

LEGISLATIVE ASSEMBLY OF MANITOBA
THE STANDING COMMITTEE ON PUBLIC ACCOUNTS

Tuesday, 10 June, 1986

TIME — 10:00 a.m.

LOCATION — Winnipeg, Manitoba

CHAIRMAN — Mr. D. Blake (Minnedosa)

ATTENDANCE — QUORUM - 6

Members of the Committee present:

Hon. Messrs. Kostyra, Mackling and Storie
Mr. Blake, Mrs. Carstairs, Messrs. Maloway,
Manness, Santos, Scott, Smith (Elice)

APPEARING: Mr. W.C. Fraser, Comptroller,
Department of Finance

Mr. C.E. Curtis, Deputy Minister, Department
of Finance

Mr. F.H. Jackson, Provincial Auditor

MATTERS UNDER DISCUSSION:

Public Accounts of the Province of Manitoba

. . . .

MR. CHAIRMAN: We have a quorum. Before we start our meeting, I've been asked to remind the members once more if they would please speak into the mike when they're asking a question or answering a question. The Hansard people are having some difficulty in picking up all of the voices.

We'll consider this morning Volume 1 and Volume 2, hopefully, of the Financial Statements of Public Accounts. Is it your wish to proceed page by page with Volume 1 or . . .

Mr. Kostyra.

HON. E. KOSTYRA: Yes, just on a matter arising from the last sitting of the committee, I was asked a question by Mr. Connery. I know he's not here but I'm sure Mr. Enns will pass the comment on to him. He asked the question, when is it expected that the Annual Report of the Department of Business Development and Tourism would be available and tabled? I'm informed that report is about two weeks away from being concluded and available to the House and members, along with the reports that come with that, which are the Manitoba Horse Racing Commission and the Annual Report of the Manitoba Design Institute. He could pass that on to the member.

One other request at the last committee hearing was for copies of the conflict-of-interest policy guidelines for government employees, so we have copies of that for members.

MR. CHAIRMAN: Very good.

VOLUME 1 - FINANCIAL STATEMENTS

MR. CHAIRMAN: Volume 1. Financial Statements — Mr. Manness.

MR. C. MANNES: Mr. Chairman, before we get into Volume 1, I thank the Minister for this pamphlet on conflict-of-interest guidelines for Manitoba Government employees. I would ask if he would undertake, or have somebody in his department undertake to review Hansards when we discuss the Auditor's Report and indeed when we discuss Volumes 1 and 2, and make an attempt to provide all the information requested by members of the committee.

HON. E. KOSTYRA: Yes. The two items that I reported on were the only two items on which we have had the information collected. All items that were held pending from the last hearing or from this sitting or future sittings will be responded to as soon as we get the information.

MR. CHAIRMAN: Mr. Manness, how do you want to proceed with Volume 1? Do you have questions on it or . . .

MR. C. MANNES: I do.

MR. CHAIRMAN: . . . do you want to cover your questions and pass the volume or do you want to go through it page by page?

MR. C. MANNES: I think I might prefer to go page by page although we will do so rather rapidly.

MR. CHAIRMAN: Okay, if we can proceed then in that manner. It looks like we're starting on Page 5.

Page 5—pass; Page 7—pass; Page 9—pass; Pages 11 to 15 were each read and passed; 1-3, Section 1—pass; 1-5—pass.

1-6 — Mr. Manness.

MR. C. MANNES: Two-thirds of the way down this table, there's a figure of \$5.486 million, representing financing exceeding requirement. I would ask the Minister of Finance what happens to this surplus.

MR. C. CURTIS: All that happens to that is that it is carried forward in our cash position. It's unused funds at this stage, but it's carried forward into our cash use subsequently.

MR. CHAIRMAN: 1-6—pass.

1-7 — Mr. Manness.

MR. C. MANNES: Mr. Chairman, under Note 1, there's a line saying "adjustment of estimated amount of statutory appropriations to actual expenditures." Why the adjustment or is there some other schedule somewhere else here that gives the detail associated with that?

MR. CHAIRMAN: Mr. Fraser.

MR. W. FRASER: . . . appropriations such as — the main one being public debt, where at the beginning of the year, an estimate is made based on the best information available at that point in time. But as interest rates or cash requirements change during the year, there may be a need to increase those expenditures, but there isn't a need to go back through Special Warrant or through Supplementary Supply to get the authority for that, so there's provision in the legislation to just increase those expenditures as required during the year. This is just public disclosure of what that amount was, what that change was in those statutory payments.

MR. C. MANNES: Well, I understand the explanation. Obviously then, that could work both ways; there could be less or more needed. This is bracketed — does that mean that there was less needed than was originally projected or forecast?

MR. W. FRASER: That's right.

MR. CHAIRMAN: 1-7—pass; 1-8—pass.
1-9 — Mr. Mannes.

MR. C. MANNES: Mr. Chairman, halfway down this table is an allowance saying less debt assumed by the province. How come, under 1985, there was not any debt assumed?

MR. W. FRASER: That relates to a change in presentation on the school capital financing authority, which was a one-time item bringing that in under direct borrowing for the government. Because there were no further changes in the subsequent year, you won't see anything in that year; but the school capital authority is now presented as direct borrowing of the government and will continue to be.

MR. C. MANNES: Is Mr. Fraser then saying that in 1984 the sum of 215 million was just a single event that occurred that year and did not occur previously? Or is it something that did occur previously and came to an end in 1984?

MR. W. FRASER: It's a different way of treating the school capital financing authority. And that is not the borrowing for the one year, that's the accumulated debt under school capital financing that was treated as a separate item as indirect debt and now it has been incorporated as direct debt under the analysis.

MR. C. MANNES: So what I'm being told then is that capital debt associated with school construction is now included in the total public debt of the province, in a different fashion than it used to be.

MR. W. FRASER: Yes, as a direct debt rather than an indirect debt. As a guaranteed debt.

MR. C. MANNES: When Mr. Fraser says "indirect debt," is that a different classification, or is that all of the Crown corporation debts that are guaranteed but still not direct debts of the province?

MR. W. FRASER: Yes, exactly. There are certain borrowings to financing general government operations which are direct debts of the province which the province pays the principal and interest requirements under those obligations. There are other debts by Manitoba Hydro, the Telephone System and so on, where the province guarantees those debts but the Hydro and Telephone System assume the responsibility for the principal and interest payments.

MR. C. MANNES: Mr. Chairman, this maybe affords an appropriate time for me to ask a very general question with respect to the number of years the capital debt associated with a project like, say, a school or a hospital, over which that debt is amortized. Is it the length or the lifetime or life period estimated of the building in question, or is there some specific period of depreciation time, book-valued depreciation over which that capital debt has to be amortized?

MR. C. CURTIS: In the case of schools, it's normally amortized over 20 years. It's not as precise because the length of time will vary depending on the length of the issue that's borrowed for that particular purpose. Most school debentures, of course, are 20-year debentures, whereas if you're financing in different markets, it can vary over the length of the issue that's borrowed for that particular purpose.

MR. CHAIRMAN: 1-9—pass; 1-10—pass; Schedules of Operating Funds, Assets and Liabilities, Section 2, 2-3—pass.
2-5 — Mr. Mannes.

MR. C. MANNES: Mr. Chairman, this 2-5 is titled Government of the Province of Manitoba, Temporary Investments. Is this basically deposit accounts that we held with these financial institutions as of . . .

MR. C. CURTIS: Yes it is, Mr. Chairman. It's made up primarily of funds that we have for short-term investment.

MR. C. MANNES: When the Deputy Minister says "short-term investment," when the Province of Manitoba issues cheques to pay their accounts, do they issue them from all of these deposits or is there specifically one banker for the Province of Manitoba?

