken at what is a realistic overhead factor.

It's the same heat bills, the same light bills, the same other types of costs that you incur in the private sector are incurred in the government sector.

As an example, when you're looking at the income in the medical profession, if you cover off the costs of the operation of a medical practitioner's office it appears to work out around the 100 percent overhead over and above the doctor's net income, that's net before taxes; it's not too far a figure to be off by.

I know that in other undertakings one of the usual things to do is to take your professional people's fees and multiply it by a factor anywhere between one and 1.5 to cover off your odds and ends like your automobiles, your heat, your light, your typewriter, your per square foot floor area and everything else. I think you have to take a pretty good look at it. If you can hire an auditor's firm that can run on 45 percent overhead it would be the first one I've ever seen.

MR. CHAIAN: Mr. Parasiuk.

MR. PARASIUK: Well, Mr. Chairman, the reason why I asked this question is in the Auditor's report the Auditor himself says that he's charging a fee to any entity that he audits, costs of the salary plus 25 percent for overhead, which means that if certain entities are now going to be audited by private firms which are contracted out, they will have to pay a higher auditing fee unless of course the auditor is possibly contemplating some change in his fee structure with respect to those entities that his office

Public Accounts
Wednesday, February 29, 1978

presently audits. He has not indicated that so far and I didn't think that that was the case. I'm just wondering, since you've got some costs already associated with the present complement of staff that you have and the space you have, etc., that rather than letting go five people or not hiring five people, then hiring a private firm and paying 100 percent overhead, which is implied, as opposed to 25 percent overhead, maybe you would consider filling the five positions.

I understand and I can appreciate your comments about flexibility that you might receive with respect to certain specialties that are required in the auditing area. I'm just wondering whether in fact this new process won't be less efficient than what you had before and since you obviously are concerned with efficiency, fine, I think it's an open question. But I just raise these points for your consideration for this year.

MR. CHAIRMAN: Mr. Ziprick.

MR. ZIPRICK: Yes. I appreciate what Mr. Craik is saying and — you know, hindsight now — 45 percent — we bill the firms in addition to cost plus 25 percent; we bill them with all the direct travelling expenses in addition. Now the firm in its fees would take care of many of these other things — I just don't know. So I would like to leave it on the basis that we are going to use our best judgment and do the evaluation to insure that whatever is charged the charge is a fair charge vis-a-vis, in-house or otherwise, taking all the factors into consideration and on that basis we will be making our recommendation as to whether to go for in-house or use the contracts.

MR. CHAIRMAN: Pages 39 to 71 inclusive. Mr. Wilson.

MR. WILSON: I just wanted to raise a point that I wondered if Mr. Ziprick would comment or clarify for me regarding — it's called "Changes in the Financial Position of the Government from 1976 to 1977" and I wondered if there was any significance in the increase in liabilities where it says "Bank Overdraft", where the former government had \$7.2 million overdraft and it increased to \$33.8 million.

MR. CHAIRMAN: Which page are you on by the way?

MR. WILSON: Page 49.

MR. CHAIRMAN: Mr. Craik.

MR. CRAIK: Mr. Chairman, just on that point. I don't want to interrupt Mr. Wilson, but the information on Page 49 is given on Page 29 of the Grey book.

MR. WILSON: 29?

MR. CRAIK: Yes. That may not be all you want, but it's on Page 29 of the Grey book. This exhibit is taken out of that.

MR. ZIPRICK: Yes, that's why I brought up the point so that we should decide where we're going to consider it and not consider it in both places.

MR. WILSON: All right, we'll get to the Grey book then.

MR. CHAIRMAN: Pages 39 to 71 inclusive—pass. I then refer the attention of members to the Public Accounts for the year ending March 31st, 1977, Page 5. Page 5—pass; Page 6—pass; Pages 7 and 8—pass; Page 9. Mr. Blake.

MR. BLAKE: I just want to raise a question on the deficit of \$19.1 million, Mr. Chairman. I wonder if the Auditor would comment on that particular paragraph just as we're passing it.

MR. ZIPRICK: Which paragraph is it?

MR. BLAKE: On the deficit of \$19.1 million as shown in the revenue statement.

MR. ZIPRICK: Well that's the deficit on the combined basis and the deficit of 19.1 is just purely a deficit arrived at after taking the various transfers into consideration within the current account and because of the arbitrary transfers that are in there, as far as I'm concerned, they are not auditable, they are just arbitrary decisions that have been made and I have no comment on the 19.1. The \$82.2 million is the net of the combined expenditure less revenue received for the year and that is not an arbitrary figure, that's a figure that's established by expenditures less revenues for the year and as a result I am in a position to certify to that figure.

MR. MILLER: Does that include capital as well?

Public Accounts
Wednesday, February 29, 1978

MR. ZIPRICK: That includes capital, that's right. That's where the difficulty is, Mr. Miller, for me to make distinctions between what's capital and what's revenue because similar kinds of expenditures are in both places.

MR. BLAKE: We had some discussion on this in previous reports of what's capital and what's current.

MR. CHAIRMAN: Any further questions on Page 9? Page 9—pass; page 10— pass; page 11—pass. Page 12 and 13. Mr. Orchard.

MR. ORCHARD: Thank you, Mr. Chairman. I have a question through you to Mr. Ziprick regarding item T.3 under the Trust and Special Division, assets on the Balance Sheet. Now I note that in 1976 the balance was \$129.8 million and in 1977 the balance is \$114.68 million. Now my first question is: Are pensions in Manitoba now indexed?

MR. ZIPRICK: That's the T.3 item?

MR. ORCHARD: That's right.

MR. ZIPRICK: Yes, they're indexed but they're being recovered by a special charge.

MR. ORCHARD: In the year 1976-77, the Civil Service I don't believe decreased in size and I don't believe that the wage rates within the civil service went down, what would be the reason for, and in hence because of those two things, the contribution level to the Superannuation Fund should have gone up, why did we experience a 15-plus million dollar drop in the Superannuation Fund?

MR. ZIPRICK: There's an explanation in no date. There's a change in recording. This year the securities are only recorded; in other years their furniture and all their various other assets were recorded in that trust, so really this year is the more realistic figure of what the Department of Finance is actually holding in trust. Last year it included accrued income receivable, in other words the entire assets. Assets on the Civil Service Superannuation Fund's Balance Sheet were reflected as a trust item; this year it's only the investments which in fact that's all Finance is holding in trust.

MR. ORCHARD: Well to give a comparison between 1977 and 1976 as to the actual amount in the Fund which is to be drawn upon to provide the monthly pension cheques to retired civil service personnel, is it possible to get a figure to show the direct comparison, to see whether our Superannuation Fund went up, down, stayed the same?

MR. ZIPRICK: Oh, yes, there's a financial statement but it's on a fiscal year in December but there is a financial statement issued by the Superannuation Fund which is tabled in the Legislature and available to show the complete makeup of the financial position.

MR. ORCHARD: How would I go about getting a directly comparable figure then between 1976 and 1977? From the Minister of Finance?

MR. ZIPRICK: Yes.

MR. ORCHARD: The reason for my concern is you hear reports, whether they are founded or unfounded, about the potential impact of indexed pension on the ability of a province to provide that indexed pensions and that was alarming me immediately that we had a drop of \$15 million in one year in our Superannuation Fund and if that represented an increase in withdrawals of \$15 million over the amount contributed, it would only take something like five or six years to eliminate the fund, or eight years to eliminate the fund, and that was my concern. That's why I'm interested in figures of moneys available for pay out.

MR. ZIPRICK: I think I happen to have some comparative figures here with me I think on the Superannuation Fund in rounded figures that I can give you if they would be the— at December 1976, the position of the fund was \$147.1 million. That was the reserve fund available for pensions. The year before it was \$126.3 million, so it rose roughly \$21 million and that basically has been rising about that rate for a number of years, in around the \$20 million. It's been rising, and this is not the asset side, this is the reserve side. Now the asset side will be made up of investments, cash in the bank, accrued items receivable and so on but that's the amount of the reserve.

MR. ORCHARD: Okay, then, basically the amount of the fund is on the increase, like contributions by employed civil servants far exceed the withdrawal by retired people according to the pension plan.

MR. ZIPRICK: It's roughly increasing by about \$20 million a year.

MR. ORCHARD: Okay. Thank you.

MR. CHAIRMAN: Any further questions on Pages 12 and 13? Pages 12 and 13—pass; page 14—pass; page 15—pass. Page 16. Mr. Orchard.

MR. ORCHARD: Thank you, Mr. Chairman. Through you to Mr. Ziprick, under the Schedule "C.4" Miscellaneous and Intangible Assets, there are a number of items in there that are listed and it would be of interest to me to ask you for an opinion of market value or recoverable value from some of them — for instance the Churchill Pre-Fab Plant. What would the market value of our investment there be were we to . . . ?

MR. ZIPRICK: Well the Churchill Pre-Fab Plant, we dealt with it in my report. I think that roughly whatever is in there is what's been contributed — now there's some adjustments are being made to contracts to the extent that there will be recovery, that's a value. I don't know what the value of the equipment that's over there would be right now.

MR. ORCHARD: And under conditional grants we have Saunders Aircraft at 40 million what would the market value or recoverable dollars out of Saunders Aircraft be?

MR. ZIPRICK: It's very minimal.

MR. ORCHARD: Manitoba Mineral Resources Ltd.?

MR. ZIPRICK: There again, as far as I know it's very minimal but of course if there was a find, naturally its value would go up.

MR. ORCHARD: I missed one, there's a category on top, Agricultural Research valued at \$5 million. Now I realize that is a highly intangible asset and will bear fruition sometime down the road in all projects, it's hoped, so basically the \$5 million, does that reflect an amount of dollars invested to date in projects — I'll name one, a Jerusalem artichoke, for instance — there's been some moneys gone into it. Would that be part and parcel of the five million dollar fund? There's been no commercial value come out of that research yet but it's hoped in the future it will. Is that the type of accounting used there?

MR. ZIPRICK: Well the principle of accounting is that it's being paid for from borrowed money so it's an offset but as far as the detail, the Department of Finance may have more information on that, I can't comment.

MR. PARASIUK: My question is with respect to the Manitoba Mineral Resources Ltd. under Conditional Grants. The Minister of Mines I think has said that he's reviewing this whole area of endeavour and I know that the Mineral Resources corporation has in fact got a 50 percent equity in a number of explorations and that one of them in particular has some potential now. Would you be consulted in the sale of any of these assets?

MR. ZIPRICK: In the sale of any of those assets, no.

MR. PARASIUK: You would not be?

MR. ZIPRICK: No.

MR. PARASIUK: Because what you are putting down there is what's been put in there so far, you've got a bookkeeping entry against that which has been put in, you don't have any way of really calculating what the present value of that 3.385 million dollar investment is?

MR. ZIPRICK: Oh, no.

MR. PARASIUK: And it's not your function to comment on that?

MR. CHAIRMAN: Any further questions on Page 16? Mr. Einarson.

MR. EINARSON: Mr. Chairman, I'd just like to ask Mr. Ziprick in regard to the debentures on Leaf Rapids Corporation of \$6.6 million, just what is our financial position on that particular item in regard to the value there?

