



**First Session — Thirty-Fourth Legislature**  
of the  
**Legislative Assembly of Manitoba**

**DEBATES**  
and  
**PROCEEDINGS**  
**(HANSARD)**

37 Elizabeth II

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**MANITOBA LEGISLATIVE ASSEMBLY**  
**Thirty-Fourth Legislature**

**Members, Constituencies and Political Affiliation**

NAME	CONSTITUENCY	PARTY
<b>ALCOCK, Reg</b>	Osborne	LIBERAL
<b>ANGUS, John</b>	St. Norbert	LIBERAL
<b>ASHTON, Steve</b>	Thompson	NDP
<b>BURRELL, Parker</b>	Swan River	PC
<b>CARR, James</b>	Fort Rouge	LIBERAL
<b>CARSTAIRS, Sharon</b>	River Heights	LIBERAL
<b>CHARLES, Gwen</b>	Selkirk	LIBERAL
<b>CHEEMA, Gulzar</b>	Kildonan	LIBERAL
<b>CHORNOPYSKI, William</b>	Burrows	LIBERAL
<b>CONNERY, Edward Hon.</b>	Portage la Prairie	PC
<b>COWAN, Jay</b>	Churchill	NDP
<b>CUMMINGS, Glen, Hon.</b>	Ste. Rose du Lac	PC
<b>DERKACH, Leonard, Hon.</b>	Roblin-Russell	PC
<b>DOER, Gary</b>	Concordia	NDP
<b>DOWNEY, James Hon.</b>	Arthur	PC
<b>DRIEDGER, Albert, Hon.</b>	Emerson	PC
<b>DRIEDGER, Herold, L.</b>	Niakwa	LIBERAL
<b>DUCHARME, Gerald, Hon.</b>	Riel	PC
<b>EDWARDS, Paul</b>	St. James	LIBERAL
<b>ENNS, Harry</b>	Lakeside	PC
<b>ERNST, Jim, Hon.</b>	Charleswood	PC
<b>EVANS, Laurie</b>	Fort Garry	LIBERAL
<b>EVANS, Leonard</b>	Brandon East	NDP
<b>FILMON, Gary, Hon.</b>	Tuxedo	PC
<b>FINDLAY, Glen Hon.</b>	Virden	PC
<b>GAUDRY, Neil</b>	St. Boniface	LIBERAL
<b>GILLESHAMMER, Harold</b>	Minnedosa	PC
<b>GRAY, Avis</b>	Ellice	LIBERAL
<b>HAMMOND, Gerrie</b>	Kirkfield Park	PC
<b>HARAPIAK, Harry</b>	The Pas	NDP
<b>HARPER, Elijah</b>	Rupertsland	NDP
<b>HELWER, Edward R.</b>	Gimli	PC
<b>HEMPHILL, Maureen</b>	Logan	NDP
<b>KOZAK, Richard, J.</b>	Transcona	LIBERAL
<b>LAMOUREUX, Kevin, M.</b>	Inkster	LIBERAL
<b>MALOWAY, Jim</b>	Elmwood	NDP
<b>MANDRAKE, Ed</b>	Assiniboia	LIBERAL
<b>MANNES, Clayton, Hon.</b>	Morris	PC
<b>MCCRAE, James Hon.</b>	Brandon West	PC
<b>MINENKO, Mark</b>	Seven Oaks	LIBERAL
<b>MITCHELSON, Bonnie, Hon.</b>	River East	PC
<b>NEUFELD, Harold, Hon.</b>	Rossmere	PC
<b>OLESON, Charlotte Hon.</b>	Gladstone	PC
<b>ORCHARD, Donald Hon.</b>	Pembina	PC
<b>PANKRATZ, Helmut</b>	La Verendrye	PC
<b>PATTERSON, Allan</b>	Radisson	LIBERAL
<b>PENNER, Jack, Hon.</b>	Rhineland	PC
<b>PLOHMAN, John</b>	Dauphin	NDP
<b>PRAZNIK, Darren</b>	Lac du Bonnet	PC
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<b>ROCH, Gilles</b>	Springfield	LIBERAL
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<b>STORIE, Jerry</b>	Flin Flon	NDP
<b>TAYLOR, Harold</b>	Wolseley	LIBERAL
<b>URUSKI, Bill</b>	Interlake	NDP
<b>WASYLCIA-LEIS, Judy</b>	St. Johns	NDP
<b>YEO, Iva</b>	Sturgeon Creek	LIBERAL

## LEGISLATIVE ASSEMBLY OF MANITOBA

Friday, November 18, 1988.

The House met at 10 a.m.

**Mr. Clerk, William Remnant:** It is my duty to inform the House that Mr. Speaker is unavoidably absent, and therefore, in accordance with the statutes, I would ask the Deputy Speaker, Mr. Mark Minenko, to take the Chair.

### PRAYERS

### ROUTINE PROCEEDINGS

### PRESENTING REPORTS BY STANDING AND SPECIAL COMMITTEES

**Mr. Parker Burrell (Swan River):** Mr. Deputy Speaker, I would like to present the Second Report of the Standing Committee on Public Utilities and Natural Resources.

**Mr. Clerk, William Remnant:** Your Committee met on Tuesday, November 8, Tuesday, November 15, and Thursday, November 17, 1988, at 10 a.m. in Room 255 of the Legislative Building, to consider the Reports of the Manitoba Telephone System for the fiscal year ended March 31, 1987, and for the fiscal period ended December 31, 1987. At the meeting on Tuesday, November 15, 1988, your Committee elected Mr. P. Burrell as Chairman.

Mr. R. Bird, President and Chief Executive Officer, Mr. P. Thomas, Chairman of the Board, Mr. D. Wardrop, Executive Vice-President, and Mr. W. Fraser, Vice-President, Finance, of the Manitoba Telephone System, provided such information as was requested by Members of the Committee with respect to the Annual Reports and business of the Manitoba Telephone System.

Your Committee examined the Reports for the fiscal year ended March 31, 1987, and for the fiscal period ended December 31, 1987, of the Manitoba Telephone System and adopted the same as presented.

All of which is respectfully submitted.

**Mr. Burrell:** Mr. Deputy Speaker, I move, seconded by the Honourable Member for Minnedosa (Mr. Gilleshammer), that the report of the committee be received.

**MOTION presented and carried.**

### ORAL QUESTION PERIOD

\* (1005)

### Psychiatrists Resignations

**Mrs. Sharon Carstairs (Leader of the Opposition):** Mr. Deputy Speaker, Manitoba has had a significant

lack of psychiatrists for many years. The reasons are varied, and they include the lack of appropriate facilities, inadequate salary levels, lack of commitment to a community-based model and overwork. The Minister, while in Opposition, often railed against such problems, but now that he has become the Minister he has become the major problem itself.

Can the Minister of Health (Mr. Orchard) tell this House why he unilaterally ordered the temporary movement of two psychiatrists from Selkirk to Brandon, thereby causing their resignations?

**Hon. Donald Orchard (Minister of Health):** Mr. Deputy Speaker, in a very brief answer, to assist 2,300 patients in need in Brandon, Manitoba.

In anticipation of many questions, and I hope they do flow this morning from my honourable friends in the Liberal Opposition on the psychiatric situation, I have indicated to this House and to the media that I will not be negotiating in public, either in this forum or in the forum of the media, on behalf of those psychiatrists, particularly the two who decided to resign early. I want to challenge my honourable friends in the Liberal Party—the Liberal Leader (Mrs. Carstairs) included, the Health critic (Mr. Cheema), the Deputy Leader of the Liberal Party (Mr. Carr)—because we are in Mental Health Estimates on Tuesday: Between now and Tuesday, approach those two psychiatrists who took early resignation.

Do not just find out from them what they were troubled with, but get the whole story and ask them, for instance, under what circumstances they would have been willing to go to Brandon. Ask them, in particular, what one of the doctors, interviewed on CBC radio, meant by a stipend in addition to their regular salary, because they are employees of the Manitoba Government.

Then come to this House on Tuesday, after contacting those two psychiatrists, with the complete story. Bring it to the House so that you begin the negotiations in public and I will be pleased to debate the whole issue, the entire package, with you and with anyone else in your Party who wishes to raise the issue. Please get fully informed.

### Psychiatrists' Transfer Volunteers

**Mrs. Sharon Carstairs (Leader of the Opposition):** A simple question to the Minister of Health (Mr. Orchard). Why, prior to his announcement in the House, did he not meet with all of the psychiatrists at the Selkirk Mental Hospital, and why did he not ask for volunteers to go to Brandon? Why did he decide unilaterally that two of them who had some 40-odd years of experience between them at Selkirk, to move them without any consultation, without any discussion or without any attempt to do it in a reasoned and sound manner?

**Hon. Donald Orchard (Minister of Health):** Madam Speaker, the advice—

**Mr. Deputy Speaker:** No, no, no, no.

**Some Honourable Members:** Oh, oh!

**An Honourable Member:** He is going back in time.

**Mr. Orchard:** There is such a change in personality there, I had reverted back to a year ago.

Mr. Deputy Speaker, my answer again to my honourable friend, the Leader of the Liberal Party (Mrs. Carstairs), because she has put false information on the record about lack of consultation, please contact those two physicians in Selkirk who are employed by the Government of Manitoba, who were asked as employees to go to Brandon for up to 90 days temporarily while we resolved the problem in Brandon, ask them for the complete story.

Ask them point blank if they did not meet with senior officials in my department prior to my announcement in this House. Ask them about their comments to the suggestion of them providing help to us, to the department, as employees with experience to assist 2,300 patients in Brandon. Ask all of those questions, and if you are willing to come to this House with the factual information, I invite you, your Health critic (Mr. Cheema), your Deputy Leader (Mr. Carr), the deputy Health critic (Ms. Gray), to participate fully in a debate in Mental Health Estimates on Tuesday, providing you come here with the complete story, not the bits and pieces that you wish to put before the House on behalf of the psychiatrists involved.

\* (1010)

### Medical Community Government Relations

**Mrs. Sharon Carstairs (Leader of the Opposition):** Unlike the Minister, we have had complete discussions with the psychiatrists in question. So my supplementary question to the Minister of Health (Mr. Orchard), this Minister, when he was in Opposition, often complained about the confrontational style of the previous NDP Ministers in dealing with medical professionals, particularly doctors. Can the Minister tell this House today why the medical profession of this province should consider his style any different than the style of the previous administration?