MR. C. CURTIS: It can be done directly to a bank; most often it's done through an investment dealer or some agent who handles it for us. For example, Wood Gundy or Richardson Securities. But it can be done directly with the bank.

MR. C. MANNES: Under the Northlands Bank, \$5 million — was all that sum of money lost or was it covered also by the action of the Federal Government when they guaranteed the deposits of all . . .

MR. C. CURTIS: This was the short-term investment that was recovered.

MR. C. MANNES: Is the Province of Manitoba today lodging investments and basically all the institutions listed on Page 2-5 today?

MR. C. CURTIS: I believe we are. I believe we are, from time to time, investing with all of these particular organizations with the exception of the Northlands Bank.

MR. C. MANNESS: How much would we have invested today in the Bank of British Columbia? There was none as of March 31, 1985. Do we have funds lodged with the Bank of British Columbia today?

MR. C. CURTIS: No, we don't. We also don't have anything with the Bank of America at this time.

MR. C. MANNESS: The Bank of America?

MR. C. CURTIS: Yes.

MR. C. MANNESS: I would ask the Deputy Minister whether there is some specific reason for that.

MR. C. CURTIS: We do, from time to time, well, quite frequently as a matter of fact, look at the financial statements of the various banks that are seeking funds for investment. They're not always necessarily seeking funds. When we have cash, we make it known to all of the banks that we invest with or investment dealers that we utilize, and they come up with rates and with different potential investments. But we do, from time to time, review statements and decide either to cut back on the maximum amount that we will invest or perhaps even restrict it entirely. The Bank of B.C. was one that we did decide to restrict entirely.

MR. C. MANNESS: Other investments at cost, I would ask the Minister — we have as of March 31, 1985, some \$51 million invested in Province of Manitoba Treasury Bills — how is it that we would buy our own Treasury Bills, or what is the process?

MR. C. CURTIS: Mr. Chairman, quite often when we have funds to invest, we find that our own Treasury Bills are the best investment. We put them up for auction every Monday; \$25 million worth every Monday; and quite frequently we'll buy part of that particularly weekly auction. For example, this week I think we did buy \$5 million of our own Treasury Bills because it was the best investment we had available. On a competitive basis, by the way. We bid against the existing tenders.

MR. C. MANNESS: Who establishes the value and the market then? Is it the market itself?

MR. C. CURTIS: The market itself. We receive tenders till 11 o'clock every Monday and we select the highest tender. If our own Treasury Division has cash to invest, they will bid against the market and from time to time they win.

MR. C. MANNESS: So our own Treasury Branch then will tender also. At times, like you said, they may tender the highest.

MR. C. CURTIS: Well, if they don't do that, they may have to go out and buy Canada's or Saskatchewan's. We are a safe investment.

MR. CHAIRMAN: Page 2-6 — Mr. Manness.

MR. C. MANNESS: Towards the bottom, Mr. Chairman, under Advances and Other Receivables, Expenditures Recoverable from Government of Canada, there is 5.496 million item under Bilingualism. Can the Minister tell us why that amount is so large, firstly; secondly, why it is so late? Was it just because of the point of the year it's in or is this a recurring late payment within this area?

HON. E. KOSTYRA: There is an agreement with the Secretary of State with respect to certain shareable costs. They relate to Translation Services provided by government. It's a long-standing agreement as I recall but we can get more specific details if the member wishes.

MR. C. MANNESS: Mr. Chairman, I would ask for a breakout of that number, if possible, because of course from time to time trying to gain a handle on the support within this area is difficult sometimes. I know there are some educational areas of course, where . . .

HON. E. KOSTYRA: I'll have to take that as notice and provide it to you subsequently.

MR. CHAIRMAN: 2-6—pass — Mr. Manness.

MR. C. MANNESS: I would ask, Mr. Chairman, whether this Schedule, 2-6, is the best source of information for anybody who wants to find out the total level of advances or investments made by the government and all its Crown corporations at any point in time?

MR. C. CURTIS: Yes, Mr. Chairman, this is what we consider our most detailed analysis.

MR. C. MANNESS: Is there an update provided in any of the material released subsequent to the end of the Public Accounts year, end of the fiscal year, which one could supplement this information with before the next Public Accounts was released? I guess what I am saying is that this is basis March 31, 1985. We are now well into '86 and so there is a lag, basically, of well over a year and I'm wondering how a Member of the Legislature or indeed any person of the public can bring the figures that are provided here to a more updated position.

MR. W. FRASER: Quarterly Report provides updates on a quarterly basis in terms of the global number, and I think if there were questions concerning the detail as to the mix of that number, that that information could certainly be provided.

MR. CHAIRMAN: 2-6—pass.
2-7 — Mr. Manness.

MR. C. MANNESS: I'd just like to go back to 2-6 for a second, Mr. Chairman. The Communities Economic Development Fund, I'm trying to recollect from memory the Annual Report associated with this fund. Mr. Chairman, is there a significant portion of the investments made from this fund that is being presently

written off by the Auditor as an allowance for bad debts and, really, does that show at all within this schedule?

MR. C. CURTIS: I think we would have to obtain the details and then forward them to you, Mr. Manness.

MR. C. MANNESS: Yes, that would be a help.

MR. CHAIRMAN: 2-7—pass; 2-8—pass.
9—Mr. Manness.

MR. C. MANNESS: This schedule is titled "Government of the Province of Manitoba Long Term Investments." Do we receive interest on all of these investments?

HON. E. KOSTYRA: No.

MR. C. MANNESS: Can the Minister indicate on which of the items listed do we receive interest?

HON. E. KOSTYRA: We'd have to provide a detailed listing of that, but just two examples of those that we do receive payment from, one is Leaf Rapids, the other is the Tantalum Mine. I guess one example, one where we don't, is the Manitoba Development Corporation. But we can provide the detail on that for the member.

MR. CHAIRMAN: Page 2-9—Mr. Manness.

MR. C. MANNESS: Under Other Investments — At Cost, Shares of Northland Bank, was this the sum of money that was lost when that lending institution went into receivership?

HON. E. KOSTYRA: Yes.

MR. C. MANNESS: Can the Minister indicate whether there's been any hope of any portion of this being recovered, or is the receivership completed and everything been wound up?

HON. E. KOSTYRA: We're not expecting any.

MR. CHAIRMAN: 2-9—pass; 2-10—pass.
2-11—Mr. Manness.

MR. C. MANNESS: Under Note 1, the heading is "Advances made to the Manitoba Development Corporation were for the specific purpose of providing funds to the following Corporations:" and I come down to about the fifth item, or sixth, and it's called Toro Canada Ltd. Will this be paid back and can the Minister indicate when?

HON. E. KOSTYRA: Just going by memory now, that was the development agreement that was signed with Toro Canada with respect to their locating in Steinbach and it is, as I recall, a repayable loan with a significant interest subsidy. So it will be repaid. In terms of the conditions of repayment, I'd have to take that as notice and provide it subsequently.

MR. C. MANNESS: Mr. Chairman, I would just like to get a better understanding of the terminology being used here. Advances indicate that there are sums of

money that will be paid back, certainly at some time in the future, and usually an advance has, in my view, a connotation that it will be paid back at least within the intermediate term and yet I look at the list here and I think some of them may be better considered shares with some long-run investment potential.

Will there ever be a demand for the payback of these advances, notwithstanding that maybe there are specific contracts in place where some term allows those funds to be outstanding for a long period of time?