A MEMBER: We own the whole town.

MR. ZIPRICK: It's basically recoverable through future taxation and the usage of properties, so as far as we know it's all realizable.

MR. EINARSON: It's a sound assessment, is it? I mean in the book figure that you have here?

MR. ZIPRICK: Yes, that's the figure that's been recovered through the taxation system and there should be no reason why it wouldn't be recovered.

MR. EINARSON: Also with Channel Area Loggers and Moose Lake Loggers, there's a three hundred thousand dollar figure for each one of them. What is the financial position there as to their viability?

MR. ZIPRICK: I observed yesterday that we don't consider that as being of any value.

MR. MINAKER: Mr. Chairman, I wonder if I can ask Mr. Ziprick, the debentures of Leaf Rapids at roughly 6 ½ million, further in his report it indicated a transfer of about 2.4 million or thereabouts. Is that still listed here or would it be shown elsewhere where you transferred it over to the school capital?

MR. ZIPRICK: No, they would be out of here and this would be the figure after the transfer, in other words . . .

MR. MINAKER: So you've reduced it from somewhere around \$9 million down to the 6?

MR. ZIPRICK: That's right.

MR. MINAKER: Where would the 2.4 be shown? Would it be listed anywhere else?

MR. MILLER: It's tabled by the school district.

MR. ZIPRICK: That went to the school district and it would be looked after by the school district and we don't have the school districts financial statements in here.

MR. MINAKER: Okay.

MR. CHAIRMAN: Mr. Orchard.

MR. ORCHARD: Mr. Chairman, if I understood comments by Mr. Parasiuk just a moment ago about whether or not Mr. Ziprick could comment on the worth of a given investment . . . Did I understand you correctly that it is really not his position?

MR. CHAIRMAN: Mr. Parasiuk,

MR. PARASIUK: I am a bit confused on that now in that Mr. Ziprick is prepared to make a comment on Channel Area Loggers and Moose Lake Loggers in terms of saying that he doesn't think that there is that much that can be realized out of those two and that's fair enough, I think that is a valid assessment, but he is not prepared to do it on the upside with something like the Mineral Resources Corporation where in fact something more than 3.385 might be realized. That's my only point I want to make.

MR. ZIPRICK: I'm sorry, I didn't mean that it . . . you know, it is not my responsibility to do some evaluation here in assessing some of these assets, investments, and whether there is any value to them or not. I just said, as far as Mineral Resources, it is so intangible that I am not in a position to make an observation. The other two, I know they are in substantial deficits and there would be nothing realizable at this point as far as I . . .

MR. PARASIUK: At this stage, however, you have nothing to indicate that that investment in Manitoba Mineral Resources Limited is worth anything less than 3.585.

MR. ZIPRICK: I just . . .

MR. CHAIRMAN: Mr. Orchard.

MR. ORCHARD: Well I guess basically my concern is that in examining the Public Accounts and finding areas like Channel Area Loggers or whatever, on the asset side of the balance sheet on Saunders Aircraft it is difficult for me to comprehend as a layman that we are carrying them as assets. If the Auditor of the province can't offer an opinion and doesn't know the value of them then who do the people of Manitoba go to to get a legitimate idea of the value of assets which appear on the

Public Accounts
Wednesday, February 29, 1978

balance sheet of Manitoba? And my concern being that they don't get lulled into a feeling of complacency and security by seeing assets on the book which no one will venture a guess as to the recoverable value of them. If they are worthless assets and they are carried at \$40 million in the case of Saunders, I think it is our duty as the Public Accounts Committee to make the public well aware of what is an asset in the eyes of the provincial balance sheet so that we can better assess our debt position and our worth.

MR. ZIPRICK: This is a matter that we handled yesterday in my report and we said that presently the assets were just a book figure offsetting how much has been borrowed to raise that money to make it available. As it is repaid it is written off. We are not happy with this kind of procedure, we've been recommending that it be changed. It is under consideration now. The kind of procedure that I would like to see is that assets of these kinds be written down to one dollar and only the kind of assets carried that their value can be placed. It is not just my evaluation, it should be the government's evaluation in the first instance that would say that the book value of this asset is, let's say \$40 million, but we assess it at this present time that we could only realize 20, so we will reserve for 20, having a net value of \$20 million. It would be my obligation to take a look at it and see if I agree and then I would certify it. If I didn't agree, I would qualify it. That's the kind of a system we would like to see and it is under consideration and hopefully will be brought in.

So I agree from this kind of evaluation and this kind of balance sheet that you cannot make that kind of assessment that you are looking for.

MR. CHAIRMAN: Mr. Orchard. Mr. Wilson.

MR. WILSON: Well, similarly to my colleague from Pembina, I am having a hard time. . . I know I printed in my literature that Saunders had lost \$30 million to \$40 million and Mr. Green took me to task saying I wasn't taking into consideration the assets. I look at this column and it says \$40 million and I am wondering if Mr. Ziprick could comment, is there anywhere where I could find out what Saunders Aircraft is worth so I could deduct it from the 40 million and come at a true figure as to the loss for the taxpayers.

MR. ZIPRICK: Well, right now it is in receivership. There is going to be some recovery but from our assessment, as much as I know of it, the recovery is going to be very minimal and the offset to the 40 million is not going to be very much. As the situation stands now you are not going to get much of a reduction from that 40 million.

MR. WILSON: Would you say it would be less than two million?

MR. ZIPRICK: It is not in a position to put a figure because it is at the stage in receivership now and it depends on what price . . . There is a number of aircraft in stock and some parts and it depends on what prices will be obtained for those.

MR. WILSON: It is similar to the Bricklin operation. There will be a public sale will there, or a tendering or something like that?

MR. ZIPRICK: The Receiver is working on it. It will be disposed of in the way the law permits and is properly approved.

MR. WILSON: Yes, all right.

MR. CHAIRMAN: Any further questions on Page 16? Page 16—pass; page 17—pass. Page 18. Mr. Wilson.

MR. WILSON: Covering 18 and 19, I note with interest the Term Deposits and I wondered if there was any particular reason why the government of the day wouldn't try to invest their term deposits in Manitoba institutions. I note with interest the Bank of British Columbia received close to \$15 million in term deposits. Is there any particular reason why we go out of the province? Wouldn't we want to keep the money in . . . It's on Page 19, the Bank of British Columbia.

MR. CHAIRMAN: Mr. Curtis.

MR. CURTIS: I can just say, Mr. Chairman, that we put out money on a day to day basis on the short term market and obviously this was the most attractive investment of the day to us. So, it is strictly for rate.

MR. CHAIRMAN: Mr. Wilson.

MR. WILSON: If it is for a rate basis then I'll have to give that some thought and come back because it still seems to me we could be . . . dealing locally. What you are saying is the Bank of British Columbia

beat out the other financial institutions in the bidding.

MR. CURTIS: That's right.

MR. CHAIRMAN: Mr. Miller.

MR. MILLER: Mr. Chairman, isn't it basically . . . The Department of Finance almost daily is looking to lend out money on short term. It's whatever bank comes up with the most attractive rate on any particular day or week that determines the investment on the part of the Department of Finance. So if it happens to be the Bank of British Columbia, it's the Bank of British Columbia. If it happened to be the Royal Bank, it's the Royal Bank. The suggestion that somehow it stays here, with all due respect, the money doesn't necessarily stay in Manitoba. If the Royal Bank picks up term deposits they will use it anywhere. They may be buying B.C. investments.

MR. WILSON: Well I meant that they weren't located here physically.

MR. CHAIRMAN: Any further questions on Page 18? Page 18—pass. Page 19. Mr. Einarson.

MR. EINARSON: Mr. Chairman, through you to Mr. Ziprick. It says "Investment of Funds not presently required for Expenditure" and it states Manitoba Agricultural Credit Corporation Note \$8,844,000.00. Are you, Mr. Ziprick, able to identify that amount of money and what it was intended for and never used? Am I asking the right question there?

MR. ZIPRICK: I have a pretty good idea but maybe Mr. Curtis could elaborate on that.

MR. EINARSON: My point is, was there any specific reason that the Minister of Agriculture previously had budgetted for certain sums of money and there is this amount here . . . I just wondered if there was any specific use that it was intended for and never used.

MR. BLAKE: That's money they had given them, Henry, and they got notes back for it.

MR. EINARSON: Pardon.

MR. BLAKE: They got notes back.

MR. CURTIS: We do provide funds to the various Crown corporations and agencies which they in turn . . . The Agricultural Credit Corporation does lend funds to individual farmers and we do the financing for them in effect. I am sure this is notes back to us for funds that we have advanced.

MR. EINARSON: Mr. Chairman, there is no chance that any of this money was to have been designated for Crocus Foods.

MR. CURTIS: No, that's further down.

MR. CHAIRMAN: Mr. Orchard.

MR. ORCHARD: This is a question that arises out of the Advances and Other Receivables which are carried as an asset and we've got some items like, for instance, Audit Expenses, Central Provincial Garage, Patients Air Transportation Program and those types of expenditure. Now maybe this breaks down to my lack of understanding of the setup on the balance sheet but the majority of those accounts receivable are with other departments of government, would I not be correct?

MR. ZIPRICK: Yes, these are a form of working funds.

MR. ORCHARD: Maybe I am thinking incorrectly but it seems to me that if it is government owing the government money, it is a little difficult to carry it as an asset because that account receivable, when it is paid, comes from within the government. If an accounts receivable with the Central Provincial Garage was Imperial Oil for instance and they were renting that garage and they owed us money, that would be a true inflow of money to the government and would be an asset but I have difficulty following the reasoning for calling that an asset when it doesn't create any new funds.

MR. ZIPRICK: I don't know the exact detail but it works on the basis of a revolving fund. It's probably covered by some form of inventory and as the inventory, let's say, is used then it is charged to the appropriation as an expense account. So it would be some form of a revolving fund of the Central Provincial Garage.

It's the same way as the travelling expenses. Each individual has \$20.00 to look after his expenses. Now he may have spent \$10.00 but hasn't submitted an expense account at the end of the year. We don't go to that precision and say "Now look we will have to take \$10.00 this year to expenses." We

Public Accounts
Wednesday, February 29, 1978

just leave the whole \$20.00 or \$25.00, whatever is outstanding with him and then he comes along some time in the new year with an expense account that's \$25.00, it would be charged to that particular appropriation. But at this point in time it has just been issued to him as an accountable advance that after he spends it and submits an expense account it will be processed. So there may be some expenditures here but they are insignificant. To follow any kind of precision in there would just be a waste of time.

MR. CHAIRMAN: Page 19. Mr. Blake.

MR. BLAKE: Mr. Chairman, the last item on 19, if the Auditor could give me a note on it later on, there is an item there for \$15,000 on North Arm Narrows. I assume that pertains to the Flin Flon highway on the North Arm of Schist Lake, but would those be funds recoverable from the federal government in some way? If somebody could just clarify that for me maybe at a later date. It is not that important right now.

MR. CHAIRMAN: Accordingly noted. Page 19—pass. Page 20. Mr. Wilson.