**Hon. Donald Orchard (Minister of Health):** Since my honourable friend has indicated she has the whole story from the psychiatrists, maybe my honourable friend could tell us what one of the psychiatrists at Selkirk meant when he said on CBC radio yesterday morning that the five clinical psychiatrists were willing to move to Brandon one day a week or two days a week every two weeks, with expenses paid and a stipend in addition to that, because they could come back because they have to work overtime. Could my honourable friend then tell the media at the end of Question Period, since

she is fully informed by those individuals what the stipend was, and then on Tuesday come in here and debate the entire issue?

Now, Mr. Deputy Speaker, I want to simply tell my honourable friend—you are the Leader of the Liberal Opposition—that we have had extensive discussions with the MMA, the Manitoba Medical Association, who are the bargaining unit for psychiatrists and other medical professionals employed within the Civil Service of Government, our employees, on behalf of our employees. We have reached arrangements with them that are satisfactory to resolving, over the long run, we believe, psychiatric recruitment to the Province of Manitoba.

I understand my honourable friend may not know that, but that is part of the negotiating process that has been ongoing since I became Minister of Health, responsible for the wellness of 2,300 patients in Brandon, Manitoba, that the Liberals appear willing to forget about.

### Psychiatrists Resignations

**Mrs. Sharon Carstairs (Leader of the Opposition):** With a new question to the Minister of Health (Mr. Orchard), you know it is very interesting that it has been the Liberals on this side of the House who have consistently, since this House opened on the 21st of July, raised concerns about the need for psychiatric services in this province. We have raised it to the degree that reports written about psychiatric geriatric services in this province have not even been read by the Minister of Health and the Minister responsible for Seniors (Mr. Neufeld). We have expressed weekly our concern about the lack of delivery. We now no longer can deal with the reality that not only is Brandon very highly underserved but so too is Selkirk.

Can the Minister of Health tell this House today what he is doing about the three additional resignations which appear to be forthcoming, one already submitted, two others have indicated they will be indeed resigning? What is he doing to make sure that Selkirk has any mental health services?

**Hon. Donald Orchard (Minister of Health):** Mr. Deputy Speaker, I am not aware of any remaining resignations. My Deputy Minister is meeting in Selkirk this morning. Now, if my honourable friends in the Liberal Party have their pipeline firmly established to the professionals, I want them to consider one other pipeline they might want to establish, and that being to the 2,300 patients in Brandon Mental Health Centre that you seem to be willing to forget about.

My honourable friend, the Liberal Leader, says that since July they have been fighting on behalf of the psychiatric and mental health services. I want my honourable friend, the Liberal Leader, to read the questions posed to me on Tuesday, November 1, after I made my announcement in this House of an emergency plan to resolve the problem in Brandon. She will find first off, on Tuesday, her Health critic defended the bargaining agent, the union bargaining agent for the

physicians. On Wednesday, November 2, he defended the physicians. Never has this Party concerned themselves about the patients.

**Mrs. Carstairs:** That is nonsense. The very first question we asked was about Brandon and the need of psychiatrists at Brandon.

\* (1015)

### Psychiatrist Shortage Premier's Intervention

**Mrs. Sharon Carstairs (Leader of the Opposition):** Mr. Deputy Speaker, bungling is what this Government must be held accountable for.

Will the First Minister (Mr. Filmon) step in immediately as he was forced to do on the foster parent issue and try to calm things down by entering into the negotiations directly and ensuring that we hire psychiatrists for Brandon and we keep the psychiatrists in Selkirk?

**Hon. Donald Orchard (Minister of Health):** Mr. Deputy Speaker, my Leader will add further information, but I simply want to tell my honourable friend in the Liberal Party and her critic and the Deputy Leader, because the critic had to pass questions over to the Deputy Leader the other day and now to the Leader today, as long as my honourable friends wish to fan the fires with part of the information, certainly they can point to potential difficulties in Selkirk.

At one point in time, the Liberal Party committed to the people of Manitoba that when they came into Government, or into Opposition, they would cooperate with reasoned approach to resolution of problems. There was nothing unreasonable about asking for temporary support from employees of Government to help out in a crisis in Brandon, except that the Liberal Party chose first to defend the bargaining agent, the union for those physicians, and secondly, to defend the physicians themselves. They forgot about their cooperative approach to problem resolution and they can create problems with the path that they are on—

**Mr. Deputy Speaker:** Order, please. The Honourable Leader of the Opposition.

**Mrs. Carstairs:** Well, he certainly made the case. He used two words, "reason" and "ask," and he did neither. He used no reason and he did not ask. He told.

### Health Care Crisis Meetings Medical Community

**Mrs. Sharon Carstairs (Leader of the Opposition):** Will the First Minister (Mr. Filmon), in light of the fact that there is a crisis in health care not only in this province but in all provinces because of costs, and in light of the fact that the only way to resolve that crisis is to work with the medical professionals in this province, will the First Minister immediately, today, arrange a meeting with the Manitoba Medical Association and

the Psychiatric Association of Manitoba in order to ensure an atmosphere of mutual respect between this Government and the medical profession so we can solve the problems in Manitoba?

**Hon. Gary Filmon (Premier):** Mr. Deputy Speaker, I want to say to my honourable friend, the Leader of the Opposition (Mrs. Carstairs), that we, as a Government, have to take responsibility for providing psychiatric services to all of those in need in Manitoba. We have to be considerate of the needs of people in all regions of the province. We cannot pick and choose which people we want to stand up for in Manitoba like the Liberal Party does, standing up for two psychiatrists, standing up for the bargaining agents and professional units in this province. We have to stand up for the people who need the psychiatric services.

We are faced with a crisis in Manitoba where Brandon is in dire need of psychiatric help and support, professional help. We have chosen to form and to seek an interim solution that involves people going for 90 days. They are employees of the province. They are people who are being asked to cooperate in our endeavour to solve this problem and to meet the needs of the people in Brandon who need psychiatric care.

The Leader of the Opposition (Mrs. Carstairs) may ignore it, but she has been told that the Minister of Health (Mr. Orchard) has spoken personally with the MMA, has arrived at an agreement with respect to financial support. I have spoken personally within the last 10 days, probably for 30 minutes, with one of the two psychiatrists involved because I am concerned. No question about it, we do not want to have this confrontation. But how do you work when people give you an ultimatum and say, no, they do not care to choose to follow their responsibilities as civil servants of this province to help solve the serious problem? They choose to engage in confrontative action—

**Mr. Deputy Speaker:** Order, please; order.

**Mr. Gary Doer (Leader of the Second Opposition):** Mr. Deputy Speaker, the Leader of the Liberal Party (Mrs. Carstairs) talked about dealing in the health care sector. I can assure the Leader of the Liberal Party, when you are dealing with any bargaining agent, you do not just back up a Brink's truck and unload the money on behalf of the taxpayers, and I think the settlement that the Liberal Leader was talking about with the MMA would have cost millions of dollars.

Mr. Deputy Speaker, we have supported since last April the position of putting in major salary increases for provincial psychiatrists because they are underpaid compared to the fee for service. We have supported the position of the Minister to deal with the short-term problem in the mental health area.

We do not support the position of the some \$500-a-day bargaining position of some of the the psychiatrists and I am surprised that it would be supported here. I do not support the position of moving one of the psychiatrists who has a father who is close to him. That, I think, should need some consideration.

So I think we should get some balance on this issue but we should move very quickly on the salary

enhancement on the provincial side. I said so in April. I will support the Minister when he brings that forward to Cabinet.

\* (1020)

### Importation of Beer Recycled Cans

**Mr. Gary Doer (Leader of the Second Opposition):** My question to the Minister of Environment (Mr. Connerly)—

**Some Honourable Members:** Oh, oh!

**Mr. Doer:** When you only get two questions a day, you have got to do what you can.— (Interjection)— Well, we used to give the former Liberal Leader one question everyday, not one question every four days. But I am not going to be sour, I am just going to get my angle in. Someday we will look at that proportion. Mr. Deputy Speaker, this is another very serious issue.

My question is to the Minister of the Environment (Mr. Connerly). When the Government changed the policy of beer distribution in this province to allow for greater distribution of American beer into the vendors of Manitoba, did the Minister of Environment take into consideration that the American beer is sold at a cheaper price because there is no recycling requirements of the sale of American beer cans compared to the deposit and recycling policy of Canadian beer? Did he take that into consideration, as Minister of Environment, when this policy was changed?

**Hon. Edward Connerly (Minister of Environment and Workplace Safety and Health):** Mr. Deputy Speaker, the importation of beer does not fall under the Department of Environment, so I do not understand the question the Honourable Member is getting at.

**Mr. Doer:** Sorry, Mr. Deputy Speaker. The fact of the matter is Canadian beer cans have a deposit and they are recycled, which is an environmental concern. American beer cans do not, and are not recycled, and they have a cheaper price because they are not recycled.

### Lone Star Beer Manitoba Distribution

**Mr. Gary Doer (Leader of the Second Opposition):** My question is to the Minister of Industry, Trade and Tourism (Mr. Ernst). What impact study, in terms of market share, has the Minister's department conducted with the allowance of Lone Star Beer to go into the distribution system in Manitoba? What effect has the Minister's department reviewed, the effect on the hundreds and hundreds of jobs that are in the brewing industry in Manitoba, the fact that there are 23 breweries in the United States for all of the United States and there are 39 breweries for Canada? There are three major breweries in this province with very important jobs, not counting the malting industry. What impact study has the Minister conducted prior

to the change in policy that has been made by the Government on the distribution of beer in Manitoba? How many jobs are going to be lost?

**Hon. Edward Connerly (Minister of Environment and Workplace Safety and Health):** Mr. Deputy Speaker, as far as the number of cans, that is very detailed information which I do not have at my disposal here. I will take the question as notice and get back to the Honourable Member. While I am on my feet, the Member for Concordia (Mr. Doer), the Leader of the—

**Mr. Deputy Speaker:** The Honourable Member for Concordia, on a point of order.

**Mr. Doer:** Mr. Deputy Speaker, we asked the Minister of Industry, Trade and Tourism (Mr. Ernst) the question and you did not recognize the Minister of Environment (Mr. Connerly). I would ask that decorum be maintained in this House.

**Mr. Deputy Speaker:** The Honourable Member does not have a point of order.

**Hon. Jim Ernst (Minister of Industry, Trade and Tourism):** In response to the Leader of the New Democratic Party (Mr. Doer), I will take that question as notice and bring back the information to the House.