HON. E. KOSTYRA: I would just comment that all of them, except with respect to A.E. McKenzie and Winnipeg Racing Ltd., but the others are part of agreements with those private sector companies, or in the case of Destination Manitoba, with a number of companies, and there is a payback provision. However, obviously if some of those turn into bad debts, then there would have to be a writing off of the money. I can't comment specifically on the A.E. McKenzie situation because I don't know the details of that one.

MR. C. MANNESS: I can see, if the Auditor believes that there is an allowance for bad debts involved, and that is accordingly taken to the books, but I guess I asked a question: Will it stay on the books as an advance, conceivably for 10 or 15 years out, if the government decides, or if there is no contract in place for the orderly payback?

MR. C. CURTIS: Mr. Chairman, the items that are shown in Note 1 of the advance there, are made during the current year. Some advances of previous years have, in fact, been written off.

MR. C. MANNESS: I see. So this is specifically the current year, then?

MR. C. CURTIS: Under Note 1.

MR. C. MANNESS: Okay, that was my misunderstanding.

MR. CHAIRMAN: Pages 2-11 to 2-22 were each read and passed.

Direct and Guaranteed Debt Statements, Section 3. 3-3—pass; Pages 3-5 to 3-16 were each read and passed.

3-17 — Mr. Manness.

MR. C. MANNESS: Thank you, Mr. Chairman.

I probably could have saved you all that if I would have gone a little bit further ahead.

Mr. Chairman, I would like to move into a short discussion on this whole area of Sinking Fund Balance, and maybe the Minister or the Deputy can also give us some general comments on the theory behind the sinking balance.

By the schedule laid out on 3-17, it appears that there is a sinking balance fund for each and every loan. Does that balance equate the value of the loan at the end of the terminal loan?

MR. C. CURTIS: Mr. Chairman, it would only do that if the loan — in the case of utilities, if the loan were

for 40 years, then it would equate. With our own provision, it's much less. But we do provide sinking funds annually for each loan and if the loan is funded for a long enough period of time, then, of course, it would be fully provided for.

MR. C. MANNES: I believe there is a statutory regulation saying how much is to be set aside. Is that a percent? Is it 3 percent, or what is the figure? Does it vary from loan to loan?

MR. C. CURTIS: Ours is now 3 percent, plus the actual interest. At one time, it was 3 plus 3, which used to provide for the sinking funds over a 23- or 24-year period. But now it varies because it's the 3 percent plus the actual interest.

MR. C. MANNES: I'm sorry — plus the actual interest?

MR. C. CURTIS: The actual interest, so it therefore does vary.

MR. C. MANNES: When one adds up the sinking fund balances for all the Province of Manitoba debentures and savings bonds and Manitoba debentures issued to the Government of Canada and the Government of Canada loans, the total figure at the bottom of the page is roughly \$515 million. If I were to go to another schedule here, would I be able to find the location of all those investments? Would they sum up to that figure, or is it simply a book value entry?

HON. E. KOSTYRA: Well, the previous two pages, 3-15 and 3-16, are the detailed summary of those, if you'll see the figure three-quarters of the way down on Page 3-16 equates to this same total on Page 3-17.

MR. C. MANNES: It's amazing, this modern mathematics, how the numbers add up.

MR. CHAIRMAN: Page 3-17—pass.
Page 3-18 — Mr. Mannes.

MR. C. MANNES: Mr. Chairman, this is entitled "Statement of Outstanding Borrowing Authority." Yesterday, within the Legislature, we debated a bill granting borrowing authority, and I think some of the Minister's preliminary remarks made reference to the fact that borrowing authority does not lapse at the fiscal year end, it could be carried over into another fiscal year. I would ask the Minister who keeps the accurate accounting of the Crown corporations with respect to the amount of loan authority granted to them? Is it the Minister of Finance or is it that Crown corporation which submits a detailed document of where they stand to either the Auditor or the Minister of Finance, so that the government and the Minister are prepared then to bring forward another bill which will specify in some detail, in some cases, the additional borrowing needs?

HON. E. KOSTYRA: The Department of Finance does that as does each Crown, but we do our own separate review and accounting of that.

MR. C. MANNES: Mr. Chairman, before we pass this though, what happens specifically in something like the Manitoba Agricultural Credit Corporation where there are significant numbers of loans being repaid by their individual clients and there is a large sum of money that is being returned? Is that watched carefully too, so that there aren't excess funds within a Crown corporation such as that?

HON. E. KOSTYRA: Yes, and part of that, if you'll recall from the explanation last night where we indicated that the portion of funds needed for the overall program, some was money that was part of their previous authority that was recycled or repaid.

MR. CHAIRMAN: Section 4: Detailed Revenue Expenditure Statements, 4-3—pass.
4-5 — Mr. Mannes.

MR. C. MANNES: There is a variance column here, Mr. Chairman, dealing with revenues in detail. I would ask whether the Auditor — and I don't know if that's proper now or not seeing we've passed his report — ever questions the reason for variance within this area, within the revenue side.

MR. F. JACKSON: On an annual basis, we are looking at the variances, and we are assuring ourselves that there is a reasonable explanation provided where variances are provided in Public Accounts. Actually, that's one of the areas that contributes somewhat sometimes to the delay of the issuance of Public Accounts in that its a decentralized function to get each of the operating departments to provide appropriate revenue and/or expenditure variances. Historically, that's one of the reasons why Public Accounts have been somewhat delayed.

MR. C. MANNES: I notice in 1984-85, there was an estimated variance under a forecast of some \$95 million in individual income tax. Now, obviously, there could be many reasons for that — I haven't gone through it, maybe the footnotes would give one explanation, but does the Auditor accept the explanation as given by the government or the Minister of Finance, or does he himself draw his own conclusions as to why there may be a variation within that area?

MR. F. JACKSON: Mr. Chairman, this is one of the areas that the Auditor acts as an independent reviewer, and we don't accept much without seeing documentation and getting satisfactory explanations.

MR. C. MANNES: Well, that's encouraging to hear.

HON. E. KOSTYRA: I was just going to point out to the member that the detailed explanations are on the pages following. The one specific reference is on 4-12.

MR. CHAIRMAN: 4-5—pass; 4-6 — Mr. Mannes.
Mr. Derkach.

MR. L. DERKACH: Mr. Chairman, just an explanation of the retail sales tax. How much of that retail sales tax is identified for health and education? This is on

page 4-5. The retail sales tax is \$397 million. Is that a health and education tax? Is there any portion of it that goes up in that direction?

HON. E. KOSTYRA: Well, all the taxes go into general revenue and sales tax has not been specifically set to those areas. There is the levy for health and post secondary education which some of you call something else, but that is specified for those purposes.

MR. C. MANNES: Not only us, many other people.

HON. E. KOSTYRA: I said some others.

MR. L. DERKACH: That's not a part of the retail sales tax. The levy for health and post secondary education is not a part of that retail sales tax?

HON. E. KOSTYRA: No.

MR. L. DERKACH: So the retail sales tax, therefore, goes into general revenue; it is not earmarked for health and education?

HON. E. KOSTYRA: No, not specifically, no.

MR. CHAIRMAN: Okay. 4-5—pass.
4-6 — Mr. Manness.

MR. C. MANNES: Mr. Chairman, then obviously the levy for health and post secondary education is not targeted specifically for health and post secondary education?

HON. E. KOSTYRA: Not specifically, but, as the member is well aware, the growth in expenditures over the last few years which necessitated the imposition of that tax related to those areas of government expenditure.

MR. CHAIRMAN: 4-6—pass; 4-7—pass.
4-8 — Mr. Manness.

MR. C. MANNES: Mr. Chairman, no, we'll move into the detailed explanations with respect to the numbers on 4-7.