MR. WILSON: By way of explanation, these accounts payable, I note with interest Skywest Limited — does that mean it's a payable we may never have to pay if this company has got very limited chance of getting off the ground, or what's the story there? It is similar to Mr. Blake, I wondered if I could get an explanation what the \$88,000 is for.

MR. CHAIRMAN: Have you made note of that query?

MR. ZIPRICK: What was the other one?

MR. WILSON: Skywest Limited at the bottom of 20. It seems to be under a payable of 88,000 — I'm wondering will we ever have to pay that or how am I reading that.

MR. CURTIS: Could I do the North Arm Narrows first since I have that. This account represents the balance receivable from Churchill Forestry Products re an agreement to share the costs of the construction of a bridge. So that's receivable that we paid money by that amount and it was collected in 1977-78.

MR. BLAKE: It would be the north arm of Schist Lake, eh?

MR. CURTIS: It doesn't say, but it was the bridge over that I assume.

MR. WILSON: Yes, and it was paid.

MR. CURTIS: It was subsequently paid so it's no longer a receivable. Part two . . .

MR. CHAIRMAN: We'll come back to you when you've got it. Mr. Blake.

MR. BLAKE: There's one or two items. The Wild Fur Agreement I would imagine is to do with the trappers' problem and it's likely a cost sharing deal with the Federal Government. You could maybe clarify that.

There's another item there — I don't want to get into ethnic problems here but Pakwagon Community Services, you might enlighten us what the hell that is.

MR. MINAKER: We'll make it available, Mr. Chairman.

MR. CHAIRMAN: Anything further on Page 20? Mr. Orchard.

MR. ORCHARD: I realize we touched on this, Mr. Chairman, yesterday, it's to do with the bank overdraft at a given figure and if we refer forward to Page 80 in the grey book — I have some confusion developing here. Page 20 indicates bank overdraft at \$136 million and in the column on Page 80, Net Bank Overdraft at 31st March, 1977, \$370 million. I am confused.

MR. CURTIS: Mr. Chairman, if I could respond first of all to the item, Bank Overdraft General Account, on Page 20. As we mentioned, included in there are all of the outstanding cheques which appear to total \$134 million. Keep in mind that the books of the province are held open for a period of 20 days after the year end so that all the accounts payable and/or outstanding cheques are included in that figure. If you looked at our bank statements right on the date of the end of March you would either show a very short amount or a debit balance. The fact is that we add into that account all of the outstanding cheques that we issue for the next 20 days and the accounts payable to show the true position of liability.

Public Accounts
Wednesday, February 29, 1978

MR. MILLER: You call that a bank overdraft.

MR. CURTIS: We call it a bank overdraft. We could call it a Bank Overdraft, Accounts Payable and Outstanding Cheques, it would be clearer perhaps.

Now if you go to the other item on Page 80, this is in effect a balancing figure and it includes all of the funds that are available from the other divisions, capital division and trust division, which are used in the revenue division. In the Financial Administration Act we have the facility of using trust funds rather than borrowing money or utilizing other money; we can use the funds that are available in the other divisions providing we pay interest on proper trust accounts. So we're using those funds in the revenue division.

MR. ORCHARD: If I understand what you've said correctly, the \$136 million as per page 20 is in effect not an overdraft at the bank, it's outstanding cheques, etc.

MR. CURTIS: Yes, there's either a small overdraft or a small trust balance.

MR. ORCHARD: Okay. But when we get down to the figure on Page 80 that there may be some \$250 million — just for a rough figure — some \$250 million of moneys that the government current account has borrowed from various trust funds rather than go to the bank per se for an operating loan.

MR. CURTIS: Mr. Anderson points out on Page 21 for example it showed the amount of \$279 million being in contra or due from the revenue division. Just under the Trust and Special Division on Page 21 it shows, "Per Contra \$279 million" which is part of that composite figure.

MR. ORCHARD: And then on Page 20 we've got Schedule R.7, "Due To Trust and Special Division: Per contra, Schedule 'T.1'"

MR. CURTIS: It's the same figure. Just both sides of the entry.

MR. ORCHARD: Do I understand correctly then that the difference between the figure on Page 80 and Page 20 basically is some borrowing that we have done internally from government trust funds.

MR. CURTIS: That's right. Re-utilizing funds we have rather than borrowing it, or we may have put money out on the short market and we have to use money from one of the other divisions. But we're paying interest on any trust moneys at the current market rates.

MR. ORCHARD: Oh, at current market rates.

MR. CHERNIACK: Pretty good money in management there.

MR. CHAIRMAN: Any further questions, Mr. Orchard? Any further questions on Page 20? Perhaps at this stage — I note that Mr. Cherniack is back with us — I refer to his motion that was on the floor this morning when we adjourned for lunch. There has been some discussion on it earlier this afternoon and the Auditor has agreed to send copies of his recommendations to the Minister to all members of the Legislature. If this satisfies you, Mr. Cherniack, perhaps you'd like to withdraw your motion.

MR. CHERNIACK: Yes, Mr. Chairman, on the assumption that the response is that we are entitled to receive this copy and are now getting it, that's fine. Then I don't need a formal motion of course.

MR. CHAIRMAN: The motion is withdrawn. Page 20—pass; Page 21—pass; Page 22—pass; Page 23 - Mr. Blake.

MR. BLAKE: Mr. Chairman, the Mining Community Reserve — if someone would just give me a comment on what this covers, under Sundry Trust Accounts.

MR. CURTIS: It's the amount that's been set aside to largely, as I understand it, cover communities that run into problems with the mining effort in their own area.

MR. BLAKE: A semi disaster fund or whatever.

MR. CHERNIACK: Mr. Chairman, may I clarify? I remember I was rather pleased with it because it was part of our program. We increased mining royalties early in our government operation I think to 15 percent or some such figure. Still within the memory of most of us was the disaster that took place when San Antonio Mines was threatened to be closed up and a ghost town was created. Members will know that Premier Roblin at the time spoke to the other parties and by agreement of all parties there

Public Accounts
Wednesday, February 29, 1978

was approval given to advance moneys as a loan to Bissett, to San Antonio, to help them recover from the threatened closure. When we instituted this Mining Community Reserve we set aside, as I recall it, a half point of the 15 to be put into a reserve to be available for disasters of that kind, for creation of ghost towns, and I'm rather pleased to see this \$2,500,000 there which means that we have that in reserve for those needs.

MR. WILSON: I wanted to draw to the attention of this committee and possibly to Mr. Ziprick, is this true, that for recreation purposes the Manitoba Lotteries Commission and Fitness and Amateur Sport have these figures in a trust account? In other words, would it be safe to say that if the public knew this money was there then their fears about many of the community clubs closing down from lack of funding and everything would be unfounded, if they knew the government was in possession of this amount of money to be able to disburse to the different amateur and athletic programs in the province. Are these figures correct? These are as of what — March, 1977?

MR. ZIPRICK: Yes, those are figures as of March, 1977. Now the particulars of that trust I'm not familiar with but maybe Finance could elaborate on it.

MR. WILSON: So the question I would have to ask the Minister of Finance is this: Has this money been depleted and given out or is it approximately the same amount of money? I'm probably repeating myself but I'm always alluding to the fact that governments seem to be hoarding such large sums of money which have been earmarked for amateur sport and recreation and culture throughout the province and I'll be writing him on this matter.

MR. CHERNIACK: Mr. Chairman, I want to know whether the statement that government is hoarding this money is accepted by the representative of the Minister of Finance. In other words is this the amount that happened to be there on that day or is that a continuing balance that government is hoarding? The word "hoarding" means to take, to keep and not to disburse, in my opinion. Is that a correct description of this fund or has this money been disbursed?

MR. MINAKER: Mr. Chairman, what I will do is I'll see that the Minister provides the information, an analysis of how the money has been disbursed. I think that was sort of indicated yesterday if I remember correctly, was it not?

MR. CHERNIACK: That's right.

MR. MILLER: Some of this is earmarked and has been earmarked.

MR. BLAKE: That previous government was a niggardly bunch, they wouldn't spend a nickel.

MR. WILSON: They only give it out for certain reasons.

MR. CHAIRMAN: Any further questions on Page 23? Page 23—pass; Page 24—pass; Page 25—pass; Page 26—pass; Page 27—pass; Page 28 Mr. Wilson.

MR. WILSON: I guess under 28 and 29 that's the section they referred to when I brought up the question on the Auditor's Report. I wonder if Mr. Ziprick could comment, or probably Mr. Curtis, regarding is there any significance to the fact that in 1976 the former government had a \$7.2 million overdraft and in 1977 it's \$33.8 million. Is there any problem with that or was there just a lot of outstanding cheques at that time? It's on Page 29, it's the increase in liabilities.

MR. ZIPRICK: This is only a change in increase or decrease between years and there could be a s, variety of explanation it depends. The delay of bills coming in could increase the payables in any one year over the other, then there could be a big account happen to come in at the end of the year that's in the payables. You can't just treat the comparison in isolation, it fluctuates. You have to work on a net basis as to the working capital position.

MR. CHAIRMAN: Page 28—pass; Page 29—pass; Pages 30 and 31 Mr. Wilson.

MR. WILSON: I wondered if this could be explained by Mr. Ziprick. Under the Manitoba Lotteries Licensing Board, \$105,634, what would that attributed to?

MR. ZIPRICK: That's in revenue?

MR. WILSON: Right.

MR. ZIPRICK: They levy a fee on the people who have been licensed to carry on a lottery and I don't remember the percentage but it's a percentage fee and is remitted to the licensing board, the licensing board turns it over to the province, it's deposited here and their expenses are handled

through an appropriation.

MR. WILSON: Under Legal Aid, you have 750,000 and then there's a blank, does that mean to say the Federal Government held back or their payment just didn't happen to come in at the time and could Mr. Curtis tell me whether that 750,000 dollar grant has been paid?

MR. CHERNIACK: Mr. Chairman, may I suggest that I believe when the Minister undertook to give us the information that he will do it. I have confidence that the Minister of Finance will give the information on Legal Aid as he undertook to do.

MR. WILSON: I know but the point is that the Federal Government is supposed to kick through with \$750,000 and according to this revenue sheet here, there's a line which means they didn't get the money yet and I am wondering has that money since come forward. Again, I will take it as notice, you can keep going but . . .

MR. CURTIS: Can I respond to that particular point? This particular item, the \$750,000, was just a situation where the cut-off of transfer was missed. It has subsequently come in.

MR. WILSON: Right, that's what I'm asking. Okay.

MR. CHAIRMAN: Any further questions on Pages 30 and 31? Mr. Orchard.

MR. ORCHARD: We dealt with this, Mr. Chairman, slightly yesterday and that's in the Gasoline Tax less the Premium Assessment Transfer to MPIC. Now do I understand correctly that that was never collected as a revenue per se within the statement of Revenue Expense for the Province of Manitoba, that revenue went directly to the Autopac or MPIC?

MR. ZIPRICK: That's right. It was transferred monthly and to indicate the transfer as recorded, the total amount collected including Autopac was \$55,941,789, that's the total collected; then \$5,906,665 was transferred on a monthly to MPIC leaving a net in revenue that was collected for the Consolidated Fund.