\* (1025)

### Beer Distribution Policy Impact Molson Brewery

**Mr. Gary Doer (Leader of the Second Opposition):** My question then is to the Premier (Mr. Filmon). We have a Minister of Environment (Mr. Connerly) who has not reviewed the environmental impact of the changed decision of the Government. We have a Minister of Industry, Trade and Tourism (Mr. Ernst) who has not reviewed the, quite frankly, serious and sensitive situation of two of the three breweries that will be in trouble with this changed policy. The Liquor Commission has referred to GATT and the Free Trade Agreement in its change in policy that has been approved by the Government.

My question to the Premier is, what is his response to Molson Brewery that has written the Premier, the vice-president and general manager of Molson Brewery has written—and I will table that letter—asking him to review the profound effect on the industry that the changed Government policy will have in terms of American beer distribution in this province? Why would we want to change a policy that it does allow choice for people in the Liquor Commissions, but does maintain a market share for our Canadian breweries under the present system?

**Hon. Gary Filmon (Premier):** Mr. Deputy Speaker, I will take that question as notice.

**Mr. Doer:** Mr. Deputy Speaker, the Premier has received the letter early this week and it is a very urgent matter. The Government has changed the policy of beer

distribution providing for lower prices for American beer because they are not part of an environmental recycling. It will have a profound effect on jobs in Manitoba and very important jobs in our Manitoba industries.

### Amendments

**Mr. Gary Doer (Leader of the Second Opposition):** My question is to the Attorney-General (Mr. McCrae). Why would he change this policy without any consideration by the Premier (Mr. Filmon) or Cabinet or the Minister of Environment or the Minister responsible for Employment? Why would he change this policy, put jobs in jeopardy and have a negative environmental impact with the lack of cycling and recycling of American beer cans compared to Canadian beer cans?

**Hon. James McCrae (Attorney-General):** Mr. Deputy Speaker, the Honourable Leader of the New Democratic Party (Mr. Doer) has asked essentially the same question now of four Ministers, I being the fourth. I will take notice of the question, as will the other Ministers, and get back to the Honourable Member.

### Selkirk Mental Health Centre Closure

**Mr. Gulzar Cheema (Kildonan):** Mr. Deputy Speaker, mental health continues to suffer under this administration because of the ill-conceived actions taken by this Minister of Health (Mr. Orchard). We are waiting for him to explain his so-called new approach to the mental health care system in Manitoba because his recent approach of unilateral action has failed. Could the Minister explain to this House if closing of the Selkirk Mental Health Centre is a part of his so-called new approach?

**Hon. Donald Orchard (Minister of Health):** It is with regret that I have to even respond to such a fearmongering alarmist rumour-bent question. My honourable friend from the Liberal Party ought to develop a little maturity in his approach to questioning instead of bringing forth fearmongering questions like closing the Mental Health Centre at Selkirk. That is so ludicrous, it almost begs not an answer but I have to do my honourable friend the courtesy of a curt "No," and would he please be more responsible in terms of his spreading of rumours on behalf of, I do not know who in this case.

### Mental Health Care Northern Services

**Mr. Gulzar Cheema (Kildonan):** My supplementary is a question to the same Minister. Lack of mental health services in northern Manitoba is causing delay in diagnosis and treatment for teenagers and exposing them to unwanted risk. Can the Minister explain to this House what plans he has to provide psychiatric care services to Native and northern teenagers? Does he have that answer?

**Hon. Donald Orchard (Minister of Health):** I really appreciate my honourable friend pointing out how

services in mental health, particularly psychiatric services in mental health, are concentrated in and around the environments where we today sit and speak.

Mr. Deputy Speaker, my honourable friend has pointed out a problem in northern Manitoba. Approximately 18 days ago, I pointed out a very severe problem in Brandon because there are no permanent psychiatric services in Brandon. In Brandon, there are 2,300 patients in need of that. When I announced a plan asking cooperation of employees to resolve that problem in the short term for 90 days in Brandon whilst we put through some salary enhancements to make psychiatric service in the employ of Government more attractive, what did my honourable friends in the Liberal Party do? They first defended the bargaining agent, the union for the doctors. They secondly defended the doctors. They had no care for the patients in Brandon, some 2,300 of them. Now he wants, without cooperating in Brandon, to put the question, what about the rest of the province? I suspect they will not cooperate there either.

\* (1030)

### Psychiatric Care Acute Care Beds

**Mr. Deputy Speaker:** The Honourable Member for Kildonan, with a final supplementary question.

**Mr. Gulzar Cheema (Kildonan):** My final question is to the same Minister again. Bed shortage in acute psychiatric care continues to be the major problem in Winnipeg even though the McEwen Building has been reopened. Can the Minister tell us why such problems still exist in Winnipeg, and what plans he has to ease this problem, because as of November 6, on the weekend of November 4 to 6, we did not have a single acute care psychiatric bed in Winnipeg? Does he have that answer at least today?

**Hon. Donald Orchard (Minister of Health):** It would almost be with glee that I would give a partial response to an ill-informed position taken by people who wish to not have their facts when they present information to the people of Manitoba, because my honourable friends, just yesterday, took glee in pointing out certain comments made in a certain editorial column. That editorial column wrongly indicated that there would be acute care treatment beds at the psychiatric building at the Health Sciences Centre. They said that was a wrong approach. I would have to agree because it was not part of the approach. Now my honourable friend is saying that we need more psychiatric beds when yesterday he took glee in criticism levelled at me because we were building more. My honourable friend is somewhat confused in his approach to mental health.

### Selkirk School of Nursing Closure

**Mrs. Gwen Charles (Selkirk):** I hesitate to ask this question. The NDP Leader (Mr. Doer) asked the same question four times and the Minister of Health (Mr. Orchard) gives the answer four times, so I will try.

In 1985, the present Minister of Health moved a motion of privilege against the Community Services Minister, Muriel Smith, for refusing to tell the House whether she was planning to close the Psychiatric School of Nursing in Portage la Prairie. Our present Minister was then further quoted as saying the Government was closing the Portage School down because it was in a riding not held by the Government.

Mr. Deputy Speaker, cannot the Minister see that history has the appearance of repeating itself? Not being a political grandstander such as the Minister, I will ask him directly. Will he state clearly if he has any future plans to close the School of Nursing in Selkirk, and if not, why will he not issue a statement stating as much?

**Hon. Donald Orchard (Minister of Health):** Mr. Deputy Speaker, that question was posed earlier this week by a Member who does not even represent the constituency. I welcome the question from my honourable friend who represents the constituency. I pointed out to my honourable friend, in response to him on Monday, that for four Budget cycles the closing of either psychiatric school has been considered. It was presented to me when we developed the Estimates for this year's Department of Health expenditures, including the expenditures on the Selkirk Mental Health Centre. I said, no, we will not entertain that option.

So that my honourable friend is perfectly informed, it is again being presented as an option for cost saving to close one of the Schools of Psychiatric Nursing. I simply tell my honourable friend that no decision has been made to close the school. I also want to tell my honourable friend that if any decision was made, and I emphasize "if," it would be done only to improve and create a centre of excellence in terms of mental health education in the Province of Manitoba for the benefit of Manitobans who wish to become qualified and educated in delivering—

**Mr. Deputy Speaker:** Order, please.

### **Brandon University Psychiatric Nursing Program**

**Mrs. Gwen Charles (Selkirk):** Will the Minister indicate clearly and distinctly if he has plans to change psychiatric nursing from the specialized training it is today and replace it with the Bachelor of Nursing services who receive only six weeks' training in psychiatric care? Will the Minister indicate, if he does not have plans for closing it, does he have plans for keeping it open, the Psychiatric School of Nursing in Selkirk?

**Hon. Donald Orchard (Minister of Health):** No, there are no plans for making the Bachelor of Mental Health Program available in Brandon University as the only nursing program. Does that satisfy my honourable friend's question? Secondly, I simply tell my honourable friend that discussions have been ongoing with that very association, the Registered Psychiatric Nurses of Manitoba, in regard to the development of a centre of excellence in terms of education in mental health.

I think my honourable friends in the Liberal Party would wish to pursue excellence in education, but

maybe they do not in this case. I am not sure. I simply want to tell my honourable friend that all options are being explored with the bottom line being better education to provide better care for those Manitobans in need of mental health services. I would hope my honourable friends in the Liberal Party would not object to that.

### **Psychiatric Nurses Training Program Expansion**

**Mr. Deputy Speaker:** The Honourable Member for Selkirk, with a final supplementary question.

**Mrs. Gwen Charles (Selkirk):** Will the Minister expand the present psychiatric nurses' training institutions that exist in order that enough nurses will be available to fulfill the growing needs in the province? In other words, will he let the province in on his plans, or is he just going to allow it to be a mystery so that rumours will persist?

**Hon. Donald Orchard (Minister of Health):** I take from my honourable friend's question that she believes that both current training facilities are graduating at capacity. If that is the preamble or the understanding of her question, I simply have to say that she is incorrect again.

### **Agape Table Closure**

**Ms. Judy Wasylcyia-Leis (St. Johns):** I have a question to the Minister responsible for both Community Services and Economic Security (Mrs. Oleson). A very important social service, Agape Table, is in serious jeopardy and faces possible closure by the end of this year. That would obviously be a travesty given the rising unemployment and worsening economic situation under this present Government.

Given that this agency, Agape Table, has asked this Government for some assistance, not a lot of assistance but some assistance, in terms of guaranteeing a new site or new sites in the core area, could the Minister tell this House what plans she has under way for dealing with this crisis for ensuring that Agape Table will not have to close its doors by December 31?

**Hon. Charlotte Oleson (Minister of Community Services):** I sincerely hope Agape Table does not have to close its doors. My department will be looking at the issue. The programs that were in place for the poor in Manitoba before are still in place, so I do not think there should be any need to increase the attendance at Agape Table, but I shall get some more information for the Member.

### **New Location**

**Ms. Judy Wasylcyia-Leis (St. Johns):** My supplementary to the same Minister, I am very concerned, given the crisis that is before us. I think the Minister has not given us a serious commitment for dealing with the issue. I would like to ask her if she

could give us some assurances today that this Government will seriously commit itself to finding a new location for Agape House either by way of capital assistance through one of its programs, such as Community Places, or by assistance of real estate advice and counselling through one of its departments, or by finding space in one of its Government buildings in the core area. Surely, that is not too much to ask. Surely, the Minister could give us some answer today about this looming crisis.

**Hon. Charlotte Oleson (Minister of Community Services):** Yes, I will look into that matter. I cannot say today that we will do this or that, but we will look into it.