MR. CHAIRMAN: 4-9—pass.
4-10 — Mr. Manness.

MR. C. MANNES: This is the detail associated with the specific numbers given to us over the last five previous pages, Mr. Chairman. The first item, Larger Increases: Established Programs Cash Transfer, did the Government of Manitoba receive \$38.4 million more than they expected in 1984-85 from the Federal Government within this area?

HON. E. KOSTYRA: Is that a question?

MR. C. MANNES: Yes.

MR. W. FRASER: It's not a representation of an unexpected increase; it's just the larger items that make up the growth from one year to the next.

MR. C. MANNES: I see. Can the Minister tell us whether the increase of 38.4 million — as Mr. Fraser says, this table doesn't indicate whether it was larger than expected — can the Minister tell me whether the 38.4 million increase was an increase larger than expected?

MR. C. CURTIS: The amount is, in fact, reflected in the note in the paragraph below the table, the second paragraph, and it does show that the amount of 36.2 is the amount of the additional over the original.

MR. C. MANNES: Well, Mr. Chairman, as Mr. Curtis indicated, the revenue received exceeded the estimate. So Mr. Fraser then wasn't quite correct, I take it. I mean he may have been correct but my question was specific to the estimate; in other words, the Province of Manitoba did receive more than the estimate.

MR. C. CURTIS: The schedule up above accounts for the difference year-over-year and reconciles that difference.

MR. C. MANNES: Can the Minister tell me from his memory or not whether the Province of Manitoba in the first three years or the two years previous to '84-85 also received more in Established Programs Cash Transfer than they have expected to receive?

HON. E. KOSTYRA: My memory as Finance Minister doesn't go back too far, but staff are just reviewing last year's Public Accounts. There was a prior year's adjustment last year of 37.6 million on the basis of the

MR. C. MANNES: Can the Minister tell us, does he have available to him right now for '85-86 an estimate of Established Programs Cash Transfer, and whether or not that number, and I know this is available in the Third Quarter Report, but can he, to date, give us the figures for the year-end as to how much more we received from the Federal Government in that one area than we had expected?

HON. E. KOSTYRA: That's one area that's not finalized in terms of determining the year-end; that's one of the lag areas.

MR. CHAIRMAN: Pages 4-10 to 4-15 were each read and passed.
4-16 — Mr. Manness.

MR. C. MANNES: Mr. Chairman, considering 4-16 and 4-17 together, as I believe run across the two pages, can the Minister tell us why advertising is no longer broken out as an "Expenditure Object Code," as it used to be, certainly in the 1983 Public Accounts?

HON. E. KOSTYRA: I'm sorry, could you start again? I was distracted for a moment.

MR. C. MANNES: I'm curious as to why advertising is no longer a "Expenditure Object Code" item, as it used to be two years ago.

MR. W. FRASER: There was a presentation presented to Public Accounts Committee for the last two years,

indicating that there was going to be revisions to the object code system to make the government's accounts comparable with other jurisdictions, and this was one of the changes that was tabled and was agreed to by the Public Accounts Committee. The intent was that our records and financial statements would be more comparable with the other provinces and with the Federal Government in terms of looking at those inter-jurisdictional comparisons.

MR. C. MANNES: Mr. Chairman, I remember the discussion associated with the proposal brought forward by the former Minister of Finance and, yes, that was the general tenor of his remarks; although certainly no indication was given to him at that time that only a very few items would be pulled out, one of them being the advertising item.

I would ask him — and just on a very cursory comparison between the layout here and the layout of 1983 — the table seems to run in a different direction, but the item is covered, specifically in a line row, is not terribly dissimilar from what they used to be, except advertising is missing. Are there other specific areas that are not part of the "Expenditure Object Code" table, besides advertising, that used to be in existence?

HON. E. KOSTYRA: I've got a copy of a very detailed explanation that was tabled for members at Public Accounts, and it goes back to a decision on June 23, 1983, for the changes, so the detail is here. If the member is interested in that one particular area, we can get that information pulled together and provide it to him, if he is interested in the area of advertising costs. I will have that information collected for him if he wants.

MR. C. MANNES: I thank the Minister, Mr. Chairman.

MR. CHAIRMAN: Pages 4-16 to 4-20 were each read and passed.
4-21 — Mr. Santos.

MR. C. SANTOS: Relating to the Personnel Services, 4-21, first item; the last sentence there said: "The employer portion of mandatory contributions to UIC, CPP, Workers Compensation, are considered as personnel costs and are reported under this category.

I'd like to ask whether the employer's portion of the trust fund or the pensions are considered as part of the cost of providing personnel, and therefore lumped together with the wages instituted behind this, that it is deferred compensation, the equity owner being the employees?

HON. E. KOSTYRA: There is no fund set aside for the employer's portion of the pension as against individual contributions. The charges are on a payout basis and that's true of all Provincial Government pension provisions.

MR. C. SANTOS: There is no employer contribution?

HON. E. KOSTYRA: It's not matched at the time of the employee putting in his portion. It's on a payout basis and that's true of all provincial pension plans.

MR. C. SANTOS: Well, if there's no employer contribution, there is no item there that is employer's money.

HON. E. KOSTYRA: Not with respect to pension, other than CPP — not the MLA pension.

MR. C. SANTOS: Then what is that referred to by employer portion?

HON. E. KOSTYRA: Employer portion of Unemployment Insurance Commission, Canada Pension Plan, Workers Compensation. They're part of salary costs.

MR. C. SANTOS: Part of salary?

HON. E. KOSTYRA: Yes.

MR. C. SANTOS: Okay.

MR. CHAIRMAN: 4-21 — Mr. Mannes.

MR. C. MANNES: Mr. Chairman, I would ask the general question associated with the Province of Manitoba and the taxpayers of this province, having to meet on a yearly basis the pension requirements of teachers and of public servants, has anybody in the Ministry of Finance done an analysis of what our requirements will be in years to come, and is this considered a portion of the public debt? Is this included in the debt at all, or is it just a contingency factor? Where is it measured, what our commitment is to matching pensions and is it included in the debt figures?

HON. E. KOSTYRA: I believe we had some of this discussion the other day. The simple answer is not specifically shown as part of the debt or future commitments and the same is true of most other governments in this area. But that is, as I think I indicated last time, something that is going to require much closer attention over the next while to see how we deal with those areas, because it certainly is true that the demands on the payout are going to be increasing significantly. I think that was pointed out and has been pointed out by the Provincial Auditor in his current report and previous reports.

MR. C. MANNES: Yes, I remember the conversation. I don't think I'd asked though whether it shows up as a public debt, within the public debt at all and the Minister indicates it does not.

Mr. Chairman, public debt here on Page 4-21 says that public debt includes the costs related to the public debt of the province such as debt redemptions, premiums, interest and charges by banks for exchange, services, etc., and yet public debt on 4-16 of \$251,068, which is footnoted on Page 4-19, does not conform to the above definition. Is there an explanation to that or is my interpretation incorrect?

MR. C. CURTIS: I'm sorry, Mr. Chairman, which item again was it? 4-14?

MR. C. MANNES: 4-16 — \$251,068 on the right-hand column at the bottom, and the explanation of

that is on 4-19, Note 6, and there seems to be some difference in the explanations.

MR. C. CURTIS: Mr. Chairman, perhaps I don't understand the question. If you look at the bottom of Page 4-16, the difference between year-over-year shown as 18.5 million, that 18.5 million is shown under Note 6, the detail of the calculation of the 18.5 million, and it lists the major items that are affected.

MR. C. MANNES: I guess my question is related to the definitions or the explanation on 4-19 versus the definition on 4-21. Are they completely synonymous?