MR. ORCHARD: Leaving a net revenue of slightly above \$50 million?

MR. ZIPRICK: That's right.

MR. CHERNIACK: Mr. Chairman, we made some remarks about this item yesterday and I based my remarks on a newspaper report which quoted the present Minister of Public Works to say that that two cents, that MPIC amount will no longer be collected for MPIC but is or will be collected as part of the general revenues of the province and that's why we talked about the two cent increase in taxation by the Conservative Government. I wonder, just to bring this up to date, whether it could be clarified for me what is happening to that two cents? Is it going to MPIC or is it indeed going into the general revenue and if the latter then on what legal basis is that being done?

MR. MINAKER: Mr. Chairman, I haven't got the answer for Mr. Cherniack but I can take it under advisement, to report to the Minister.

MR. CHERNIACK: Well I would guess that your staff may have it. This is an ongoing thing every month, Mr. Ziprick says, that's being paid. Surely his staff would know.

MR. CHAIRMAN: Would you give your name for the record and continue, please.

MR. ANDERSON: Mal Anderson. We would go back and undertake to provide that information tomorrow or even later today. We can check that out.

MR. CHERNIACK: Mr. Chairman, the reason I raise that is that I don't recall the manner in which—well I do believe that legislation was passed saying that that two cents shall be collected for and on behalf of MPIC I don't know how that could be changed without further legislation, therefore I don't know whether it was a statement of intent by the Minister or whether payment has stopped. If payment has stopped, I think that's a matter for concern, that's the reason I raise it.

MR. CHAIRMAN: Any further questions? Page 30—pass; page 31—pass; Page 32. Mr. Blake.

MR. BLAKE: Mr. Chairman, just a quick question under Automobile and Drivers' Licences, there is a decrease of \$1.6 million over that estimated. Could he indicate why there would be such a substantial amount under that particular item? There's probably a reason for it but I just can't think offhand what it is. I can see a few thousand but . . . — Interjection)— Automobile and Drivers' Licences under Highways. It may be something in the transfer between the Motor Vehicle Branch

Public Accounts
Wednesday, February 29, 1978

and MPIC or something, I don't know, but there's a decrease of \$1,646,596 in estimated revenues there and there's probably a logical answer but . . .

MR. ZIPRICK: That's the one you're dealing with, Automobile and Drivers' Licences?

MR. BLAKE: Yes, estimated \$20 million and received 18, so you know it's . . .

MR. MINAKER: Mr. Chairman, in answer to Mr. Blake's question with regard to the difference in revenue, I believe what happened was in that year when the Estimates were approved, there was a change in the rate charged to different vehicles with encouragement for driving a smaller vehicle or a lighter vehicle and then there was some adjustment to those rates after the Estimates came in. I think that's where it probably arrived — the difference.

MR. MILLER: Yes, there were certain exemptions allowed after the Estimates were decided on.

MR. EINARSON: Are you saying then, Mr. Chairman, that depending on what kind of car you own, if you had a car that was a certain weight, you were penalized, it cost you more as opposed to those who had smaller cars, so that I am wondering if those who had the bigger cars were not being assessed more and therefore it would balance out. I am wondering, and I don't know, could it be that the law has been that tough with drivers that that many have lost their licences so there is no revenue coming in for that?

MR. CHAIRMAN: Any further questions on Page 32? (Pages 32 to 41 were read and passed). Page 42. Mr. Orchard.

MR. ORCHARD: No, I'm sorry, I wanted 43.

MR. CHAIRMAN: Mr. Wilson.

MR. WILSON: Well I wanted to seize this opportunity to sort of read into the record my observations on the yearly expenditures of the Department of Industry and Commerce which have only gone up a few hundred thousand dollars, about half as many, and yet which seems to me that's the catalyst for encouraging industry and to create jobs and what to come into our province, yet conversely one which would attempt to control our lives and that, Consumer and Corporate Affairs, has gone up five and a half times, from 637,000 to 3,369,000. So I just wanted to make that observation that the priorities of the former government seemed to be one of control rather than encouragement to giving industry the type of support it needs to come into our province.

MR. CHERNIACK: Mr. Chairman, that is a very interesting comment. It would appear that the free enterprise system finds it necessary to lean on government, in Mr. Wilson's opinion, to a much greater amount than \$5 ½ million and the free enterprise system which he supports is therefore, in his opinion, in need of much much greater support and help in order to help and manage it. It's interesting that he is more concerned about helping free enterprise and private industry than he is in protecting the rights of consumers and other individuals in the province. That's my comments for the record.

MR. CHAIRMAN: Any further comments on Page 42? (Pages 42 to 53 were read and passed). Page 54. Mr. Wilson.

MR. WILSON: Would Mr. Ziprick very quickly tell us what these Bank Loan Guarantees. . .? We co-sign for all this money and at what time does the bank call upon us to pay this?

MR. ZIPRICK: It would be when they cannot collect from the person that we've guaranteed. In other words, when they are in default of payments, then we would be called upon to provide the guarantee.

MR. WILSON: Okay.

MR. CHAIRMAN: (Pages 54 to 58 were read and passed). Page 59. Mr. Orchard.

MR. ORCHARD: One question relating to Highways, Roads and Related Projects. The share attributed to construction costs from the Government of Canada at \$14,665,000, do we assume that that moneys for 14 million is part and parcel of the sum— well the 90 million dollar highway department budget. Is that \$14,665,000 part of the moneys expended in the Department of Highways 90 million dollar budget?

MR. ZIPRICK: This is a capital item, it would not be in the budget of the appropriations. This would be voted under Schedule B of the Capital Supply bill and spent out of there.

Public Accounts
Wednesday, February 29, 1978

MR. ORCHARD: Okay. What I am really getting at is of the 90 million dollar budget in Highways — well back into Page 31 — 14 million of that wasn't provided by the Government of Canada. It's not the same type of money? Okay.

MR. MINAKER: Mr. Chairman, Mr. Anderson indicated that this is funds that come from the Government of Canada and on top of the 90 million, it's funds available for strengthening.

MR. ORCHARD: Fair enough. Similarly then, the \$20 million, 100 percent provincial government, is that of the \$90 million budget.

MR. MINAKER: No, it is out of the schedule B capital budget.

MR. ORCHARD: Okay.

MR. CHAIRMAN: Page 59. Mr. Wilson.

MR. WILSON: I wondered if Mr. Ziprick could comment . . . Is it government policy to make leaseholder improvements? It would seem to me that in many cases the landlord should be making the offices available to government in a state that they would be acceptable to them and then they would move in. I note with interest that the government has spent \$84,000 on Lakeview Square and another \$50,000 on Taylor Avenue and Portage Avenue respectively. I'm talking about Leased Space Renovations and I wondered if it was the general practice of government to move in and then make the renovations. Would it not be better to have the landlord make the renovations and build them into the rent?

MR. ZIPRICK: It depends on the agreement that you arrive at but generally speaking the building is taken just as open space and then the renter divides it up and puts the necessary cupboards and whatever have you to suit his purpose and does it with either his in-house carpenters or rents it out.

MR. WILSON: Well is it not true then that these leaseholder improvements become the property of the landlord when the government moves out?

MR. ZIPRICK: Yes, it could well be but generally you make the improvements with the idea you have a lease for five years and after the five years you are finished. Now chances are when you move out and another lessee moves in they will just knock them down and divide it up to their own requirements anyway.

MR. WILSON: I see, all right.

MR. CHAIRMAN: Page 59—pass. Page 60. Mr. Blake.

MR. BLAKE: I have one or two comments, Mr. Chairman, under expenditures related to the fishing industry, the sum of \$80.00. The Mineral Exploration Assistance, was this the actual expenditure in the one year, \$2,348,000 or is that an accumulation of expenses?

MR. CHAIRMAN: Mr. Minaker.

MR. MINAKER: Mr. Chairman, that's the actual expenditures, the amount here.

MR. BLAKE: Okay, thank you. And under the Parks Development Program, \$5,630,000, could you give me a little better breakdown on that? Would the largest amount of that be Hecla Island? I don't want a detailed breakdown, just a . . .

MR. MINAKER: Mr. Chairman, I have been advised that approximately \$2.4 million of that was Hecla Island but if Mr. Blake wants a breakdown of that it could be provided.

MR. BLAKE: Fine, if you would, I'd appreciate that. Thank you very much.

MR. CHAIRMAN: Anything else on Page 16?

MR. BLAKE: Fine for me, Mr. Chairman.

MR. CHAIRMAN: Page 60—pass. Page 61. Mr. Wilson.

MR. WILSON: I wondered if someone could inform me . . . where would this office complex for the Liquor Mart be for \$180,000.00? Is it on the McGillvray site or what?

MR. MINAKER: Mr. Chairman, we can take that as advisement and so inform.

MR. CHAIRMAN: Duly noted. Mr. Orchard.

MR. ORCHARD: Mr. Chairman, under Page 61, Child Dental Health Program at \$249,387, can we have an indication as to how many students were . . . I am assuming — and maybe I am making a false assumption — that that is the Dental Care Program.

A MEMBER: Capital for it, equipment.

MR. ORCHARD: Okay, so this isn't involving with operating costs to the student level. That is a capital expenditure figure?

MR. MINAKER: Mr. Chairman, I have been informed that a major portion was to equip offices or the portable units that they have developed.

MR. ORCHARD: Offices within the school offering the program or the portable equipment?

MR. MINAKER: It's equipment for the portable trailer unit.

MR. CHAIRMAN: Any further questions on Page 61? Pages 61 to 82 inclusive were read and passed. Page 83. Mr. Wilson.

MR. WILSON: I wondered if the staff could take as notice or if they could explain where I might examine this item. Under the Executive Council it seems that the Premier spent \$38,000 travelling, yet the Minister of Northern Affairs spent \$54,353.00. I wondered if there is any reason why the Minister of Northern Affairs would have a larger travelling budget than the Premier. Also, where would I find the Premier's expenses? It says Other here, \$14,533.00. Is that where we get to the expenses incurred by the Premier?

MR. CHAIRMAN: Mr. Cherniack.

MR. CHERNIACK: Mr. Chairman, as usual Mr. Wilson draws conclusions and makes statements as if they were fact. There is nothing to indicate to me on Page 83 that the Premier's travelling expenses were \$38,000.00. What it says here, as I read it, is that under the Administration section of the Executive Council there is an item of close to \$38,000 for travel. That would include all people who travelled charged to that category, probably Mr. Bedson and I don't know what others there are. Now Mr. Wilson ought to know by now that there is a section — and I found it so easily — Page 196 which shows payments made to all MLAs including Mr. Wilson and there I think you could find the Premier. It says "Reimbursement of Expenses to Premier" — \$2,152.11. Maybe the question would be better directed to find out whether the Premier had travel expenses in the excess of the amount shown on Page 197.