\* (1040)

### **Child and Family Services Centralization Consultation**

**Mr. Deputy Speaker:** The Honourable Member for St. Johns, with a final supplementary question.

**Ms. Judy Wasylcia-Leis (St. Johns):** On another matter to the same Minister, and I hope I can get a more specific response or a more serious commitment. Given that a letter received by the Minister from Northwest Child and Family Services Agency this past week, which I am quite prepared to table, Mr. Deputy Speaker—it is signed and I would like to table this letter—which clearly identifies strong concerns on the part of at least this agency about the centralist regressive measures of this Government which is contrary to the impression left by the Minister in the House on Wednesday, would the Minister at least agree to the simple request in this letter from the president of Northwest Child and Family Services Agency for a meeting as soon as possible and for some time to consult around this very important matter?

**Hon. Charlotte Oleson (Minister of Community Services):** My department and myself are often in consultation with the Child and Family Services Agencies. I had regular meetings set up with the presidents and I did receive, of course, the letter that she is referring to. I see that the person who wrote the letter, the president of Northwest Child and Family Services, is concerned.

My department will be contacting him to point out that the fears which he has raised are unfounded. I think that the Member will agree that if you are giving out half a million dollars to an agency, you would like to have some accountability and some idea of what they are using it for.

### **Environmental Concerns Gravure Graphics Ltd. Clean-up**

**Hon. Edward Connery (Minister of Environment and Workplace Safety and Health):** The Member for Concordia (Mr. Doer) has raised a couple of times in the House the concern that he had over the waste solvent at Gravure Graphics. I have been aware of that

concern at Gravure Graphics since I was appointed Minister. Our Department of Environment has been working with Gravure Graphics to clean up the concern that we have. There was an opportunity to dispose of that material almost inexpensively, but because of scare tactics by Members opposite dealing with waste, this opportunity was lost to us.

### **POINT OF ORDER**

**Mr. Deputy Speaker:** The Honourable Member for Concordia, on a point of order.

**Mr. Gary Doer (Leader of the Second Opposition):** The Member knows he cannot impugn motives, especially when one considers that we wrote him a letter prior to raising it in the House. Perhaps he would withdraw.

**Mr. Deputy Speaker:** The Honourable Minister of Labour, on a point of order.

**Hon. Edward Connery (Minister of Labour, Environment and Workplace Safety and Health):** I am pleased to say that in spite of what the Member said, that there were 200 barrels of waste solvent. There were between 600 and 700 barrels. Unlike what the Member said, they were not leaking, but I am pleased to say that the site has been totally cleaned up and the material is now stored safely under the orders of the Clean Environment Commission.

**Some Honourable Members:** Oh, oh!

**Mr. Deputy Speaker:** Order, please; order, please. With respect to the point of order raised by the Honourable Member for Concordia (Mr. Doer), I will take that matter under advisement and review Hansard as to the specific wording that he commented on and return to the House with a ruling on that matter.

### **Drought Assistance Applicants' List**

**Mr. Laurie Evans (Fort Garry):** Yesterday, I asked the Minister of Agriculture (Mr. Findlay) for an update on the question of compensation for the Interlake farmers who were unable to harvest in 1985 or to plant in 1986. The Minister's response was: "There does appear to be a technical problem in coming up with a list of producers and the acres associated with those producers."

We have asked for a list repeatedly and we have been repeatedly told it exists but it does not appear to surface. So there is still a problem there with being able to find out who should qualify for some degree of payment. So, Mr. Deputy Speaker, we have a bit of a mystery here. It could be called the case of the lost list, or list list, who has the list, something like that.

So my question is to the Minister. Who has been asked for this and who is actually looking for the list?

**Hon. Glen Findlay (Minister of Agriculture):** I can tell the Member that the Keystone Agricultural Producers

have been looking for the list. We, as the Department of Agriculture, have been looking for the list, and we have requested it from the Canada Department of Agriculture and the Special Grains Program of 1986-87.

### Provincial Contribution

**Mr. Deputy Speaker:** The Honourable Member for Fort Garry has time for one final supplementary question.

**Mr. Laurie Evans (Fort Garry):** Well, thank you, Mr. Deputy Speaker. The question would be then to the Minister. Will he take the initiative to utilize the staff and resources in his own department to generate a new list, and will he further put on the table what he regards as a reasonable level of provincial compensation and ask the federal Government to put its money where its mouth is?

**Hon. Glen Findlay (Minister of Agriculture):** In terms of reconstructing the past this far after the event, I believe it is open to abuse. That is why we have been asking for the list that was compiled at the time by people who made applications for special treatment when the program was in place. So much time has passed and the previous Government did not choose to act on it, so I believe it would be difficult to reconstruct the past from that end. Some of the producers will have retired, some of them have sold their farms, some of them have increased their acres, some of them have decreased their acres. That is why we have been aggressively pursuing the existing list that, as I said yesterday, had been repeatedly said that it existed but that has not come forward yet. My staff have repeated phone calls to two various federal officials and to this point in time we do not have a satisfactory list of the numbers of acres that are associated with that event.

**Mr. Deputy Speaker:** The time for Question Period has expired.

### ORDERS OF THE DAY

**Hon. James McCrae (Government House Leader):** Mr. Deputy Speaker, would you be so kind as to call Bills No. 37, 41, 40, 18, 24, and the remainder in the order as listed on today's Order Paper.

### SECOND READING

#### BILL NO. 37—THE CROWN CORPORATIONS PUBLIC REVIEW AND ACCOUNTABILITY AND CONSEQUENTIAL AMENDMENTS ACT

**Mr. Deputy Speaker:** On the proposed motion of the Honourable Minister of Finance (Mr. Manness), Bill No. 37, The Crown Corporations Public Review and Accountability and Consequential Amendments Act, standing in the name of the Honourable Member for Osborne (Mr. Alcock), the Honourable Member for Elmwood has 24 minutes remaining.

**Mr. Jim Maloway (Elmwood):** I left off the other day dealing with the issue of the MPIC and its investments. I did want to start today by saying that we hope to pass this Bill on to committee stage today and we intend at that committee stage, and I think the Finance Minister (Mr. Manness) is aware of our intention to bring forth an amendment to allow for the annual public meetings that was suggested, that these Crown corporations would involve themselves in when we were in Government.

The Minister of Finance, when he made his introductory remarks, had talked about the history of the Crowns in the province being one of a very sordid affair. Once again he chooses to take selective periods of history and selective corporations, and of course is suggesting that all of the troubles that Crown corporations have have been confined to the last six years while we were in Government. I had indicated the other day that this is not true, that Crown corporations have run into troubles under all different Governments of different political stripes. They have done so in the past and they will do so in the future.

That is not to say that we should not be vigilant, that we should not take steps to prevent losses in the corporation. But to suggest that this Bill or any other Bill is going to solve the problems of Crown corporation troubles in the future is folly because there will be, no matter what controls are put into place, the odd disaster, fiasco that will develop in the future even under this Government. We grappled with that as I had indicated before. We grappled with that while we were in Government trying to decide whether it was better to pull the Crown corporations closer to us or whether it was better to leave them at arm's length. The fundamental problem of course was that ultimately the Government was responsible for them no matter where they were, whether they were close or whether they were far away.

The Member for Arthur (Mr. Downey) should know that a Cabinet Minister, while in our Parliamentary system, is held responsible for whatever happens under his control, should also know that he or she cannot be running around second guessing management in each of his corporations. I mean, you are here as a Cabinet Minister, not here to second guess every little decision that your Crown corporations make. I just meant that as an observation.

It is certainly true that if we pass this Bill, and we will, hopefully in an amended form, the fact of the matter is that another few months from now, another year from now, we very well may find another disaster happening and at that point the tables will be reversed. Then there will be another suggestion for dealing with it. My point is that we should try to prevent these problems but bear in mind no matter what system you develop there are going to be problems.

The Minister's assessment that all of the problems were peculiar to the previous Government, and some over there would suggest it has to do with socialism and the lack of a business acumen and all these other attributes of an NDP Government. Of course, the Member for Charleswood (Mr. Ernst) knows full well that there are all sorts of problems that develop in

private business, a lot of waste and mismanagement, but the public does not see that. The Member for Charleswood knows that.

You look at the federal Conservative Government. What kind of messes have they gotten us into the last four years? They are supposed to be a Government that is competent, that knows how to run business.

\* (1050)

**Mr. Harry Enns (Lakeside):** They are.

**Mr. Maloway:** The Member for Lakeside (Mr. Enns) is talking about competence in the federal Government. Let us take a look at that for a moment.

**Mr. Enns:** A lot of awards, aircraft tenders, things like that.

**Mr. Maloway:** That is right. Before we get into aircraft tenders, to the Member for Lakeside (Mr. Enns), we only have to look at the recent example of Route Canada. There is a case where some private entrepreneurs saw a way to make a buck and when—

**An Honourable Member:** Bilk the Government.

**Mr. Maloway:** That is right, bilk the Government. When these entrepreneurs went to the Government and purchased Route Canada from the trucking company arm of CNR for something like \$29 million, the undervalued real estate in that corporation, I believe, was around \$30 million, thereabouts. Within a month of buying this corporation, these three buyers turned around and separated the real estate out of the corporation, which they still own, and proceeded in the ensuing two years to run this company into the ground. It is now in bankruptcy court. A couple hundred Manitobans are out their jobs and out their pensions and out their severance and other monies that were owed to them, and several, I believe, couple thousand people across the country are out a tremendous amount of money.

This is an example of privatization. This is an example of privatization run amok. Of course that is where some of the more ideologically inclined people in the front bench here and maybe the back bench as well would like to lead the provincial Government. If they were in a majority situation, which God forbid they should ever be, but if they ever were in a majority situation that is what you would see these people doing. The toll roads that the highways czar talked about a few months ago would become a reality. Pembina Highway would have a toll booth on it. That is where the Minister of Highways ultimately wants to take us.

But his toll road idea was an idea whose time has not yet come. He was taken to the wood shed by his Leader and told to hush up there because he was going to get this new moderate Government into real trouble. They managed to send the Minister for Health to acting school over the summer, and the Minister of Northern Affairs to acting school to learn some new vocabulary and clap rather than pound their desks and all of these

other things that one picks up in the world of acting school, and they want to present that image to the public. By and large, they have been somewhat successful in that they have come out looking fairly good. It has not helped them all that much in the polls in the province.— (Interjection)—

Well, the Member for Lakeside (Mr. Enns) wants to talk about wolves in sheep's clothing. He knows what it is all about and what they are doing over there. He has not been brought along in tow with that new approach of clapping rather than pounding his desk. He has not been script at the way the Minister of Highways (Mr. Albert Driedger) has—actually with the Minister of Highways it did not work all that well. He is sort of the first example of the plan gone astray with his untimely announcement of toll roads.