MR. C. CURTIS: Yes, the intention is to include all costs that are paid in the servicing, redemption of public debt. That includes the various bank charges.

MR. W. FRASER: Maybe the issue that is a little bit confusing in relating those two is that fact that was spoken of earlier in terms of managing cash balances, so that some of the borrowing that is made that we're paying interest on, if it isn't immediately needed, it can be reinvested and there's revenue on it. So the explanation talks about some of the revenue that's generated by these temporary excess cash balances.

MR. C. MANNES: I accept that, Mr. Chairman.

MR. CHAIRMAN: 4-21—pass; 4-22—pass; 4-23—pass.
4-24 — Mr. Mannes.

MR. C. MANNES: Mr. Chairman, we can pass right to 4-30.

MR. CHAIRMAN: Okay. How far do we want to go?

A MEMBER: 30.

MR. CHAIRMAN: Pages 4-25 to 4-29 were each read and passed.
4-30 — Mr. Mannes.

MR. C. MANNES: Mr. Chairman, if you just give me a moment, maybe we can — we can pass right up to 4-48 at this time.

MR. CHAIRMAN: Pages 4-30 to 4-48 were each read and passed.
4-49 — Mr. Mannes.

MR. C. MANNES: Can the Minister indicate specifically the names of these people who have been listed under some provision of the financial administration, what this specifically has to do with?

HON. E. KOSTYRA: They're under a variety of acts. The one that I'm most familiar with because I see a number of them pass through on a regular basis, is the sales tax, but I am informed that there are other acts. We could get the detailed listing as to which acts these refer to and provide it.

I, frankly, raise the question why it isn't reported that way. There must be some reason for that.

MR. C. MANNES: Well, is the Minister indicating that these people have been exempted from paying, let's say, the sales tax, using that as an example, because of some specific reason which has been covered under some provision within some act?

HON. E. KOSTYRA: Yes.

MR. C. MANNES: Can the Minister indicate what the reason is in most cases. This is new to me.

HON. E. KOSTYRA: There is provision for the waiving of tax, or refund of taxes paid — and there are provisions in the act — but basically under extraordinary circumstances. There is, from time to time, waiving of taxes where there is, in essence, a double-tax payment related to the Province of Manitoba and the Province of Saskatchewan and both happened to collect a tax on some equipment purchase or some other transaction, so there are provisions to deal with that. There are provisions for the waiving of sales tax when there are circumstances which usually tend to be related to the sale of vehicles when another vehicle is purchased. Sometimes it goes beyond the six-month provision that exists in the act.

This is an ongoing situation that's dealt with on a case-by-case basis in terms of the legislation, by Order-in-Council. I know, in my short time, I think I've processed three or four such Orders. But we could provide the specific acts and if the member wants more information in terms of the reasons behind each, we could provide that also.

MR. C. MANNES: Firstly, I'm not familiar with this procedure or certainly with the legislation in force that grants some exemption, but I asked the Minister the other day whether receivership might be a reason for granting exemption in the area of the payroll tax. Again, I would ask whether or not that's a reason for granting exemption within any area of provincial taxation.

HON. E. KOSTYRA: No, not in regard to any of these here.

MR. C. MANNES: The Minister says with respect to the people listed here, but with respect to any Manitoba business or individual who may be under that threat.

HON. E. KOSTYRA: In terms of the finance acts, no.

MR. CHAIRMAN: 4-49—pass; 4-50—pass.
4-51 — Mr. Mannes.

MR. C. MANNES: Mr. Chairman, those were the questions that I have with respect to Volume I. If there are no other questions from members of the Legislature who sit at the table, I'm prepared to . . .

MR. CHAIRMAN: Section by section then. We'll pass Trust Fund Statements—pass.
Mr. Mannes.

MR. C. MANNES: Mr. Chairman, I have one question, and I would hope that the Minister might grant me leave. It's probably a question I should have asked Mr.

Jackson the other day, and I'm wondering if I can ask it of him at this time.

I would ask Mr. Jackson whether he has carried out or is carrying out any audits relative to loans or guarantees by the Co-operative Loan Board and, if so, of whom?

MR. F. JACKSON: We're not carrying out any specific audit of the loans or Loans Guarantee Board, other than we're looking at transactions under a request that the Minister of Finance has asked us to look at in regard to the brokerage building.

MR. CHAIRMAN: Trust Fund Statements section—pass; Section 6, Other Funds—pass. That's it. That completes the review of Volume 1, Financial Statements.

VOLUME 2 — SUPPLEMENTARY INFORMATION

MR. CHAIRMAN: We will now proceed to Volume 2, Supplementary Information to the Financial Statements—Mr. Manness.

MR. C. MANNESS: Mr. Chairman, what some of us propose to do is rather than going page to page, I think we would call the page that maybe we're interested in and pass the volume. That may involve us going back and forth in some cases, but that's probably better.

MR. CHAIRMAN: All right. The first question on Volume 2—Mr. Enns.

MR. H. ENNS: Mr. Chairman, I'm intrigued with this government's contribution to the Canadian Motorcycle Association of some \$5,000 on Page 67. It seems to me that I and other members of the Legislature from time to time have had visitations around this building by members of the motorcycle group in Manitoba.

MR. CHAIRMAN: I'm sorry, Page 67. I don't see it on Page 67, if the member would like to help me . . .

MR. H. ENNS: Pardon me, Page 87. I'm sorry.

MR. CHAIRMAN: Now you can go ahead.

MR. H. ENNS: It's just a question of interest. I see a \$5,260 contribution on the part of the government to the Canadian Motorcycle Association (Manitoba Region). I'm just wondering, I can't recall from my own experience whether we had in the past, for whatever reasons, supported that organization. Could we have a brief explanation? Is this to buy them off in their helmet demonstrations? Just what had you in mind, Mr. Kostyra.

HON. E. KOSTYRA: I can assure you that it was not to, to use the member's terms, which I wouldn't subscribe to "buy them off." We will take the question as notice and provide information as to the reason for that listing as a cash payment to that particular organization in Volume 2.

MR. CHAIRMAN: Next question. That information will be provided. Mr. Enns. Any further questions?

MR. H. ENNS: On Page 90, just a small question. On the bottom of Page 90, there is a sum of money paid to a Public Relations Company called Continental, \$5,236 again. I wonder if anybody from the staff has the information as to the nature of this payment and for what services were rendered.

HON. E. KOSTYRA: I'll take that as notice and provide the information.

MR. CHAIRMAN: Next question?
Mr. Manness.

MR. C. MANNESS: Mr. Chairman, Page 86, Canadian Dimension, I believe that's a magazine and the amount of monies spent — I've got it circled here somewhere — \$9,021.00. Can the Minister indicate for what purposes the government paid Canadian Dimension \$9,000.00?

HON. E. KOSTYRA: I'd have to take that as notice. I would just from previous experience know that part, if not all of that, would relate to the Periodical Publishing Program whereby school divisions or public libraries would purchase subscriptions to Manitoba publications and have it reimbursed by the Department of Culture, Heritage and Recreation. But whether or not that makes up all of those payments or only part, I couldn't say, and I'll have to take it as notice.

MR. C. MANNESS: Well, I'm glad the Minister will take that as notice. But is he saying that when the — and I think we discussed it last year in fair detail, this whole area — where libraries were given grants if they undertook to purchase certain Canadian literary works . . .

HON. E. KOSTYRA: Manitoba.

MR. C. MANNESS: . . . only Manitoba literary works, so-called. Did the payment go directly to the school division in which the library was located or was the payment made directly to the magazine in question?