MR. WILSON: I'm well aware of Page 196 and this morning I alluded to the fact that Mr. Hanuschak appeared to have the most travelling expenses of all the ministers. It is just a case of I wondered why there was this particular item under the Premier's allotment. I appreciate that he has some staff, the same as the Northern Affairs Minister has some staff but it just seemed to be a bit of an interesting spread between the two particular departments and I wondered where I might go to get this information. If Mr. Ziprick or his staff or somebody in Finance can explain how members of this committee can go about to look at the microfilm, get hold of vouchers and stuff like that, if they so desire. It may very well not be that important but after all, I am looking for ways to cut back on unnecessary expenses and so I just want an explanation and maybe other members of this committee do as well, as to where we can go to find out this information.

MR. CHAIRMAN: Mr. Parasiuk.

MR. PARASIUK: Mr. Chairman, surely the question here is whether in fact the Auditor is satisfied that those expenses had been made correctly. The Auditor has not, in any of his presentations, attached any innuendo to any of the statements he's made. Now I think there is a danger of people taking something out of context, attaching innuendo to it, and that's why things like that are in fact kept confidential. Now do you feel that you haven't been able to take a sufficient look at the expense accounts?

MR. CHAIRMAN: Mr. Ziprick.

MR. ZIPRICK: As I have stated in my report, we are satisfied with the expense accounts that have been paid and the amount of expenses. Now, as to the extent of travelling and to what extent it was

Public Accounts
Wednesday, February 29, 1978

necessary or not, it's a judgmental situation and some analytical comparison could assist. But the way they are set up now it creates a lot of difficulty and there is an awful lot of time that could be expended to try and come up with some comparisons in a meaningful way. So I would suggest it would be much better that a system be set up and the accounts pulled together on that basis and systematically evaluated. Otherwise you could spend an awful lot of money trying to trace down comparisons within the present context.

MR. CHAIRMAN: Mr. Wilson.

MR. WILSON: Mr. Parasiuk has again come to the defence and read something into what I was saying. What I was particularly saying is that it seems to me that — and Mr. Ziprick can correct me if I am wrong — but it seems to me that given the information that he had, given the vouchers that he had, he would say that the expenses are valid and my question then may be: Do the Ministers of the Crown have to supply vouchers for expenses? Is there a system set up to monitor them and have and when have they been evaluated? And has the Auditor ever had the occasion to go to the Minister of Finance or anyone on the former government side, dealing with this particular audit in front of us, and questioned the expenses of some of the ministers of the former government?

MR. ZIPRICK: The system is such that in every instance there would be no disbursement unless there is an expense account created that itemizes what the particular expenses are and it is properly signed. It is presented for payment, it is reviewed by my pre-audit section and if it is found acceptable it is passed on to the Department of Finance to pay. If there are items on there that don't meet the requirements that are set they are referred back with a request for explanation. In some instances we get further explanation and then it becomes satisfactory; in other instances the expense account may be changed and presented in a revised form which becomes acceptable and passed. Now that's the regular expense accounts. With the Ministers' expense accounts if there is some concern about some particular item it would be presented to me and I would either deal with the Minister directly or it would be discussed with the Minister of Finance as to what the difficulties are. I can't recollect a situation recently where it has happened. It undoubtedly probably has happened once or twice over the years but generally speaking it has never happened to my recollection.

MR. WILSON: It is interesting, Mr. Ziprick has said it has happened over the years and expense accounts have been changed. I assume by that he would mean the expense accounts have been changed downward. My comment is that you are saying to me that the Ministers of the Crown do or have a requirement to have a voucher in order to have a cheque signed. In other words, they don't have any executive privilege where they don't have to itemize or present vouchers for expenses. What I was told — and again I didn't have a chance to check it out — is that former ministers of the government had the opportunity to present expense accounts without the expenses attached or, i.e., the chits attached or what have you. I just wondered if that was possible.

MR. CHAIRMAN: Mr. Ziprick.

MR. ZIPRICK: As far as the chits attached it will vary. Like, for instance, generally speaking nobody attaches chits for meals. They're just judged that the person was out of town and had eaten and put whatever he spent on the expense account. Then there are such things as hotel accommodations, the statement is attached.

Now the same applies with the ministers. Now there's certain sundry, various kinds of expenditures where there is no chit and naturally we wouldn't expect to get chits on petty expenditures from ministers or other officials. So it's a judgemental deal in some of these sundry expenses. As far as hotel expenses and these kind of things are attached.

MR. WILSON: Okay. I have no quarrel with this page except by way of clarification. The hospitality then would be \$21,000 and \$15,000. Where it says "Other \$14,533", would those be the three items of which would be the funds of which the Executive Council would have to perform their entertainment duties, under those three items?

It says here, "Government Hospitality, \$21,000; Special Hospitality Grant, \$15,000" and then up above that it has "Other, \$14,533", that's in the "Other Expenditures".

MR. ZIPRICK: The "Other" is miscellaneous. It could be just a word used, miscellaneous. It's everything else except what's itemized. So it's not entertainment. It would be various types of sundry expenditures that don't fall into these other kinds of descriptions.

MR. WILSON: Surely. Okay.

MR. CHAIRMAN: Mr. Parasiuk.

MR. PARASIUK: Mr. Chairman, I would like to make it clear. It was implied that somehow I was coming to the defence of any individual or anyone mentioned in the Auditor's report. That isn't the

case. I'm not trying to defend anyone at all. I'm trying to defend a normal type of audit procedure. I'm trying to defend that audit procedure against McCarthy and it would appear from the quality of the comments I'm not defending that procedure from Joe McCarthy, I'm trying to protect that procedure from a Charlie McCarthy.

MR. CHAIAN: Mr. Minaker.

MR. MINAKER: Mr. Chairman, I wonder if I could make a comment as a member of the committee; that I know a lot of the questions that have been raised so far on precise items, opportunities will be given at the time of Estimates to do that and I would think the ministers would have the precise identity of what the "Other" for \$14,533 would be for and would have it for what it's proposed in their new budget because this is what always took place before. My understanding is to review the various dollar items, not in item by item detail, as to, you know, who spent \$100 here and on what but whether it was spent in order and whether the transaction took place according to the law and the practice of the government.

MR. CHAIRMAN: Mr. Wilson.

MR. WILSON: Except that if one looks at the voucher processing and if one is to make improvements in the expenditures — and we're dealing with a year-old matter, 1976-77 — when you run through the computer punch-outs it's not really that clear as to what the item may be for so you have to go to the vouchers. This is one of the reasons why I had encouraged the Minister of Finance to allow the individual members to go about and do their own investigations because really you were investigating past money spent. I mean it's like a child's thing, you can't cry over spilled milk. But one of the things you do get out of examining the expenditures as you get into a pattern that has been created over a period of six to eight years by the opposition which may be, as Mr. Cherniack said regarding travel, you have to examine from time to time to see if we're going in the right direction. Even in my days on City Council, Joe Zuken was always calling for a review of different situations. I think it's through this type of examination that you might put the brakes on which could be an open-ended expense account.

It's through this type of examination that you find that ministers who stand up in the House espousing to protect the rights of his constituents on Burrows are some of the most travelled and some of the most flashy livers when it comes to living on expense accounts. So this is the type of thing that I'm trying to bring out with my examination. So with that I'm sure Cabinet will be examining some of things that I'm suggesting.

MR. CHAIRMAN: (Pages 83 to 92 inclusive were read and passed.) Page 93. Mr. Wilson.

MR. WILSON: Again I'd like to refer to the Attorney-General and possibly Mr. Ziprick could explain. Under Automobiles it would seem that the Attorney-General's staff has spent \$665 on automobiles, yet turning again to the Minister of Northern Affairs, Mr. McBryde, he's got \$9,000 on automobiles. I wondered, is this just for repairs to the automobile or does this mean that certain ministers have received a new car and others are driving an older one?

MR. CHAIRMAN: Mr. Ziprick.

MR. ZIPRICK: There again it's just not the ministers. This applies to the whole department. The minister's is probably a very very small portion of it.

Now the Attorney-General's department, of course, the automobiles would be substantially less than in a department like Northern Affairs. But there again as to making an assessment within this kind of context it gets very difficult.

MR. WILSON: The thing that I am trying to envision is, you see the Attorney-General seems to have no automobile expenses at all yet other ministerial departments seem to be very high. I'm trying to envision in my mind why the difference. Maybe Mr. Miller could explain it.

MR. CHAIAN: Mr. Miller.

MR. MILLER: Mr. Chairman, as Mr. Ziprick points out, it's not the minister's travel, the automobile expenses, it's the expenses of the department itself. When you get a department like Northern Affairs it's a far-flung area, people are travelling great distances where this does not occur in the A.G.'s department. It's a different kind of operation. It just doesn't occur. As a result you get varying amounts which simply reflect the nature of the department and the land department and the kind of responsibilities they have and the need to service outlying communities which the A.G.'s department is not involved in.

MR. CHAIRMAN: Page 93—pass; Page 94. Mr. Orchard.

Public Accounts
Wednesday, February 29, 1978

MR. ORCHARD: I suppose this goes back to 93 and in fact other pages and it's just a point of clarification. Under the item "Travelling that's found within each category, now we've got travelling, we've got automobiles, we've got transportation. The travelling aspect, would it be safe to assume that that's out of province, hence plane tickets or whatever?

MR. ZIPRICK: No, automobile involves the use of automobiles for travelling. It could be a government automobile or an employee's automobile, whereas the travelling would be plane tickets and other meals while in travel condition and various other things.

MR. ORCHARD: So then as a rough rule of thumb could you say then that the Travelling item would be probably out of province expense?

MR. ZIPRICK: No. As a matter of fact most of it is in province. If you took an automobile, drove by automobile from here to The Pas, the transportation would be an automobile cost; whereas your meals, your hotel room while you're staying, let's say a week at The Pas, that would be travelling expenses.

MR. ORCHARD: Yes, okay.

MR. CHAIRMAN: Mr. Minaker has a note on that.

MR. MINAKER: Mr. Chairman, there is an explanation of what each item covers and the coding of the computer accordingly details it you know, item by item what would classify under travelling expenses. I don't want to say that it will be handed out to every member because I don't whether it might create a problem if it became public. I can't see any but I'm just thinking of relating to the computer and so on, that if it got outside the hands of ourselves. But I'll take it to the Minister and ask him if we can forward a copy of the general expenditure object codes, a description and explanation to all members of the Legislature. It might be useful to everybody.

Why I raise I don't know whether it can go out or not, it has never come out before. So maybe nobody ever requested it, I don't

MR. MILLER: It's the code? You're talking of code?

MR. MINAKER: Yes.

MR. MILLER: No, it hasn't been requested.

MR. ORCHARD: I can understand new members wouldn't know necessarily there would be travel and automobiles expense but now they do know I'm not sure . . .

MR. MINAKER: You see, under Travelling it could be management training courses or seminars, field trips within the province, regular duties within province including ministers, field trips outside province, educational leave in our educational assistance, conventions and conferences, MLA travelling expenses, expenses re applicants for Civil Service positions. There's a number of things and I just listed half of them.

MR. ORCHARD: But then basically, for any given code or any given category that's within our expenditures here, I could refer to a category which will give me the breakdown on the individual sections within that expense item. That's fine.

MR. CHAIRMAN: Mr. Cherniack.