But I look forward to hearing more from the Minister of Highways about this particular idea of his. I think this particular idea has kind of slipped through the cracks and oozed out. Perhaps we will be able to make some more hay out of this before the case is closed. But by and large, as a Government, they have retrained the Minister of Health (Mr. Orchard) and the Minister of Northern Affairs (Mr. Downey). They are so far towing the line and making the Government look somewhat moderate.

In any event, to make the suggestion that all of the problems with Crown corporations are peculiar to our Government is just unbelievable. The fact of the matter is that the federal Government of a Conservative stripe has got us into lots of messes. The previous federal Government of a Liberal stripe has got us into lots of messes. The fact of the matter is that private corporations have tremendous amounts of waste and mismanagement in them.

Just to go back for a moment to the Conservative history of involvement in Crowns, the Member for Lakeside (Mr. Enns) has mentioned, the Member for Lac du Bonnet (Mr. Praznik) has mentioned in the past that it was the Conservative Government of years gone by that set up the Telephone System. John A. Macdonald set up a railway. Conservatives are not afraid of nationalization. The Member for Lakeside supported the takeover of the gas company last year—"Red Harry," we called him at the time—and so Conservative Governments in other provinces, Conservative Governments in this province have nationalized things in the past.

When you look at their involvement in losses and messes, you only have to go back to the CFI situation back around 1970 where the Conservatives managed to lose, through almost outright theft, about \$70 million or \$80 million which, adjusted for inflation, would certainly be around \$300 million. The Finance Minister (Mr. Manness) could do the adjustment for us here, the rule of 72, to figure out what \$80 million would be now.

It was established at the time, I believe, that Drs. Reiser and Kasser made away with a tremendous amount of money from this province, and the Conservatives paid the price publicly at the time and were in the doghouse for a long time because the public generally blamed them for the problem.

The former Member for Sturgeon Creek when he was here—and some of us wish he was back just for a couple of days—would revel in going after us about the perceived sins of CFI trying to rewrite history, the public image, trying to rewrite that public image. That was a battle that they lost years ago, 1970-71. That was a lost cause. The Member for Sturgeon Creek, just months ago, a year ago, at any opportunity when the subject was raised, would be up defending the Conservatives' role in CFI in a battle that was long lost.

The fact of the matter is that the NDP was in power for a period of that time. When you go further into the Crown corporations, and you know, the Liberals so far have no involvement in any of this, because they have not been in Government since the Campbell days, and that is an awful long time ago. So they can selectively take shots at both of us and suggest that we are responsible for these atrocities. That is fine. That is part of the business.

In the area of the MTX, it has been pointed out time and time again that when the NDP came in power the deal had been negotiated by the previous Minister in terms of the MTX involvement in Saudi Arabia. When one looks at the world economic conditions at the time and the price of oil being at \$35 or \$40 a barrel, from a business point of view, it probably made sense to all concerned to be involved in that situation because the economy was good—to the Member for Lac du Bonnet (Mr. Praznik). The economy was good in Alberta. The economy was good in all the oil economies in the world, including that of Saudi Arabia. So that it probably made sense for the Telephone System to get involved in something like that. In fact, had the Telephone System not become involved in that situation, they probably would have been accused of a lost opportunity: The Member for Pembina, the Minister in charge of the corporation at the time, under whose direction these contracts were negotiated, probably did so within that environment.

\* (1100)

The environment changed after that and the price of oil fell, plunged down to \$10 a barrel, and guess who knew what to look for at that time? The very guy who set the thing up in the first knew where to look because he knew now the price of oil was down to \$10 a barrel, the economy was flat, computers were not being bought by the Saudis, and he knew that there were going to be problems there.

When the economy is in good shape and when things are going good, then people will—you know, everything is fine and there is no pointing of fingers; but when the economy starts to fall, as it did in Alberta a few years ago and real estate dropped, that is when you had people in the trust companies, Peter Pocklington's trust companies, pointing fingers at one another saying, you overvalued this property, you undervalued this property.

It is sort of like a marriage. When the courting starts everything in the beginning is fine because people are looking only at the positive side of it, but then, a few years down the line when problems start developing,

then people start pointing fingers at one another and blaming one another.

What I am trying to do is put a perspective on things and say it is not just black and white. You should not just be blaming the Conservatives 100 percent for the circumstances surrounding, for example, CFI, but then by the same token, you should not be hanging the can on the NDP 100 percent for the circumstances surrounding the MTX.

Let us take a look at the insurance, let us take a look at the insurance situation. The Member for Lakeside (Mr. Enns) is fully aware that reinsurance was something that the corporation got into around 1975, and it was continued on during his tenure, and when the insurance economy was good, when the economy generally was good, people were making money hand over fist. There are types of contracts that will produce higher risk contracts, will produce a higher revenue than others, but they are more speculative.

So the corporation perhaps imprudently went into the higher-risk area and hoped to make more money, and I believe they did for a while. They did it well. But then the reinsurance losses, the long tail liability losses and the losses coming from the space shuttle and the Bhopal and other such big disasters started to catch up with them. So monies that they made on reinsurance in the early years now were being lost. When the NDP took over in 1981 they continued. I guess there were no bells sounded here and they continued on their merry way until things got out of hand. But that is no reason to try to put the blame exclusively on the NDP or exclusively on the Conservatives.

**Hon. Albert Driedger (Minister of Highways and Transportation):** Sure.

**Mr. Maloway:** It is not. The Minister of Highways (Mr. Albert Driedger) is taking a more simplistic view to things. Of course, from a political point of view, he will soon come to realize that when the Conservative Government does make mistakes and when there are problems developing within these Crown corporations without this legislation, that he will be, as a Minister of the Crown, held responsible.

The previous Member for Niakwa was right. The Opposition cannot have it both ways. To quote the wise former Member for Niakwa and we used to quote him quite considerably when he was in Opposition - (Interjection)- yes, good old Abe was right. Because as Opposition, these people perfected being on both sides. I must admit that the Liberals have sort of written a new book on that subject, but you have to chalk part of that up to their inexperience. Collectively in this House, they had two years legislative experience before they got here. So you cannot expect—and we will get into this in Bill No. 30 and other Bills where I have some information that I want to impart to the Liberals. But the fact of the matter is you name the issue and they have hopped from here to there depending on the situation. Part of that can be explained though from them being a new caucus, and they will mature and they will develop over time.

But you people, you people when you were in Opposition, and once again compared to them they

are far worse than you ever were, but you used to, when it suited you, you have to admit this, when it suited you, you used to hop around as well. The Minister of Finance (Mr. Manness) was one of the clearest, ideologically pure people over there because he used to cringe when some of you used to stand up one day and talk about balancing the budget and reducing the deficit and eliminating the taxes. Then the next day you would stand up and say you want this road paved and you want this hospital built and you want this done and that done. The Minister of Finance used to sit back there as the Finance critic at the time and just shake his head, and wonder what was going on in the caucus. We used to think that you were all over the map at that time and we thought that was awful. Now when we see the Liberals, of course, it is even wilder.

I did want to get back to this Bill, Mr. Deputy Speaker, and make some more comments about the—I have about five minutes left here. I did want to make some comments about some of the comments that the Minister of Finance did make. The Minister of Finance (Mr. Manness) indicates that he is not really opposed to the suggestion that the NDP has made to bring in an amendment to bring back the annual meetings. I can see why, because if the Government is in any way committed to its election promises of being an open Government, to come in to Government and be here six months and at the first opportunity eliminate something that promotes openness in Government is just beyond me. I mean why would they eliminate something that was in our previous legislation, a provision to allow these Crown corporations to have an annual public meeting, why would they eliminate this from the Bill? The Minister of Finance (Mr. Manness) though suggests that he is not really wedded to this idea, that if an amendment comes through, I read in his remarks in his speech here that he would not oppose it too strenuously.

Now, Mr. Deputy Speaker, I notice that my light is on, so I think I will leave it at that and we will continue on Bill No. 30 later on in the day. Thank you.

\* (1110)

**Mr. Reg Alcock (Osborne):** The Member for Elmwood (Mr. Maloway) has suggested that it would be fine if I were to selectively take some shots but I fear that in preparing for the speech I want to give right now, in preparing for some comments on this Bill, I accepted his original premise that the problem here is the management of major corporate entities that are owned by the people of Manitoba. We have a serious problem with them. It is a problem that I believe him and I believe others when they have mentioned any Government would have. It has been interesting to watch the back-and-forth between the current and former Government, but the reality is there are serious flaws with the way that the corporations currently relate to the Government, serious flaws in the auditing and accountability structures that are provided for them, and I would like at the risk of being a heretic in this House, I would like to talk about that.

I have a series of amendments that we will be discussing in committee and I think that there is within

the current Act, and with the Bill before us now, the basis for an Act that will finally bring some control to the Crowns and I think all of us in Manitoba will benefit from that. I do not think at this point that the situation we are faced with the Crowns is strictly an ideological problem. I do not think that what happened in the previous Government and what is happening with the current Government is as simple as an attempt to act out their ideological preferences when it comes to the management of corporate entities.

I do think that there is a problem though when you look at the mechanism that is used to conduct business in this fashion, in that it is part of the adversarial system that is used in Government, and as a result, the public interest portion of it intrudes on the effective management of corporations, and at times that public scrutiny under times of great pressure such as the previous Government was under during the scandals around MTX and MPIC, causes them to react in a manner that may be more intended to address the public political concern than to address the management realities of these corporations.

I feel, in part, that is what happened as the previous Government attempted to grapple with this problem and I think that the current Government in Bill No. 37 is in danger of making the same mistake. I think that as they have moved to attempt to address the public concern about the accountability of Crowns, the creation of the council as an alternative to the Public Investments Corporation, is simply the same mistake with a different name, with a slightly different perspective, a slightly different relationship, but nonetheless, it is the same fundamental error as we approach solving this management problem.

The error was identified by Judge Kopstein in his study who was identified frankly by the Member for Lakeside (Mr. Enns) when he responded to the original Bill before the House. It was identified by the Deputy Premier (Mr. Cummings) when he spoke on the previous Bill, the current Act. They have all commented on the fact that when you begin to put more people, more structures, more steps into the process of managing an entity, what you do is you do not get greater accountability. What you get is a diffusion of responsibility and less accountability.

One of Judge Kopstein's prime recommendations was that the relationship between the Public Investments Corporation and MPIC be dechained and that there be a stepping back from that relationship so that the corporation was free to manage its business.