HON. E. KOSTYRA: The choices were made by the libraries themselves, whether it was dealing with periodicals or with books. But the payments were made to the publishers of the books or the periodicals. But again, I don't know. I'm just going by memory and that may be all or may be only part of that payment.

MR. C. MANNESS: Well, would the explanation then be similar for Horizons on Page 103 where an amount of \$18,033 was directed?

HON. E. KOSTYRA: I would presume part of the explanation would be the same there, though. I just also know that I believe there was some governmental advertising in that publication that may form part of that, but I'll take that as . . . I'm sorry, I can't find it here. Page 104 you say?

MR. C. MANNESS: 103.

HON. E. KOSTYRA: Oh, I'm sorry. Okay. I'll take that as notice and provide the information.

MR. C. MANNES: Well, I would ask the Minister about the propriety of the government paying these subscription fees. Wouldn't it make better sense that the granting program that the Minister had brought into place when he was the Minister of Culture, that the funds be directed through the school division and then to the magazine or periodical that they had chosen, rather than the government directing funds in such a direct fashion?

HON. E. KOSTYRA: I think that question, in fairness, would be better directed to the Minister who is responsible for that program in terms of the ongoing administration of that program, in terms of the reason why it was done that way, rather than the way the member suggests.

MR. C. MANNES: Mr. Chairman, I was under the belief that the now Minister of Finance, the former Minister of Culture, was the person who brought forward that program. If I'm wrong, can the Minister at least tell me who to direct that question to today?

HON. E. KOSTYRA: Well, he's not around, but I'm saying I can't explain at this point the administrative decision was made, to have it done that way. I don't recall from memory and, I think we're dealing with the program area, it seems to me that there will be opportunity to deal with that specific program area because that program is ongoing. When we get to Detailed Estimate Review, you can find out why it was done administratively this way rather than the direct grant payment way. But in terms of the payouts to those two organizations, we'll get that information and supply it as to whether it was all through the program that I happen to be aware of, or there were other payments.

MR. C. MANNES: Could the Minister, when he's taking these questions of notice with respect to Herizons, determine or indicate to us whether all of the \$18,000 portion was a grant in support of the selected subscription, or was some part of it purely subscription in the sense that subscriptions were taken on an ongoing basis over some period of years?

HON. E. KOSTYRA: Yes.

MR. CHAIRMAN: Mr. McCrae.

MR. J. McCRAE: First I'd like to draw the Minister's attention to Pages 84 and 127. What we have there are figures for the Brandon Allied Arts Council and the Portage la Prairie and District Arts Council, as I understand it, the base grant for arts council is based on a per capita amount of a dollar per capita in a given community to a maximum of I think \$20,000, in that range.

I wonder if we could have a breakdown of the two figures — one for Brandon and one for Portage. I just picked Portage out as something to compare Brandon with. The feeling I've had for a long time is that for a city the size of Brandon for it to be a maximum of \$20,000 could be seen as somewhat unfair, and it is to those people concerned in the Brandon area. I wonder if the Minister could comment on that.

HON. E. KOSTYRA: I won't comment on it. I think again, in terms of the detailed program areas, it would be better to deal with it in the departmental Estimates, but we will provide information to the member in terms of the breakout because I am fairly certain that those figures would include not only the per capita grant that is payable to arts council but would include other payments under other programs such as tour hosting or other programs. So I am fairly certain it doesn't all relate to the area that he makes reference to, but includes other payments; so we'll provide that breakout. In terms of the rationale as to the form, I think that would be best discussed and debated in the Estimates review.

MR. J. McCRAE: Mr. Chairman, perhaps the same thing applies with respect to Page 89. I would like to know. There are a couple of radio stations mentioned there in Brandon and other radio stations as well. Could I have some kind of breakdown of what those . . .

HON. E. KOSTYRA: Which ones did you want?

MR. J. McCRAE: CKLQ and CKX-AM, Brandon.

HON. E. KOSTYRA: CKLQ and CKX-AM, okay.

MR. J. McCRAE: And, Mr. Chairman, I see a couple of spots in here on Page 84 and Page 93, funeral parlour disbursements, and I just wonder what those are for.

HON. E. KOSTYRA: Could you give me a specific reference on what page?

MR. J. McCRAE: Yes, there may be more, I've just found a couple. Page 84 would be Brockie-Donovan.

HON. E. KOSTYRA: I'm sorry, I'm having trouble hearing you.

MR. J. McCRAE: I'm sorry, Mr. Chairman. Page 84, Brockie-Donovan.

HON. E. KOSTYRA: Brockie-Donovan, yes.

MR. J. McCRAE: And Page 93, Desjardins. There are more as well; those are just two I have identified.

HON. E. KOSTYRA: I believe those are social service burials but we will provide the specific information.

MR. J. McCRAE: Thank you.

MR. H. ENNS: Mr. Chairman, many of these payments, of course, are reasonably self-explanatory like when the Elgin Specialty Printing Company gets some money, we assume it's for some printing work, but it's always intriguing when a numbered company gets substantial money and there are a number of them listed in the statements.

HON. E. KOSTYRA: Which page are you on, Mr. Enns?

MR. H. ENNS: Let's look at two numbered companies, Page 97. 52125 Manitoba Ltd. received \$9,347 and

then another numbered company right below this, the numbered company 52382 Manitoba Ltd. received \$1,747,548.00. Could the Minister or staff indicate to us who that money was paid to, for what purpose and under what program?

HON. E. KOSTYRA: Certainly.

MR. H. ENNS: I appreciate the Minister taking these questions as notice and I take it that the request for this kind of information will be forthcoming then.

HON. E. KOSTYRA: Forwarded directly to the member; that's the usual practice for that.

MR. H. ENNS: Then could I also direct him to Page 136 where there is a whole list of numbered companies. I might say, Mr. Chairman, that in comparing over the years there seems to be a growth in numbered companies being listed. Are Manitobans becoming more secretive about divulging the nature of their business or are they just becoming more concerned when they are dealing with government and getting government money, public money?

A MEMBER: It's the way of life.

MR. H. ENNS: But numbered companies auger up all kinds of images in one's mind, you know, secrets, Swiss bank accounts and so forth. We are dealing with public funds here and I believe the Minister and the Auditor would be well-advised to inform the people's representatives of just how and where this money is being spent.

HON. E. KOSTYRA: I share the member's concern about this new growth industry. I think most of them relate, because some of this information has been made public before, Mr. Enns — I know you are very interested in the answer — relate to the Venture Capital Program.

But are you suggesting you want information on all those listed on 136?

MR. H. ENNS: I would be happy with just the nature, for instance, if it were involved with the Venture Capital Program, fine.

HON. E. KOSTYRA: We'll provide you with that information.

MR. CHAIRMAN: Mr. Cummings.

MR. G. CUMMINGS: Page 83, on the right-hand column about three-quarters of the way down, Bottles Uptown Ltd. for \$25,000.00.

HON. E. KOSTYRA: I'll take that as specific notice, but I believe that there was a process under the Tripartite Core Initiative Program, that was the program between the Government of Canada, the City of Winnipeg and the Province of Manitoba for a small business grant program under that. That small business grant program was done on behalf of the Core Area Initiative but was paid by the Province of Manitoba.

MR. G. CUMMINGS: Does that possibly include renovations of exterior of the building?

HON. E. KOSTYRA: We'll check that out.

MR. L. DERKACH: On Page 83, Bosco Homes in Regina?

HON. E. KOSTYRA: Okay, we'll take that as notice.

MR. L. DERKACH: Is that a placement of a . . .

HON. E. KOSTYRA: I have no idea.

MR. CHAIRMAN: Mr. Ernst from Charleswood.