MR. CHERNIACK: No.

MR. CHAIRMAN: Page 94—pass; Page 95—pass; Page 96. Mr. Cherniack.

MR. CHERNIACK: Mr. Chairman, it did occur to me when Mr. Ziprick gave a figure of some \$10 million for travel, that's not the total of the travelling item, is it? Or is it?

MR. ZIPRICK: Yes. Yes, that's the total.

MR. CHERNIACK: Well, then, does that include all the items that Mr. Minaker referred to, those he read and those he didn't? Mr. Minaker didn't hear my question. I'd like to repeat it.

Mr. Ziprick, in his report referred to I think \$10.4 million for travel which was greater than in the past. I just want clarification whether that 10.4 is actual travel or includes all the category that comes under travelling.

MR. ZIPRICK: It leaves out such things as MLA travel expenses which are shown in separate but it

Public Accounts
Wednesday, February 29, 1978

includes basically while at management training course or seminar. Now that's not the whole course. This is just travelling for that course.

MR. CHERNIACK: In travelling for that course. But it's not fees that may be paid for the course.

MR. ZIPRICK: No, no. And the same way with field trips within the province.

A MEMBER: It includes lodging as well.

MR. ZIPRICK: Lodging, that's right.

A MEMBER: And food.

MR. ZIPRICK: And food, that's right.

MR. CHERNIACK: The total cost while away from the place of employment.

MR. ZIPRICK: That's right. That's right. He's out and in a state of travelling and away from home.

MR. CHERNIACK: Did Mr. Minaker refer also to sabbatical or educational leave?

A MEMBER: Or educational assistance.

MR. CHERNIACK: Or educational assistance.

MR. MINAKER: But that would be travelling to . . .

MR. CHERNIACK: Travelling to an educational project somewhere.

MR. ZIPRICK: That's right. It's not the salary while away on leave . . .

MR. CHERNIACK: It is the total expense of being away on government business or government authorized being away from the place of employment.

MR. ZIPRICK: That's right.

MR. MILLER: Both in and outside the province.

MR. ZIPRICK: That's right.

MR. CHERNIACK: Yes. Does that include, let us say, disbursements made at the place of employment like meals?

MR. ZIPRICK: At the place of employment?

MR. CHERNIACK: Well, for example, a meeting at the Marlborough Hotel, that is at a dinner meeting. Would that be included under travel?

MR. ZIPRICK: Yes, sure.

MR. CHERNIACK: So when a department or any part of a department has a meeting which involves let's say an all-day meeting with meals, that would come under travel as well.

MR. ZIPRICK: Yes.

MR. CHERNIACK: Thanks for the clarification, Mr. Chairman. I apologize for breaking in but it seemed so close to what Mr. Minaker had told us.

MR. CHAIRMAN: Pages 96 to 112 inclusive were read and passed. Page 113. Mr. Orchard.

MR. ORCHARD: This inquiry I guess carries forward to the next two pages. It centres around the public debt, Mr. Chairman.

MR. CHAIRMAN: Carry on.

MR. ORCHARD: If we follow through the pages and we come up with the figure on Page 115 of \$158,781,000, does that figure represent net interest payments by the province?

Public Accounts
Wednesday, February 29, 1978

mr. CHAIRMAN: Mr. Ziprick.

MR. ZIPRICK: Yes, that's the total for the Department of Finance, \$158,781,000 which includes interest payments.

MR. CHERNIACK: But it includes principal as well doesn't it, Mr. Ziprick?

MR. ZIPRICK: It includes the public debt item which nets out to \$45 million. If you will look on Page 113, Public Debt \$45 million, that portion following that, all that nets out to \$45 million. So if you total up all the dark figures under the Department of Finance it would, it is my understanding, come to \$158,781,000.00.

MR. ORCHARD: Mr. Ziprick, that is then a figure of interest charges paid?

MR. ZIPRICK: The \$158 million?

MR. ORCHARD: Right.

MR. ZIPRICK: Oh no, the interest charge is that Public Debt (Statutory) — all those items below make up the interest charges, showing interest on the public debt of the Province of Manitoba and expenses incidental thereto. Now there are deductions. If you will note there is a \$78 million credit, recoveries from utilities, so that it all nets out to \$45 million. Am I right, Mal?

MR. ANDERSON: The problem is that the carry forwards are in the 158 that you're looking at, starting on 111 million on the top of Page 113, so you have to rule off and start . . .

MR. CHERNIACK: That's the entire Finance Department isn't it?

MR. ANDERSON: Yes, that's running . . .

MR. CHERNIACK: It says "Total — Finance" . . .

MR. ANDERSON: That's the total Department of Finance.

MR. CHERNIACK: So it's all the expenditures.

MR. ANDERSON: That's right but the Public Debt is \$45 million.

MR. CHAIRMAN: Mr. Orchard.

MR. ORCHARD: Okay, is there somewhere within the Department of Finance figures a figure of the interest that the province has paid to service its debt for the year which we are studying?

MR. ZIPRICK: Yes, it's the 45 million. That, of course, is a net figure of all the items that follow.

MR. ORCHARD: Where is that figure found, excuse me?

MR. ZIPRICK: On Page 113 in dark letters, Public Debt (Statutory) (\$45,293,000) — heavy.

MR. CHAIRMAN: To that point, Mr. Cherniack?

MR. CHERNIACK: Yes, Mr. Chairman. Mr. Ziprick, let me put it differently. Mr. Orchard has been asking is that representing interest, 45 million. The answer has been "yes" but I think it represents principal as well because I see Sinking Fund payments \$17.5 million, so that it is interest and principal. The 45 million . . .

MR. ZIPRICK: It's public debt charges, statutory charges, that's right.

MR. CHERNIACK: Which includes principal paid under the statutory thing which I think is the amortization over 23 years. Is that correct? I call it the Stuart Garson formula because it hasn't been changed since Stuart Garson set the rate. I think it's — is it 4 percent per year, I don't remember the amount?

MR. ZIPRICK: Three plus three.

MR. CHERNIACK: Three plus three. So the answer to Mr. Orchard is that the net interest paid on

public debt plus principal applied in that year totalled 45 million.

MR. CHAIRMAN: Mr. Orchard.

MR. ORCHARD: Well then three lines below that in lesser ink we have Interest on the Public Debt at \$91 million.

MR. ANDERSON: We pay the interest on behalf of certain utilities from whom we recover the money so we have gross interest charges related to each of these debenture series which you can follow individually all the way down the line, which comes up to the \$91 million. There are certain other charges which bring you to a total of 98 million. And then we recover back from utilities whose debt we're servicing, \$78 million.

MR. ORCHARD: Okay, but at some point in time within the Province of Manitoba whether . . . This is where I run into the confusion because the Government lists in one category the total interest payable by the province and then in the other area collects some of that interest back from Crown corporations, etc., at the \$78 million. But still and all, within the province — taking a global view of the province — we have paid \$91 million in interest at some point in time.

MR. ZIPRICK: Yes, that's involving direct public debt. Then there is also interest paid by Hydro on guaranteed debt and by others. So if you take the global view of the province in a consolidated way there's more than that.

MR. ORCHARD: Okay, then if anything, the interest figure, irregardless of where it comes from, is going to be something larger than the \$91 million because of direct Hydro debentures, etc., which aren't part and parcel of our examination here.

MR. ZIPRICK: That's right.

MR. ORCHARD: Now, is there any place or any way that we can find that out as a matter of interest to myself and to the committee and to the public at large?

MR. ZIPRICK: Well it would be quite an undertaking to consolidate this. I haven't got the resources to undertake it. If you can get the Department of Finance to undertake it . . .

MR. ORCHARD: This is the "who is going to get who to do it" problem.

MR. ANDERSON: Perhaps as a quick assistance to you, you might look on pages 48 to 53, which will list for you the guaranteed debt. You could look at each of the individual issues and all of the detail is there for the taking of the interest rates, etc., and you might be able to have a look at it that way. It's got the Hydro Electric Board . . .

MR. CHAIRMAN: Mr. Galbraith.

MR. GALBRAITH: My questions have been asked by Mr. Orchard so I'll pass.

MR. CHAIRMAN: Any further questions on Page 113? Mr. Orchard.

MR. ORCHARD: Out of interest . . . I'm having difficulty comparing one year to another to determine whether the province is gaining or losing. Now it just so happens the only other Public Accounts I have are for 1969, by sheer coincidence I assure you, but within the balance sheet in 1969, under the liability section there is an item specifically marked as interest on public debt and accrued charges. We have no such equivalent entry in 1977. I don't know whether the \$8 million, our interest in public debt in 1969, is directly comparable to the \$90 million we paid this year and whether we're really ten times more in debt or not. That's the problem I have.

MR. CHERNIACK: Why don't you get 1958, that's a good year.

MR. ORCHARD: Was that a better year?

MR. CHERNIACK: That was a good year, Roblin was starting to spend money like water.

MR. ORCHARD: I am not attempting, as may appear to the members opposite, to nail them for a horrendous job or whatever of public spending, I think it is of interest if we could compare identical situations from one year to the next to give myself and the public an idea of how much our public debt is increasing.

We can argue amongst ourselves as to what's in and what's out in public debt, what's in and what's out in terms of interest on public debt, and I have difficulty . . . And maybe this is some of the change

Public Accounts
Wednesday, February 29, 1978

you are recommending and wanting to see so that you can get that figure pulled out. Once again I can wish you nothing but good luck because if in fact we have gone from \$8.6 million in 1969 to \$91 million in 1977 and that doesn't include Hydro issue — terrible. — (Interjection) — Well we don't know though.

MR. CHAIRMAN: Mr. Ziprick.

MR. ZIPRICK: I think it would be unduly difficult as far as what's been charged to the consolidated fund, to follow through back and make some reasonable comparisons. But you would have to go through it because it has been shifted around. At one time debt was not under any department as a separate item, if I remember correctly, then it was moved into the Department of Finance. But by a review it could be located as to the amount of the net charged to the consolidated fund.

MR. CHAIRMAN: Any further questions? Pages 113 to 120 were read and passed. Page 121. Mr. Wilson.

MR. WILSON: Under this Patient Air Services it would appear that the taxpayer spent 1.1 million on the patient air transportation. I have difficulty in separating the term transportation, \$847,000, and the travelling, \$248,000.00. I wondered if someone could explain — are some coming by bus and others by plane or why would it have travelling and transportation? It says air transportation.

A MEMBER: What page is it?

MR. WILSON: Page 121.

MR. CHAIRMAN: We haven't reached 121 yet.

MR. WILSON: I thought you called 121.

MR. CHAIRMAN: Right, 121.

MR. WILSON: Under the Patient Air Transportation . . . We've had a good deal of experience in Wolseley, we have a number of medical homes there and a lot of these people fly in from the North to visit doctors at the hospital and they're flown into the St. Andrews Air Base and from there they take a taxi into the Wolseley area. It was suggested that the Federal Government was willing to supply a particular apartment block near the Health Sciences Centre if the Provincial Government would fund the operation for a janitor and custodial staff and of course that was rejected. But I just wondered, for clarification, so that when I do write my letters and that on this cost, that you could tell me what travelling means and what transportation means.