I think if I have a central criticism of this Bill and if I have a central concern about what will come out of this process, I think there is a great deal in this Bill that is of value and a great deal that will go a long way to improving the accountability of the Crowns, but I think that council is a bringing along of something that was a central problem in the previous Bill. I think that whether it is the Public Investments Corporation or the Crown Corporation Council, that it is an expensive illusion. It provides a sense of some kind of control, a sense of some kind of comfort but it does not provide the kind of remedy that ultimately we seek.

I think the real strengths in the current Act in the proposed Bill lie in other parts of the Act and I believe

there is a more elegant, less expensive way to achieve what I think we all want, and that is the greater accountability of the Crowns. The management of Government and the control of Government entities is one that has been of some interest to me for some time, and I spent a lot of time as I try to sort out where the problem lay, where the problem began that allowed us to get into, whether it is Manfor, or the MPIC problems, or MTX or whatever.

As you go through it and as you begin to read through the various Acts of the Crown corporations, and as you read through The Public Utilities Act and The Financial Administration Act, what you begin to find really quickly is that there are serious deficiencies in the way in which Government has structured itself at the current time, and has been structured for a long time to deal with holding itself accountable to the people of Manitoba.

The former Minister, the current Leader of the New Democratic Party (Mr. Doer) when he introduced the current Act, he spoke of establishing a framework of accountability. He identified four main features of the Bill which he felt would help Crowns respond to the needs of the public that they serve, while at the same time strengthening the framework for business decision making. Now, the four features that he identified were public accountability, legislative accountability, employee involvement and financial accountability.

Each one of them are goals that within certain definitions I think are laudable and some of the aspects of which are carried forward in the new Bill and I think that we will see elements of them preserved in the Act that emerges from committee. When he talked about public accountability, he talked about the establishment of service committees and that is a feature of the current Act, but it is a feature that we lost in the move to this Bill. In the translation to this new Bill the Government chose not to include it.

Now the Finance Minister (Mr. Manness) has indicated that he really was of two minds, that he did not have strong feelings one way or another and that it was after reading Kopstein, that although the Bill was prepared prior to Kopstein, it was after reading Kopstein that he really sort of made up his mind. He took at face value some of Judge Kopstein's concerns.

I have read Judge Kopstein's discussion papers and I have gone through the recommendations he put forward on that. His concern is a relatively minor one. In fact, he questions the usefulness of it. I can understand the basis for his concern because it is true that when a corporation is running well, when the public is not concerned, those meetings would probably turn out to be nothing more than exercises. They would turn out to be simply window dressing. The meeting would be held. Very few people would come out, perhaps a few interested individuals who are driven through business interests may come out, but the public at large which that section is designed to serve, in all likelihood would not.

It is at times when there are problems that feature is important. It was a thing that I experienced on a personal level as we moved to try to sort out the

problems of the previous Children's Aid Society, because if you recall back to the time when all the contentiousness was taking place with that agency, one of the problems was that if a member of the community had a problem, if they had a concern, if they wanted to speak to the agency, they had no way to do it. They had to stand outside and watch and use other mechanisms to try to bring some accountability.

I think that the provisions included in the recommendations in the current Act of the service committee, I think that the identification of the route by which ordinary people in the community can come forward and ask questions of the senior management of the agency and ask questions of the Minister is an important mechanism and the one that should be brought forward into the new Act. It is one that I am sure will be discussed at some length in committee.

The second thing that the Leader of the Democratic Party (Mr. Doer), when he was Minister, spoke about was legislative accountability. This is one that I think is an extremely important area and one that the new Bill addresses. But I am not certain that it addresses it clearly enough. He defined it as there needing to be a timely flow of information and that all pertinent information relative to the management of Crowns should be tabled before the House.

The Member for Lakeside (Mr. Enns) when he spoke on the Bill last year, he commented that one of the problems that the Crowns had was that they began to move outside of their very narrow mandate of providing service to the people of Manitoba instead of becoming just a Telephone System providing high-quality services to people in Manitoba. They began to go beyond that and hence the move into Saudi Arabia, similar to MPIC moving into reinsurance. They raised the questions about whether or not a public corporation should be moving in that direction and whether they should not just simply be restricted to providing high-quality services to the community that ultimately bears responsibility for their cost.

\* (1120)

There are several proposals that have been put forward and proposals that will come forward in review, some of which were adopted by the federal Government that would require a Crown corporation, that should it desire to take an action that is outside of its current mandate would require it to receive written permission from the Government and require that action to be tabled in the House. I think that is an important provision and one that should be included in the new Act. There are also—and I will come to that—there are also other provisions that should be followed up on with that.

A third area is the employee involvement. The former Member talked about provision of joint councils. The Minister has talked about the need for employee input. There was some disagreement about how that is arrived at. I think that we need to look at that rather carefully. I think the intention, I think there is a desire on both parts to have the people who work for the corporations to have some mechanism for them to address management. I think that is an important part of this Act, or should be an important part of this Act.

The final thing that the previous Minister I spoke to was financial accountability. He spoke about the creation of audits and audit committees and enhanced audit procedures. This is an area that I found a little surprising as I got into this. As I began to go through the legislation and I looked at our Financial Administration Act, I frankly was surprised. I could not believe that it was as weak as it is in that there was so little, both in the Crown Acts and in The Financial Administration Act that provided any kind of sense of how you would go about auditing these corporations and what you are auditing them for.

There are now descriptions of financial audits. There is no sense that the Auditor should do something that has been recognized certainly in the federal legislation for some years and that is, these corporations are not simply businesses. They are in place in part because they meet some additional needs. There are some social reasons for them being in place. Those objectives should be identified in that the meeting or failing to meet those objectives should be included in the audit and should be included in an independent audit and reported on every year so that we now immediately should a corporation step outside of its mandate and objectives.

Now, that was roughly what the current Act was intended to do in the words of the previous Minister. The current Minister, in introducing his Bill, interestingly enough, mentioned four things. He said that the situation they arrived at after describing all the problems with the Crowns left them needing to do four things, or coming to four conclusions. The first was that the Crown boards need good people; the second was that Ministers could not be a part of the boards for which they are responsible; the third is that rate-setting must be shared with the public in an open forum; and the fourth is, the Ministers responsible have to be truly responsible.

It is an interesting selection of concerns to draw out of a problem as complex as this one. Some of them I agree with. Some of them I have great concern about—maybe because I misunderstand them, and perhaps the Minister will correct me if I do. The very first one he says is that Crown boards need good people. That is a self-evident kind of statement. If one thinks of it simply as a semantics issue, if one simply thinks of it as something that the Minister tossed off, he is saying Crowns need to appoint good people to boards. I think that is true of every Government at any time you are looking at appointing people to boards. If that is all it is, if all of that is an observation, and sort of a gratuitous point that he threw in at the beginning of his speech, then I have no concerns other than it seems like a waste of energy to point out something as self-evident as that.

If, however, what he is saying is that the problem is that the previous people appointed to these boards were not good, and that the problem is simply solved by appointing good people, then I think he is wrong. I think he misses the fundamental problem that these organizations have, that it is not simply a matter of getting the right people in the right place. There are fundamental structural problems with the way these

organizations are set up and there are real deficiencies in the controls that are in place for them right now. If those are not corrected it does not matter who we put in place, that over time we will get into the same kind of problems.

These organizations are living organisms. They want to grow, they want to develop. The kind of ventures they have gotten into are not unusual. The kind of losses they have had are not unusual unfortunately. There needs to be an oversight capability that allows people to every now and again do as the Member for Lakeside (Mr. Enns) did, stop and say, is what you are doing or what you are intending to do really what we want to have happen; or do not we want you just to worry about telephone service here in Manitoba, or auto insurance here in Manitoba; and we really do not want you to get into those other kinds of things. There needs to be an ability to stop and have that sober second thought if you like in some kind of open forum.

The second thing that the Minister mentioned was this comment about that Ministers could not be part of the board for which they are responsible. I certainly concur with that. I think that their move to remove the Ministers from responsibility for the agencies is an important one for several reasons. I would differ with the previous Government when they had the Minister so directly responsible. I think that there needs to be competent professional management of those corporations. I think those corporations need to meet the needs of the corporation if you like, in so much as it needs to be well-managed. Where there is a political consideration that should be dealt with in a policy-setting form and those instructions should be passed on to the corporation with some kind of proper review. There are all sorts of recommendations that can be brought forward for identifying that information and ensuring it is properly approved by the Lieutenant-Governor-in-Council, and tabled in the House so there is a proper ability for the Legislature of the people of Manitoba to examine those kinds of changes.

So I agree with him when he says, let us get the Ministers out of the direct management of these corporations. A second reason that I would agree to that is that the Minister is also a part of that accountability structure. They also have a role to play in holding the organizations accountable and they should be one step removed. Kopstein spoke I think very strongly on this and very clearly on it, and I would certainly concur with his recommendations.

What I do not understand is the Minister's insistence upon keeping MLAs as part of the boards. I do not see the value that he gains in doing that. I do not understand the advantage that outweighs the disadvantage of the increasing concern around politicization of the boards. I would like the Minister to explain perhaps in committee or perhaps today if he feels he can what is the central issue there. What is it that the corporation is gaining by having an MLA on the board, because I frankly do not understand it?

I went through Judge Kopstein's remarks on this and he did indeed say that he felt that it was okay. He did not speak strongly on it one way or the other. He said if you want to do it go ahead and do it. It did not

concern him as much as having the Minister on the board. I do not see the value in it and in fact I see significant negative ramifications of having those appointments, and I would do away with them.

The third thing that the Minister spoke about was rate-setting must be shared with the public in an open form. We certainly concur with that and will support those provisions. Part IV of the Act I think is something that we will be quite supportive of. I am not certain though why those provisions need to be in this Act. In fact I am not certain in part why this Act needs to exist as a separate vehicle. I mean amendments to the Acts of the three corporations involved would be sufficient to empower the PUB to have the hearings and to deal with the rate setting.

The fourth one that the Minister referenced was the Ministers responsible have to be truly responsible. Again it is one of these self-evident facts. But it seems to—in fact, in many ways it is the most confusing of the four statements that he made, because if he believes in that, if he really feels what we are looking for is clarity and lines of accountability, real accountability, why do we have this council? Why do we go the extra step of building an organism that is somehow involved in the decision-making that will simply serve to defuse responsibility. It is the one thing that I find most confusing about this. I understand the political pressures that propel one to put an edifice up there that says, see, we are being accountable. We have this thing here. But I would urge the Minister to reconsider that. I would really urge the Minister to rethink the real value of that. I think that there are models for holding these Crowns accountable that are much more elegant and, frankly, are much less expensive. Now I think there are serious flaws with the way that this council is described and empowered. I do think and I should say to the Minister, I think it is an improvement over the current Bill. I think it at least is smaller to start with and less intrusive. The Minister did describe it as a consulting sort of support function.