MR. J. ERNST: Mr. Chairman, can the Minister advise if the province self-insures?

MR. CHAIRMAN: Mr. Kostyra, Mr. Curtis or whoever would like to field that one.

HON. E. KOSTYRA: We'll be flexible.

MR. CHAIRMAN: Self-destruct; I don't know about self-insure.

MR. C. CURTIS: Yes, we do have some degree of self-insurance. We have excess policies.

MR. J. ERNST: All right. I noticed in here on Page 99 that there was a payment to Gateway Insurance Agency for \$10,221.00. While they are certainly a reputable firm, they are not a large brokerage firm as one might expect the province would be dealing with. Perhaps I could get the information on this.

HON. E. KOSTYRA: Yes.

MR. CHAIRMAN: Further questions?
Mrs. Oleson.

MRS. C. OLESON: Mr. Chairman, on Page 91 and on Page 126, two separate companies that I'll just mention at the moment. Crabtree and Evelyn, Page 91; and on Page 126, Peter Gaye Fur Gallery, \$7,930.00.

HON. E. KOSTYRA: Okay, we'll provid' that information.

MRS. C. OLESON: Thank you, Mr. Chairman.

I also notice, going through these accounts, that there is a great deal of money spent on both taxis and hotels, thousands of dollars on hotels in small communities. I won't even attempt to go through and name them all. And taxi services: Crane River, Dauphin Taxi, to name but two.

Could you explain that, please?

HON. E. KOSTYRA: No, I can't. I'd have to look at the specific area. I'm sorry, Mr. Jackson might be able to help.

MR. F. JACKSON: If my memory serves me right, Crane River Taxi Company has been a matter of interest in

times past for the members of Public Accounts. We have done some special work in that area and what we're left with is basically transportation costs for people in the North for medical treatment in the largest portion of the expenses.

MRS. C. OLESON: In passing, I notice just thousands of dollars spent on taxi service in this province, and also on hotel accommodations in various places. It just strikes me that if you did a total on that, if you have, the figure would be staggering. I'd like a total on taxi service and hotels because just in briefly going through this it is staggering, the amount of money that's spent on both of those. I know that some of it will be spent for meetings in hotels and various things but the total is staggering.

There are one or two other areas that I wanted to ask about. For instance, the Maryland Hotel, would the connection there be — the Maryland in Winnipeg — would the connection there be with the people that are taking cancer treatment at the hospital?

HON. E. KOSTYRA: I'll take that as notice. I think that it may relate to that fact, in that the Maryland Hotel is situated in close proximity, not only to the Manitoba Cancer Treatment Foundation, but the Health Sciences Centre, which is of course the major hospital in the province.

MRS. C. OLESON: Would you also take as notice to inquire as to what choice people are given when they are requiring treatment and have to use hotels? Are they given one specific name of a hotel, or do they have a choice of hotels, or guest rooms, or wherever they want to stay?

HON. E. KOSTYRA: I would suggest maybe that question be best asked in Health Estimates. We will provide the information as to why these payments were made but I don't think we can get into those kind of areas. At least, it would be very difficult. The member agrees.

MR. CHAIRMAN: Any further questions?

MR. C. MANNES: Mr. Chairman, I'd like to list off a number of items and the Minister, no doubt, would like to take them as notice and report back.

Mr. Chairman, ACTRA, Winnipeg, on Page 77 received \$8,922.00. I'd like to know whether this is the professional union of actors that received this payment and if so for what purpose?

Page 78, Alberta Educational Communications Corporation. I would suspect that this is some area of curriculum but, again, maybe the Minister can give me details associated with that.

Page 80, Athlete's Wear Co. of Winnipeg received a payment of \$58,578, obviously for sports equipment, but I would ask which group or which people were the recipients of equipment purchased by the Province of Manitoba?

Similarly, on Page 81, The Bay, Winnipeg, received a sizeable payment of \$866,000 and I would be curious as to the reason for that purchase, the total.

Page 84, Mr. R.S. Bridge of Winnipeg, and I know he is within the Department of Tourism and that could be may be an expense account, totalling over \$5,000.00.

I also see, Mr. Chairman, and I won't spell it out in detail, where various members of the NDP backbench, individuals who are not on the Executive Council, received payments in excess of \$5,000.00.

HON. E. KOSTYRA: The Opposition bench, if you look further down that page, Mr. Arnold Brown is listed on that page also.

MR. C. MANNES: So he is. How about that?

HON. E. KOSTYRA: Let's not make any Free Press-type allegations.

MR. C. MANNES: I looked for my name, Mr. Chairman, and I didn't see it, so I . . . And I looked for your name, Mr. Blake, and I didn't see it either.

HON. E. KOSTYRA: His is there.

MR. C. MANNES: I missed it. Mr. Chairman, maybe these are simply . . .

A MEMBER: Living expenses and mileage expenses.

MRS. C. CARSTAIRS: Clayton Mannes, \$5,959.00.

MR. C. MANNES: Where did you find that?

A MEMBER: Well done, Mrs. Carstairs.

MR. C. MANNES: Page 86, the Canadian Broadcasting Corporation in Toronto received a payment of \$47,865.00.

Canadian Education Association in Winnipeg received a payment of \$36,300.00.

Page 87, Canadian Pacific, Montreal, received \$3 million. The total sum would lead one to believe that it's a payment on some schedule, a fixed schedule of some sort, but maybe there's a further explanation.

Also on Page 87, the Canadian Peace Research and Education Association, Brandon, a sum of \$5,772.00. I'm wondering if the Minister can tell me who its principals are.

HON. E. KOSTYRA: I just want to make a comment in terms of this specific request. I'm told that there has never been, to this point in time, the magnitude of requests that were made on specific items. I just draw that to members' attention because it will require a great deal of time to go through to get all these specific requests. I'm not suggesting that they not be asked but I just ask members to bear that in mind because it will obviously affect the time that it will take to respond.

I've been told that in other years, there was a small number of specific requests. There's certainly the opportunity to ask questions on every single one, but I just point out that it will increase the amount of time that it will take to provide all of this information because it means going back through all of the specific records to get that information.

MR. C. MANNES: On only a very few of these are we asking for specific information. I know some of the

questions posed by my colleague, the Member for Gladstone, who was wanting a general indication of the amount of money directed towards taxes; I think just a general explanation on some of those items would be sufficient.

HON. E. KOSTYRA: But you see, they may relate to more than one program area, which means getting that specific information as to what the payment was for. I'm just pointing out the obvious, that this is beyond and we recognize that we are in a new Session and there are members that have specific areas that they want to explore.

MR. F. JACKSON: One of the techniques that we use from time to time is sampling. Perhaps the member would be satisfied with five to 10 hotels or taxicab companies that would give her a representative feeling, because I'm aware of just how horrendous that amount of work would be if we attempted to go through this book and get every taxi company and every hotel. But I think from five to 10 of each would give you a real flavour for what's involved.

MR. CHAIRMAN: Would that be acceptable, Mrs. Oleson?

MRS. C. OLESON: Yes, fine, thank you.

MR. C. MANNES: Page 89, Mr. Chairman, I see a very sizeable payment to CKY-TV in Winnipeg, and I guess my question here isn't the size of the payment so much as why one of the local TV channels would receive all of that payment and how it would be chosen over another. Was there a tendering system in place, or just a little bit further explanation of that and how one of the television companies received that type of revenue?

MR. J. McCRAE: I have limited mine. I had a whole lot of them and I've listened to the Minister's comments and I understand, but there are some that just make it irresistible for me to ask.