MR. MINAKER: Mr. Chairman, through you to Mr. Wilson, you recall I read very quickly the explanation for travelling expenses earlier and the transportation are for other than employees, those would be patients or people utilizing the system that was offered in the medical air transport assistance and so forth.

MR. WILSON: In other words, approximately one-third of the program costs are attributed to administration so, in other words, it costs 25 cents on the dollar to fly someone in. It's not as bad as Mincome where it costs us about \$1.25 to give out a dollar but it seems the administrative costs is quite high here. Okay, I'll leave it at that for now.

MR. CHERNIACK: Mr. Chairman, I'm sorry, I would like an answer to that because I don't believe it's true so I wonder if we could get an answer on that. Mr. Wilson said that it costs 25 cents of every dollar to administer this program. That's what he said. Now if it's true I would like it confirmed; if it's not true I would like it denied.

MR. MINAKER: Mr. Chairman, I can't answer that directly other than I know, my understanding was that the travelling expense there was to cover employees that would have to come with the patients and so forth that would be charged to the travel expense as part of it but maybe Mr. Anderson has further information. . .

MR. MILLER: Mr. Chairman, when you talk in terms of staff coming with patients where, depending on the nature of the illness, someone from the hospital up north, if it's a child or depending on the nature of the illness, some professional or paraprofessional would have to accompany the patient to Winnipeg — if it's a stretcher case for example — and nurses have been sent in and sometimes licensed practical nurses have been sent in with the patient and then have to lay over in Winnipeg before they can fly back again. That would be under "travel expenses."

MR. MINAKER: Mr. Chairman, the other thing is the nature of the program, that it is a remote

program so there would be considerable travelling. Whether it was misuse of the travelling I don't know . . .

MR. WILSON: No, I didn't say that, I made an observation about the cost of administering the program.

MR. CHAIRMAN: Page 122. Mr. Wilson.

MR. WILSON: I have a great deal of difficulty. I guess I could deal with it when I'm dealing with the one I'm familiar with so I'll leave it but I'm concerned about the publication costs in all of these sections. I'll wait until one that I have the figures on later on.

MR. CHAIRMAN: Page 122—pass; page 123—pass. Page 124. Mr. Wilson.

MR. WILSON: I wondered — this basic annual income project has always been of interest to me and I wondered if the figures here are correct because would this subsistence of \$1.8 million mean the actual money that had finally got down to the low income people that were part of this program. In other words of the \$4.1 million, does that mean the people receive 1.8 million? In other words did it cost \$1.10, \$1.25 or a dollar to give out a dollar because it would seem that the administrative costs of this program are extremely alarming.

MR. MINAKER: Mr. Chairman, maybe first I'll give the description of what subsistence is. It's food for citizens, food for employees while not travelling other than purchased meals — that might be a survey crew or something, not relating to this, but if somebody was out and cooking their own meals and going to the grocery store and buying and so forth — shelter which probably is a portion of that, board and room for employees while not travelling, and meals other than when travelling and it's a likelihood that the component of that program included shelter or board and room. I would think that the Minister of Health would probably have a more detailed breakdown on that.

MR. WILSON: Yes, I appreciate that it is a 17 million dollar project over a number of years which is eventually going to be scrapped but the thing that I would be interested in, I guess I could direct this to the Minister of Health, is based on this Public Accounts it would seem to me — if you could tell me where I could find it here — I am trying to find out how much found its way down to the low income people participating in the program and how much went to administration. How many of these people were sort of on contract from Princeton University from the U.S., I understand there's quite a few of them, and what are professional fees of \$95,000? What type of people would we need that would be classed as professional fees to administer this type of a family allowance program called Mincome?

MR. MINAKER: Mr. Chairman, I can't answer the question raised at this point. We can take it as information and when we meet tomorrow we can try and have a reply to it.

MR. WILSON: Surely.

MR. PARASIUK: Mr. Chairman, there seems to some misconception about this particular program. I think there were press releases out in the past about it. It wasn't a social service program as such. It was a research project and it arose because in years past there is a train of economic thought and one of the foremost thinkers in this particular area is an economist called Milton Friedman who advocated replacing social services with a guaranteed annual income. Some of the Conservatives have said that Milton Friedman is in fact their favourite type of economist. Now the Federal Government in an attempt to determine whether it might be possible to replace the social service program with a guaranteed annual income decided that they would do a controlled research project in the area which would provide a guaranteed annual income to selected target groups of people, that they would study this particular area to death to determine whether there was a weakening of work incentive or not a weakening of work incentive if you did provide that type of guaranteed annual income before you left into the program holus bolus on a large scale and committed yourselves to a two hundred million dollar yearly expenditure. That's why the research component of it is very very high. It's a testing program.

Seventy-five percent of the cost of this entire program was picked up by the Federal Government because they wanted to try it. The net cost to the province for this particular program, given the 75-25 percent cost sharing, is probably less than if in fact we were in the normal 50-50 type of cost sharing program under the Canada Assistance Plan. I raise that as a point of explanation.

But while I'm on this point, Mr. Chairman, one of the things that doesn't come out well in this type of auditing procedure, and I don't know, probably a red herring at this stage but I will raise it anyway, is the whole notion of social accounting that isn't really done in this type of auditing procedure, that is what was saved by doing this in the way of welfare costs or what was saved in the way of payments from other sources by doing something this way as opposed to doing it another way. That tends not to be reflected in this type of accounting system and yet there is a very bona fide area of endeavour

Public Accounts
Wednesday, February 29, 1978

called social accounting, which is somewhat newer than the older line of accounting, and I'm wondering whether in fact the Auditor would comment on the whole area of social accounting and whether he feels that he might be getting into that area at some stage.

MR. ZIPRICK: Well I agree it's a fairly new thing. There are some attempts being made in the corporate field to provide some social accounting data in connection with financial accounting but it's quite subjective, as far as when it gets down to auditing it's difficult if not impossible to audit unless there's a lot of sort of standards developed. Now it's quite new as far as corporate accounting is concerned, and as far as government is concerned I know of no situation where it's even being attempted.

Now as far as any rationalization for decision making it would fall into the category of one segment of PBVS and in the review of a program and deciding on a program, considering the various alternatives, you would take account of various savings that you do in one place and on that basis make a decision. So with regard to decision making, there is something done but with regard to displaying it in an accounting form, there is nothing as yet.

Now what we are experiencing here, the concern that I have been expressing, is the way we've mustered the material together and present it and that gives us a lot of problems. If we had the material put together in a much more constructive form and on a comparable basis between years, it would be much more readable, we could get much more understanding. I can see the concern and the difficulty and you can also appreciate the difficulty we run into when we try to apply some analytical auditing to this kind of information.

MR. WILSON: Well the point is that in Public Accounts there's an item of \$4.1 million that somebody has to pick up the tab, I realize that this is probably only our share of the 17 million dollar program or whatever. If this is just for a one-year period then a certain portion of this would be recovered from the Federal Government. But I think members opposite shouldn't be demanding or looking for social accounting when the truth of this whole program is the bureaucrats got the situation brought upon them by many economists, including myself initially, looked upon this . . . — (Interjection) — No, but looked upon this with a great deal of excitement because I thought what a way to get rid of all the civil servants. A certain portion of the population does not want to work anyway or can't for other reasons of health or otherwise and so it was felt that the 92 percent of us would carry the 8 percent that wanted to live on a guaranteed annual income or family allowance. But one problem that the politicians didn't realize and I think members opposite have to be faulted for getting us into this program because it was again those 50 cent and 75 cent dollars that the Feds wave at them is that they should have known that nobody who builds up an empire is going to dismantle it in favour of — in other words the late Mr. Desjardins would never dismantle his Health and Social Development Department by allowing all these people who are on social assistance to get a family allowance.

And these Americans who came in already had the figures for cities. This was supposed to be a program for the country but when they couldn't find any customers, slowly the head office crept here, slowly all the customers became Winnipeg customers. And so at some point in time the Federal Government says enough is enough, you haven't been able to complete your study under a rural setting so we're scrapping the program. But I think the idea was a good one but it was the type of idea that's motherhood, that no government is going to have the nerve to dismantle the civil service, and that's what it would have done. It would have done away with all the social workers, all the particular people who run all these departments and all the automobiles and all the particular people who live off the \$398 million budget that Health and Social Development has. So I wanted to draw to the attention that I would like to know in the next couple of days or some time, if I have to write the Minister fine or if Mr. Ziprick can find out, what did it cost us to give away a dollar to some low income person? I'm suggesting it cost over a dollar to give out a dollar.

MR. MILLER: Mr. Chairman, I don't want to editorialize as Mr. Wilson seems to like to do but I'm forced to literally. I think my colleague here did in fact indicate the nature of the program. It was originally a three-year program; it was entered into with the federal government in order to test out various models. As I recall there were seven models that would be tested out by this Mincome program. It had a lifespan of three years, it was known to be three years. The three years are ended and it's in the process of being phased out and phased down. Certainly there are professional fees, there are very high computer fees but that was part of the program. It had to be analyzed and it will be probably another two years before the full analysis of the material that's in the computers will be known and can be evaluated by people who are expert in this field. It's not something that's done by just anyone off the street. So to suggest that somehow the province went into something and didn't make a good deal, I reject that, because as has been pointed out many of these people, the majority, were on welfare of one kind or another and instead of the 50-50 cost sharing that Manitoba would normally get we're getting 75-25. Therefore we were getting an additional 25 percent, the federal government was picking up the difference because they were anxious for this experiment to take place as generally in Canada at that time there was a movement in that direction.

Public Accounts
Wednesday, February 29, 1978

It could be that as a result of this experiment we may still see a guaranteed annual income, not in the immediate future but perhaps down the line because the information that's available from this program will be vetted, analyzed, evaluated and it will determine the best method by which a guaranteed annual income may be introduced nationally and to avoid pitfalls later on down the line.

MR. MINAKER: Mr. Chairman, through you to Mr. Miller. I believe that Mr. Miller was the Minister of Finance at that time when the original agreement was . . .

MR. MILLER: No.

MR. MINAKER: I was just wondering whether at that time whether or not there wasn't in the basic budget set up and agreed to, some figure for direct payment to the individuals and then there would be a figure for the amount to report and a figure on the amount to do the research and study.

MR. MILLER: Because the moneys were flowing to different income people — in some cases it would be people who would get their total income from Mincome, others would get a proportion depending on how their income rose. In other words, as their income rose there would be a break-point whereby they'd be getting less. The question was: was there a disincentive? If people had this basic amount, was there a disincentive to go to work or even though they had this basic amount, would they still seek employment over and above that amount even though they wouldn't get full credit of the full 100 cents on the dollar for anything they earned over a basic amount. So there were different levels of income that were entered into the program. They weren't all welfare recipients.

MR. MINAKER: Mr. Chairman, maybe Mr. Miller misunderstood me. I was referring to the fact that the figure \$17 million over a three-year period was indicated which would have meant that approximately \$3 million or \$4 million was going to come in from the province. Was there not some kind of a budget figure at that time predicting that this many dollars would be utilized to disbursement to the people, this many dollars for doing the research and administration.