The problem I have with it, though, the way it is described it has almost a licence to milk the cash cows that those major corporations can become, to do whatever it likes. There is very little control and I think what any oversight organization finds is it attempts to provide some kind of overview and criticism of organizations as large and as complex as MPIC or the Hydro or the Telephones is that this is a very difficult task. These are huge organizations with lots of very talented professional staff and if you are attempting to search out information that allows you to hold them accountable, it is not done by a few people meeting in a room.

\* (1130)

You are going to need studies, you are going to need reviews, you are going to need audits, you are going need information with which you can confront the organization if that is what your intention is. If your intention is to use this council to hold the organizations accountable, then I think you are going to see it inevitably have to grow to the kind of monolithic organization that the NDP wish to create, and I think

that is wrong. If it is simply to act as some sort of second check, some sober sort of non political second thought on a decision that a Crown might make, then I think you are back into the problem that you attempt to get out of when you talk about Ministers responsible have to be truly responsible.

Who is making the decision? Is it the Crown board? Is it a policy decision the Government is acting on? Is it the council? And does not the intrusion of other entities in that just defuse the whole question? And does not it just make it more difficult? Should there be a problem to come back to saying, well, where does the problem lie and who do you hold accountable and how do we hold somebody accountable for it? In fact, instead of getting more accountability, I would predict with all respect that what you are going to get is less accountability.

Now, I would like to come back for a minute to this question of the roles and responsibilities of the boards, the financial accountability, The Financial Administration Act. There are provisions in the new Bill—in fact, one of the duties of the council, I recall, is to hold the—just a second, just let me get the Bill. One of the duties of the council, 6(1), is that the council shall facilitate in co-operation with each corporation the development of a clearly defined mandate and a clear statement of purpose for the corporation. Well, it strikes me that should be a duty of the corporation. It strikes me that if the corporation does not have that kind of mandate right now you have a problem in that—(Interjection)—That is right, it is a serious problem. I have the greatest sympathy with the Minister. I think that by putting the council in you do not solve it, you make it worse.

(The Acting Speaker, Mr. Laurie Evans, in the Chair.)

I think you can require the Crowns to put before this House on a five- year planning basis if you want, with annual updates or a three-year basis or an annual basis, however you want to do it. You can require those corporations to put before this House that statement of mandate, purpose, objectives and then I think you can go in, and you can as they do in the federal Crowns, you can audit them and in your audit you can ask the questions, are they meeting their objectives? And you can have the auditor put before the House whether or not they are, and you can flag very quickly whether or not the corporation is beginning to deviate from its mandate or objectives. It is there in the federal legislation. If you look at the federal Finance Administration Act, the provision is there, but what it does not do—well, the Minister says from his seat he is not impressed with that and I genuinely feel badly about that because I think if he looks at it and maybe thinks about it for a minute what he will find is that it is cleaner and clearer and more easily dealt with than putting in a whole other structure that then takes some part of the responsibility for it, that then adds another step in the process, that then adds greater, ultimately, I believe, greater confusion to the decision-making process, ultimately the determining of who is accountable for what in these corporations.

I think, if we are going to have accountability, the roles and responsibilities of the boards, management and the Government have to be clarified, they have to

be written down, they have to be measurable. I think it is possible to do that and I do not think the council is a helpful addition to that process.

There has to be a regular and timely flow of information about the operation of the Crowns so that the Legislature and the public and this House when the House is sitting in committee and in the public forums that I think should be part of this Act can have clear information about the operations of the Crowns and can have it within a timely framework so that they can act on it.

Again, the audit provisions I think must be strengthened and enhanced to ensure that the financial accountabilities are of the higher standard and, as the federal Finance Administration Act provides, the Auditor is reporting on the non-financial performance indicators.

Now, I think that this Bill is indeed an improvement over the current legislation. I think it has more positives than negatives, and the Minister will receive our support on a great many of its sections.- (Interjection)- I am sorry? Well, I think the Minister, when he ponders on my remarks today, will realize and will support me in the amendments that I am going to bring forward on the sections I have identified as being somewhat problematic.

I think though, as we approach the process of amending this Act, I would hope that the Government would be prepared to entertain some friendly amendments, would be prepared to work with Members on this side in creating what I believe will be a better piece of legislation, a cleaner piece of legislation, a leaner piece of legislation, will give us the accountability that we say we require, and not provide for us the escalating cost that his Bill is inevitably going to create, at the loss of the accountability that he says he wishes to have.

I look forward to the debate in committee. I would be interested in the Minister's remarks on the Crown Council and I will await the decisions of the committee. Thank you.

**Mr. James Carr (Fort Rouge):** It is a pleasure for me to rise today and put some comments on the record on a very important piece of legislation, Bill No. 37, The Crown Corporations Public Review and Accountability and Consequential Amendments Act.

It is important because the whole principle of accountability is central to Governments. There has to be confidence among the electorate that the affairs of the Government are well managed. That is not only true of the departments or Government which report to this Legislature, but it is also equally important to Crown corporations which in Manitoba have assets of more than \$4 billion and have yearly expenditures of many hundreds of millions, so the management of those Crown corporations and their accountability to the Minister, to the Legislature and to the people of Manitoba is an absolutely central element of the prudent management of the affairs of our province.

The history of Crown corporation management in Manitoba has not been always a very happy one. We

have examples in recent years of \$27 million being lost by the Manitoba Telephone System through foreign adventurism in Saudi Arabia because the corporation lost sight of its mandate. It did not realize why it was there. Let me, if I may, quote the wise words of the Member for Lakeside (Mr. Enns), to whom I always turn when it comes time to extract wisdom from the annals of Hansard, who said that it is my contention that when Crown corporations fundamentally begin to stray from their original and individual acts—they incorporated them to provide a particular service, carry out a specific function—when we examine some of our most recent disasters, that is when we get into trouble.

\* (1140)

He is absolutely right, Mr. Acting Speaker, and he is not only right about the affairs at MTX, he is also right about what happened to the Manitoba Public Insurance Corporation, whose mandate it is to provide cost-efficient service to the motoring public of Manitoba, for the setting of insurance rates. Well, we got into a reinsurance scheme that was not accountable to this Legislature, which lost us tens of millions of dollars over a number of years. If I could once more quote what the Member for Lakeside (Mr. Enns) said on that subject, he said on Thursday, the 9th of July, 1987, "The special audit just carried out indicates that there was never a business plan presented to the board of Autopac, never a business plan presented to a Minister, never a business plan, never a suggestion. I will tell you I will make that confession, I did not know we were in the business. I did not know we were in the business." And this comes from a Member who is the dean of this Legislature who had, over the years, responsibility for a number of provincial Crown corporations.

The Minister did not know how can there be accountability when the communication between the board of directors of a Crown corporation and the Minister as such that the Crown engages in major policy initiatives and the Minister does not know. Mr. Acting Speaker, I have some personal involvement in the accountability of boards. I was one of those appointed by Sterling Lyon in 1979-1980 to be a trustee of the Winnipeg Symphony Orchestra, when that important cultural institution was technically bankrupt.- (Interjection)- The Member for Arthur (Mr. Downey) knows that I play the oboe, an ill wind which nobody blows good and I hope he will give me a better result when he marks me in my performance in this Legislature.

But the opportunity to analyze what went wrong with one of our major cultural institutions in Manitoba was revealing. What we found, and I am talking about Jack Fraser, Claire Miller, Olga Fuga, Jules Benson, how I got involved into that group of Tories I will never know, but I accepted my responsibilities.- (Interjection)- Well, the Minister of Finance (Mr. Manness) says that it enhanced the learning curve of my life and you know what, he is right. Those Tories understood the concept of management and of accountability much better than this current set of Tories who have presented in front of this Legislature a flawed piece of legislation, whose weaknesses shall be pointed out in due course.

What we found out in that experience some eight or nine years ago was that when too many individuals are

responsible, no one is responsible. Was it the board's fault? Was it management's fault? Was it the Manitoba Arts Council's fault? Was it the Government's fault? Well, it took us a little while to find that out but what we learned in the lesson that I took from that experience with those fine Tory individuals was that you have to know who is in charge. And this Bill does not tell us who is in charge. The Minister must be ultimately responsible. The board of the Crown corporations must be autonomous. The super council has the power and the authority to review mandates, to call witnesses, to hire external auditors. Who is in charge, Mr. Acting Speaker? We want to know.

There has been an awful lot of talk about political interference and we had to put up with more than a little bit of nonsense from the Leader of the New Democratic Party (Mr. Doer) when he spoke to this Bill. He attempted to point out phoney inconsistencies in Liberal Party positions. Well, I am proud to have followed the Honourable Member for Osborne (Mr. Alcock) who gave one of the most fine and tightly reasoned arguments that I have heard in this House, which was a model of consistency. The Member of the New Democratic Party was in one breath talking about the CNR and in another breath was talking about MPIC, was talking about federal responsibilities, about provincial responsibilities. He did not know where he was coming from. He did not know where he was going. He was on some blithe flurry of political rhetoric which lent absolutely no substance to this debate on a very important subject.

Political interference is when the chairperson of a Crown corporation sits in the Cabinet. We agree with the Minister of Finance (Mr. Manness). We agree with that provision in this legislation which says, that is wrong. Members of the New Democratic Party like to talk about accountability. They like to talk about Crown accountability at a time when they had their Minister as chairperson of the Board of MPIC. In spite of that accountability and that crossover between the political life and the life of a Crown corporation, MPIC was out \$46 million in its forecast.

Did the fact that the Minister was chairperson of the board help MPIC come up with a more accurate model of forecasting its costs over a 12-month period? No. The Minister in charge of MPIC, who was also chairperson of the board, was he able to flag the problem to Cabinet in order to cut it off at the knees to make sure that the ratepayers were not given the shock that they were of 24 percent then reduced to 18 percent when they realized they could not understand political heat? No.