Page 95, E. Murray Simpson Architect, I think I know what that's for, but I'd like to have confirmation; also on Page 95, Economics Laboratory, \$43,803; Page 99, Anne Gay, \$400,000; Page 103, Heeney, \$70,721; Page 108, oh yes, the radio and television station in U.S.A., KBJR and KDLH. Mr. Chairman, on Page 115, there are several associations referred to here, and one that pops out is the Manitoba Friends of Schizophrenics, Inc., at \$124,000.00. The last one, Mr. Chairman, is Page 127, Iris Pollock, \$300,152, as well as the next item of \$145,000.00.

Thank you, Mr. Chairman. I thank the Honourable Member for Morris for letting me have his time, and you might recognize him again.

MR. CHAIRMAN: Mr. Ernst.

MR. J. ERNST: Mr. Chairman, I just want to ask the Minister on Page 99 at the bottom of the left-hand column, is he aware that the province is dealing with Gainers Inc.? I do have a couple of questions.

MR. CHAIRMAN: Is that a comment or a question, Mr. Ernst?

MR. J. ERNST: No, I just wondered if the Minister was aware of it. That's all.

HON. E. KOSTYRA: I've just seen it, yes.

MR. J. ERNST: On Page 109, Krynski and Assoc. for approximately \$850,000.00. You're going to take that as notice then?

There's one other I had too. Perhaps it's been asked already, the City of Neche, North Dakota for 150,000.00. It's on Page 89 at the top of the right-hand column.

MR. F. JACKSON: That City of Neche, North Dakota, has been asked in times past. What that relates to is the payments through the Manitoba Water Services Board for the acquisition of water for that part of the province coming from Neche.

MR. CHAIRMAN: That's fine, Mr. Ernst, that satisfies you on that one, all right.

Mr. Cummings and Mr. Derkach.

MR. G. CUMMINGS: Just one item on Page 110 on the right-hand side of the page. It's Landel International, \$72,235.00.

MR. L. DERKACH: Well, my question was asked.

MRS. C. OLESON: On Page 123, Northern Options for Women, Thompson, \$10,000, could you tell me what department that is under and what the program is for?

HON. E. KOSTYRA: Okay.

MR. C. MANNES: Continuing, Mr. Chairman, Page 89, the Co-operative Loans and Loans Guarantee Board received an infusion of \$70,000.00. Maybe I'm mixing it up with a different board that had a sum of money left over. Does the government actively advance money or pay money to this Guarantee Board?

MR. CHAIRMAN: That'll be taken as notice.

MR. C. MANNES: Fine. Page 90, Colour Your World received \$11,000, Mr. Chairman, and my curiosity is intrigued. Well, if it's supplies or paint, I can accept that, Mr. Chairman.

Page 92, Cybershare Limited received 179,000.00. I would just ask the Minister, and I don't have to know the details associated with this, whether we are shareholders of that company or are we having a contract by which we use their equipment?

MR. F. JACKSON: That's the Department of Education through their public schools link-up.

MR. C. MANNES: Okay.

MR. CHAIRMAN: Is that sufficient for that one?

MR. C. MANNES: Yes.

Page 92, the Dauphin Minor Hockey Association received \$120,000, Mr. Chairman. I haven't gone through all of this. I've gone through half of it, and it's the only occasion where I see a minor hockey

association receiving that significant portion of payment. Can the Minister indicate . . .

HON. E. KOSTYRA: I know just from memory that they are the sponsoring organization for the Dauphin Arena.

MR. C. MANNES: Oh I see, rather than the other way around.

HON. E. KOSTYRA: They are the ones that received the MCAP Grant for the development of — it's the Dauphin Minor Hockey Association Arena. It's under their sponsorship rather than under Community Recreational Organization.

MR. C. MANNES: Okay.

Under Page 93, Michael B. Decter received \$14,410 in '84-85. Was this solely for expense accounts?

HON. E. KOSTYRA: I'll have to take this as notice. I presume that's the case.

MR. C. MANNES: Page 95, Mr. Chairman; Dunsky Advertising, Westmount, PQ; Dunsky Advertising, Winnipeg, two amounts. One for \$50,000 and one for \$38,498.00. I would ask the Minister specifically whether the \$50,000 because it's obviously a rounded-off figure, whether it represents an advance to that advertising corporation? Can the Minister provide further detail with respect to the contract, what government advertising did it cover?

Page 96; Joan Eliesen, Winnipeg received \$36,238. I'm wondering if the Minister of Finance can tell the committee the purpose of that payment.

HON. E. KOSTYRA: I'll take it as notice.

MR. C. MANNES: Page 97, The Family Farm Foundation of Canada, Semans, Sask. received \$24,950.00. If the Minister wants to direct us to Estimates whereby maybe this may be covered by an appropriation within Agriculture, that's fine. If we cannot find out any additional information there, can the Minister tell us specifically what this foundation does?

Page 102, Mr. Chairman, Gulf Canada received a payment of over \$6 million. I'm curious as to the reason for this.

HON. E. KOSTYRA: I'm sorry I missed that. I'm not used to jumping that far. There is a whole series of — (Interjection) — you'll find all of the oil companies — they relate basically to highways or to . . . purchases all through tenders. We see a couple a week right now.

MR. C. MANNES: Mr. Chairman, I hadn't gone through this completely and it was the first one I had seen, so it was the only one that I had earmarked.

MR. CHAIRMAN: Mr. Ernst.

MR. J. ERNST: Mr. Chairman, on Page 120, there's the Minnesota Valley Engineering Incorporated in Atlanta, Georgia for \$46,000 and the same in New

Prague, Minnesota for \$22,800.00. Would those be consultants? I don't want to go to a lot of trouble but does anybody have any idea what they would be for?

HON. E. KOSTYRA: No.

MR. C. MANNES: Mr. Chairman, Page 130. Daniel Anthony Ritchie, Winnipeg received payment of \$60,000 — again, a round sum. I would again ask whether this was an advance and the purpose for that payment.

Page 133; Lee Sage, Winnipeg. I believe Mr. Sage is an employee of the Manitoba Teachers Society. I'd be curious to know why he would receive a payment from the government of this magnitude.

HON. E. KOSTYRA: I can give a general comment because I'm aware of some recent . . . He is also a private consultant and does communications work related to seminars. The most recent one I've seen is seminars for Natural Resource officers. We can get the detailed information for you.

MR. C. MANNES: Page 135; Alan John Shade of Winnipeg received a 35,000 payment. Maybe the Minister can tell us the purpose of that payment.

Page 136; there are a large number of numbered companies. Although my colleague, Mr. Enns, made reference to two of them, I would like to have greater detail given with respect to the payments made to these numbered companies.

HON. E. KOSTYRA: All of them?

MR. C. MANNES: Well, Mr. Chairman, we can find out for ourselves who they are, of course, but yes, I have no reason for selecting one over the other. It's just a number.

HON. E. KOSTYRA: Okay.

MR. CHAIRMAN: Mr. Enns has agreed if they were to do with Venture Capital investments, as long as we have that information. They're all covered under that.

MR. C. MANNES: Yes, I'm sorry that he had made that request.

Page 146; W.M.C. Research Associates, Winnipeg. Can the Minister indicate whether this was a contract previous to the one that is of note these days or at least give us the details associated with that contract?

HON. E. KOSTYRA: Yes.

MR. CHAIRMAN: Are there any further questions on Volume 2, Supplementary Information? If not, I declare Volume 2 passed. Volume 2—pass.

That completes the committee's work on the Auditor's Report, Volumes 1 and 2 of the Public Accounts for 1984-85. Thank you for your attention, your questions, and we'll see you again next year — same place, same time, same cast.

Committee rise.

COMMITTEE ROSE AT: 11:54 a.m.