MR. MILLER: Yes.

MR. MINAKER: I'm just wondering whether that might be available for us.

MR. MILLER: I don't recall the figures but I know in the initial scheme of things a certain percentage was assumed as payouts, another percentage, another amount, was calculated as cost of the experiment itself. I recall there were thousands, literally, of interviews took place before anyone was enrolled. This was before the payouts even began. That was part of the experiment and that was part of the planning for the experiment which is included in this \$17 million.

MR. CHERNIACK: Mr. Chairman, I wonder if we shouldn't remember that we are here dealing with the Auditor's Report on the accountability for the expenditure of funds. It seems to me that when we get involved in the program content that this is not the arena in which we can get the information. I look around here, I don't see anybody from the department — anybody representing the department that was responsible for this program. So that anybody who makes a guess as to what various costs are is dealing out of ignorance really and no way to confirm it. I think that the proper place for this always has been the Legislature, the Estimates procedure, the Estimates committee, that when the Minister of Health presents his Estimates in the session he will be reporting on work that has been done and work that is expected to be done and that is the occasion when he will have staff available and be equipped to handle the questions and discuss the whole picture of this basic annual income project. I don't see that there is any benefit to anyone in discussing it here although I don't think we should restrict the opportunity for somebody to try to learn facts. But to draw conclusions I think is useless because I don't see how the Auditor can help us in coming to those . . .

MR. MILLER: Call the Department of Finance.

MR. CHERNIACK: Well I mean that, that confirmation as to amounts can be expressed but the program itself I think is not before us. For example, Mr. Minaker says that there must have been an agreement. I would agree, there must have been an agreement. There must have been a budget. I would agree, there must have been a budget. Could we get the agreement; could we then discuss it from there? There should be a starting point rather than conjecture. Although I'm prepared to sit here for the next half hour, roughly, it would be a pity if we lose the time that we could spend on the work of this committee.

MR. CHAIRMAN: Page 124—pass; Page 125 - Mr. Wilson.

MR. WILSON: Under 125 I'll cover the Correction and Rehabilitative Services of \$17 million. One of the things besides — again you've talked about the travelling and you've talked about what the other covers and again I guess you have to find out what those are from budgets — except that by looking at

Public Accounts
Wednesday, February 29, 1978

these I come across an item called Publications. I note with interest that every different institution or section, whether it's the Manitoba Home for Girls, Manitoba Home for Boys, the Youth Centre and the group homes, that there seems to be several items here which I wonder if someone might report back to or maybe the gentleman representing the Minister of Finance or former ministers of finance can tell me, it's under Publications.

It seems to me that under Publications and under the Youth Centre it's an item of \$12,438.00. It seems to me that they have an awful lot of publications which may be kind of a duplication which might be available through some mobile book centre or through the library or something and I wondered, can anybody explain why there is a variation in Publication budgets between the different institutions and why would the Youth Centre have such a high Publication budget.

The other comment I have is pertaining to Building and Maintenance Supplies. Is this equipment and materials used to repair wilful vandalism that takes place at the Youth Centre? What is the \$34,000 for and the Equipment of \$48,500.00? What I am saying is if this approximately \$82,000 is being used to offset vandalism and that at the particular institution, if those alarming costs are brought forward maybe the current Minister of Health could have a look at it and see what we could do to save some money. My question is regarding the Publications first and the second is more of an observation as to the seemingly high cost of building materials and equipment that seems to be replaced every year.

MR. MINAKER: Mr. Chairman, in answer to Mr. Wilson's question on what Publications involves, the description given is: "Library reference material, books, periodicals, pamphlets, etc." It does not include material for advertising purposes. It includes books including referencetexts, subscriptions to periodicals, subscriptions to newspapers and other. I am presuming, Mr. Chairman, because I'm not involved with this department directly, that it would relate to that type of information being made available to inmates in the institutions and so forth and the operation of the management of them.

MR. WILSON: Not to cause the Free Press and Tribune any type of thing, I wonder if it's a standard policy across Canada that every inmate gets a daily newspaper. Does he get both newspapers or does he just get the one?

MR. MINAKER: I have never been in the institution so I can't answer that, Mr. Chairman.

MR. WILSON: I note with interest the Free Press is \$429.00 to the Youth Centre and the Tribune is approximately the same. It would seem to me that \$900.00 would buy quite a few newspapers every year.

MR. MINAKER: Mr. Chairman, I can't answer on behalf of the present Minister or the former Minister but I would think I would much rather see the inmates reading newspapers and periodicals than involved in some other type of activity.

MR. WILSON: I didn't read into the record some of the other particular magazines that were subscribed to or the films. I have no way of knowing. There is 8 and 16 millimetre films here, one item of \$8,200 and again, without seeing the vouchers you have no way of knowing what kind of films they're watching, what kind of newspapers they're reading and what have you. I merely draw the conclusion that if we have a large film library for the province, if we have library systems throughout the province I'm drawing to the attention, for the record, the publication policy of the government seems to be one of sort of duplication. As we go to each institution there seems to be these large Publication budgets which may be looked at and there might be some savings there.

MR. CHERNIACK: Mr. Chairman, it may be that Mr. Wilson would recommend that if the Manitoba Home for Boys gets the Tribune it should use a messenger service to deliver a copy to the Youth Centre once it has read it and thus save it. I don't know whether it's a point of order but Mr. Wilson seems to be in possession of a complete breakdown of some of these items and what he called computer printouts. Are those available to MLAs? Mr. Chairman, may I ask whether that came from the Auditor or the Minister of Finance? That kind of breakdown is one I don't remember ever seeing.

MR. MINAKER: Mr. Chairman, I can't answer for the Minister of Finance — he just came in the door — but I know that I don't have any such breakdown. I'm not aware of it.

MR. CHERNIACK: I've never seen it.

MR. WILSON: By way of explanation, if any member has a particular item that he wants to look at or wants to look at microfilm I believe he just has to, through the new setup, go through the Minister of Finance and say, I'd like to look at the expenditures, and he can go over and examine the microfilm and if he sees an item of interest he can get a copy of it.

MR. CHERNIACK: I appreciate the answer. What does it cost? I wonder how much it costs, Mr. Chairman. Mr. Wilson is giving us this information which is very useful, how much does it cost and

who pays for it?

MR. WILSON: Well this is a public record. You look at these films I imagine on your own time. There's no charge for my time spent over there.

MR. CHERNIACK: Who pays for the copy?

MR. WILSON: I received these copies at no charge.

MR. CHERNIACK: That's at taxpayers' expense.

MR. WILSON: Mr. Cherniack, if I was given the freedom to look at things I wanted to, I would think that my time was of some worth and if I could save the taxpayers money then I would hardly think that getting the information is required to draw questions which may save the taxpayers money is not a valid expense.

MR. CHAIRMAN: Mr. Cherniack.

MR. CHERNIACK: Mr. Chairman, I wasn't questioning the validity of the expense. I wanted to confirm that the taxpayers are paying for the cost of the production of the documents which Mr. Wilson has acquired and which he has in his possession, that that is an expense that was charged to the taxpayer. That's all I want to confirm. As to the validity we can judge that as we go on. But so far it would appear from what he said, that the file that he has of copies of computer printouts was paid for by the taxpayer and provided to him free.

MR. WILSON: That's correct.

MR. CHAIRMAN: Pages 126 to 131 were read and passed. Page 132. Mr. Orchard.

MR. ORCHARD: This is just going back a page or two, to Page 128, The Alcoholism Foundation of Manitoba grants of \$3,491,000 (sic), does that go to finance primarily the operations of AA in the province?

MR. CHAIRMAN: Mr. Ziprick.

MR. ZIPRICK: Oh, I don't know. The Department of Finance probably have . . .

MR. CHAIRMAN: Mr. Cherniack.

MR. CHERNIACK: May I suggest that Mr. Orchard's question is on Page 128, Item (g) at the bottom, The Alcoholism Foundation's grants of close to \$3.5 million. I believe that's his question. I wonder if we could ask that in due course. We get a breakdown of the grants just like you would under an Order for Return.

MR. CRAIK: Yes. I think you're right. It's a fairly long list of agencies that they pass out the money to and they have a central administrative body that runs it as well. So that would be the best thing to do. We'll get you a breakdown on that.

MR. ORCHARD: I would appreciate that.

MR. CHAIRMAN: Mr. Miller.

MR. MILLER: Mr. Chairman, as well I think AFM publishes an Annual Report and they probably show all of that information in the Annual Report.

MR. CHAIRMAN: Duly noted. Page 132. Mr. Cherniack.

MR. CHERNIACK: Mr. Chairman, Mr. Craik wasn't here, and since he's a member of the Treasury Branch maybe he has the information that I asked for earlier, that is the announcement by the Honourable Mr. Enns that the two cents that have been allocated for Autopac would now be used by the government for general revenue. I wasn't clear from the newspaper report whether what he announced was a decision that was already in effect or whether it was a policy that would be brought back to the Legislature. I wonder if Mr. Craik knows.

MR. CHAIRMAN: Mr. Craik.

MR. CRAIK: Well, any policy decision such as that would probably not be made until the House is in session, probably until the budget is brought down, as a final decision. I don't think that that is in

Public Accounts
Wednesday, February 29, 1978

effect. As a matter of fact it was made while I wasn't here in January. But it was an indication by Mr. Enns that he was suggesting that the government's intent would probably be to have the two cents transferred to general revenue rather than removed from the tax.

MR. CHERNIACK: So it was a policy decision because Mr. Ziprick told us that this two cents never went into general revenue, it was paid monthly straight to Autopac. Then Mr. Craik assures us that that is continuing and will continue until there'll be a change in the legislation.

MR. CRAIK: As far as I know it's still continuing. If it were changed it would then be in the general revenue.

MR. MILLER: When it's changed.

MR. CRAIK: If and when it's changed it would go in general revenue.

MR. CHERNIACK: Yes. But what I was inquiring was, could it be changed without a change in legislation?

MR. CRAIK: I don't think so. I think it would have to go through the regular bill in the House.

MR. MILLER: You've got to amend the Act.

MR. CRAIK: Yes.

MR. CHERNIACK: Well, now, that's fine. If there's anything contrary I'm sure Mr. Craik would . . .

MR. CRAIK: The Statute Law Amendments Act, financial, is the one where that always appears if there are changes, as I recall.

MR. CHAIRMAN: Gentlemen, it's almost five o'clock. The letter that was sent out to you advising of these two days' meetings also stated that further meetings of the committee are possible but a decision as to the meeting days will be made by the committee during its sittings. Is it your will and pleasure to adjourn at this time or set a time? Mr. Craik.

MR. CRAIK: Mr. Chairman, if I could speak to that. I think that we should leave it now until the session is in operation. We're getting very near to that date probably two weeks away, so rather than attempt to sit again now, I think we could probably finish up our work at that time.

MR. CHAIRMAN: Is it the wish of the committee to adjourn at this time?

MR. CRAIK: I move committee rise.

MR. CHAIRMAN: Committee rise? (Agreed) Committee rise.