Ministers should not be chairs of Crown corporations and none should be members of the board. Neither, would I argue, should Members of the Legislature. I echo the rhetorical question of my honourable friend from Osborne (Mr. Alcock) and challenge the Minister in his closing of this debate to tell us why Members of this House should be appointed to the boards of Crown corporations when this Minister and his colleague, the Deputy Premier (Mr. Cummings), have told us time and time again that we do not want political interference. He is right. But, and this is an important

distinction, the responsibility of a Minister and the responsibility of the Government to establish the mandates of Crown corporations to present changes in those mandates as legislation to this House is not political interference. That is political responsibility. That is the difference between tinkering with Autopac rates in order to adjust to an electoral cycle and establishing the reason that we have a Crown corporation in the first place. That distinction was lost on the Leader of the New Democratic Party. I hope that distinction is not lost on the Minister of Finance.

What are the elements of accountability, Mr. Acting Speaker? The first is the accountability of the Minister. We know full well how a Minister is held accountable. He is held accountable to this House and, ultimately, he or she is held accountable to the people of Manitoba. If there are enough Manitobans who think that the elements of this Bill are foolhardy, if there are enough Manitobans who think that the mandate of the Manitoba Public Insurance Corporation is faulty, they will have an opportunity to express themselves the next time we go to the people. They will lose their seat. The Government will be defeated and there will be new persons placed in charge of establishing that mandate or given the responsibility of drafting legislation. The accountability of a Minister is absolute and complete and it is the accountability to the people of Manitoba.

We talk about the accountability to the Legislature. I again want to compliment the Minister on establishing a system of quarterly reports. I think that is positive. I would like to also thank him for saying right within the legislation that those reports must be submitted to the Legislature before they are released to the public. I think that is very positive. We have seen examples in this Legislature as recently as this week of cases where Ministers chose to release reports in a haphazard way before Members of this Assembly had received the courtesy of tabling such reports. I think that is wrong. We criticize the Minister of Culture, Heritage and Recreation for that mistake while complimenting the Minister of Finance for writing within this legislation the requirement of giving to Members of the Legislative Assembly quarterly reports before they are released to the public.

\* (1150)

Now in the other element of Legislative responsibility, I enjoyed reading the comments of the current Deputy Premier (Mr. Cummings) on the subject of Legislative accountability when he was in the Opposition. I think they bear repeating. The Deputy Premier then said true accountability comes when there starts to be a little sweat on the brow and under the armpits of the Minister responsible for the corporation, when he is front of a committee being examined on the policy and the direction in that committee, or when he is being examined regarding some of the management that evolved in the corporation that he is responsible for. He is absolutely right.

The Deputy Premier (Mr. Cummings), by the way, has a very graphic way of describing situations. As a matter of fact, in that same speech he refers to diarrhea in cats. I do not know exactly what he was saying. He

was talking about digging and covering up. If the Minister of Highways (Mr. Albert Driedger) wants to know, I can quote it to him. He said, "But frankly, what we see too often is where the Government and the Minister become a bit like a cat with diarrhea, if you know the old story about a cat with diarrhea. He sometimes has two going ahead digging and one coming behind covering up." Just so the record is clear, these are the words of the current Deputy Premier and not my own.

He did have a good point to make when he talked about legislative responsibility and accountability. We on this side of the House congratulate this Government for adopting the recommendations which I think originally came out of the Spivak Task Force on Government Reorganization, which talked about the requirement and the necessity of Crown corporations being brought before legislative committees so that Members of this House had every opportunity to speak their mind and to investigate, and to probe the activities of those Crowns.

The Deputy Premier and the Opposition went further than that and suggested that those committees ought to be given staff so that the function of legislative accountability was able to take some shape and substance through the creation of a kind of a secretariat. There is no reference to any of that in the Minister's Bill. Perhaps he wants to comment on that later.

The CEOs and members of the boards of Crown corporations are not elected. They are appointed. It is a delegated authority. It is an authority which lasts only as long as the Minister responsible wants it to last because what the Order-in-Council gives, the Order-in-Council can take away. I cannot understand for the life of me why this Minister has withdrawn the requirement for corporations to go in front of the shareholders, the people of Manitoba, once a year. We are not talking about once a week or once a month, once a year so that individuals in this province can tell the chief executive officer of MPIC that he or she is upset about the treatment of this issue or that.

We know through questions asked in this House and through testimony at committee that last year, in the last 12 months—I am not making this up—80,000 individuals accessed the service lines at MPIC. Not 800, not 8,000, 80,000, many of them complaints, some of them inquiries. Admittedly it was an unusual year because we had a rate shock; we had a merit system; we had surcharges on licences. There was more disruption than usual. We actually know how much more disruption. In an average year there are only 50,000 inquiries to MPIC. This year there were 30,000 more. The point is that there ought to be an opportunity for members of the public, shareholders in these Crown corporations to tell the chief executive officer, to tell the middle managers, to tell the senior executives of that corporation how they, as the shareholders, think they are doing the job. Let them take the heat.

Why has the Minister withdrawn? I think the Minister has withdrawn because he believes that it is too much work, that it is too complicated to organize. He has been given advice by bureaucrats, his own or those housed within the Crown corporations, that it is

something that is more trouble than it is worth. There are probably some politicians who think elections are an inconvenience. Would it not be nice if we could just take our seats and stay there until we felt like leaving? We cannot. We have to go to the people.

(Mr. Deputy Speaker in the Chair.)

Let the Crown corporations go to the people. I cannot think of one single downside except the Minister is in the pocket of someone who cares too much about keeping that window closed. So I mean to impute no motive here, Mr. Deputy Speaker, and I invite the Minister to tell us in his closing remarks why it is exactly that he is depriving the people of Manitoba of their opportunity to address senior management of those Crown corporations once a year so that we can have open accountability which must not only be done, but which must be seen to be done.

Now I would like to talk for a few minutes about the Bill itself. The Bill creates a Crown Council of seven members, which has got to increase the bureaucratic apparatus, surrounding the process of managing Crown corporations. The new Crown Council has substantial powers and let me say that it does not differ substantially in its powers than the organization created by the former Government, to which the current Deputy Premier (Mr. Cummings), while in Opposition had this to say, but what we see is an overlaying of bureaucracy, another layering of committees, another layer of directors who are, I am afraid, not going to be able to make the actions of our Crown corporations any more accountable than they presently are.

If the Deputy Premier thought that was the case about a number of Ministers sitting around a table, why does he think it is not the case with seven directors appointed by Order-in-Council? Now, let us look for a minute at who these individuals are.

There is a principle here that I think is worthy of some analysis in debate. The legislation specifies that the Dean of the School of Management at the University of Manitoba be required by law to sit on the Crown Council. Well, with all due respect to the incumbent who is now the director, the dean of that school, his successors may not be in the slightest bit interested in the management of Crown corporations.—(Interjection)—I am glad the Minister of Finance (Mr. Manness) brings up the question of the Boundaries Commission, which is established by legislation, which gives a role to the President of the University of Manitoba, the Chief Electoral Officer and the Chief Justice of the Province of Manitoba, all by the way, who reside in Winnipeg. I wish the Government would change that, so we can have some rural representation on that Boundaries Commission.

They are asked, members of the Boundaries Commission, and we have got to make this distinction—I am glad the Minister of Finance brings it up—to do a non-political, non-partisan, once every 10-years job which is absolutely removed from the affairs of the governance of the Province of Manitoba.

The dean of the School of Management, the representative of the Institute of Chartered Accountants

of Manitoba, are being asked to participate in the management and the mandate restructuring of a number of Crown corporations which have assets in excess of \$4 billion. They may have no interest in the job. They may have no experience in Crown corporation supervision, yet they are required by legislation to sit on this Crown Council. Now, the legislation goes on to mandate the Government to appoint three individuals who, in the opinion of the Government, have management experience. Well, do we not want all members of that Crown Council to have management experience? By exclusion, the Minister of Finance is saying that he does not care if the other four do not.

They all should have management experience and the Minister of Finance, by the expression and the countenance he currently exhibits, agrees with me.—(Interjection)— I have to wrap it up? I am just getting started. In the interests of giving the Minister of Finance (Mr. Manness) some time —(Interjection)— Oh, the Member for Lakeside (Mr. Enns) wants to speak. Let me then just briefly review some of the things about the Bill that I consider to be good and for which I congratulate the Minister.

\* (1200)

I have saved this for the end so we can all walk out of here with a smile on our face. We think the Minister has done the right thing by requiring MPIC to have rate approval and increases established by the Public Utilities Board.

We were distressed in this House for a number of weeks when we could not understand who was enunciating Government policy. Was it the Deputy Premier (Mr. Cummings) who was saying that it is not possible to go to the PUB this year, agreeing with the recommendations of the Kopstein Report? The Deputy Premier was looking for all kinds of excuses why it could not happen. It requires, Judge Kopstein said, I think it is like asking a student to write an exam with only two-thirds of the material.

But the Premier (Mr. Filmon), realizing that he had made an election promise and commitment said, we will overcome these difficulties. Sure enough the Premier prevailed. The contradictions were set aside, and we now have in the legislation the authority which we think is the correct one, so that the setting of Autopac rates is taken out of the Cabinet and placed into the Public Utilities Board at arm's length and the Government where it belongs. So we congratulate the Minister of Finance (Mr. Manness) who sides with the Premier on this one and we think he is right.

The conflict of interest guidelines are strong, Mr. Deputy Speaker, we agree with them. The weaknesses of the Bill, if I can take one moment to summarize, the Crown Council adds another layer of bureaucracy, it diffuses responsibility. We now have to analyze relationships between the council and the Government, the Minister and the Crown corporation, and the Crown corporation and the council. The Crown Council also has the power to charge back costs to the Crown corporations; it is going to be confusing. Where is the responsibility and the autonomy of the boards of Crown

corporations if they do not know from day to day what is going to be charged back to them? So we look forward to analyzing the detail of the Bill at committee. We think that it is better than the Bill that was presented to this Legislature in 1987. We think we have amendments that will make it stronger, and we look forward to the opportunity of presenting them at committee. Thank you, Mr. Deputy Speaker.

**Mr. Enns:** Mr. Deputy Speaker, I just want to put a few thoughts on the record with respect to Bill No. 37. I appreciated listening to the comments both by the Liberal House Leader (Mr. Alcock) and the Member for Fort Rouge (Mr. Carr). I accept the rebuke delivered on the part of the Member for Fort Rouge on behalf of my responsibilities as Minister for one of the Crowns in question, MPIC. I can only remind him and it really is not a question of self-defence because it is central to what I want to say about ministerial responsibility, to remind him that of course was part of the issue.

I ask him to do some research into the Annual Reports of that corporation and he will find that, as was correct by the Member for Elmwood (Mr. Maloway), when he says that MPIC was involved in reinsurance since '75. It never appeared in an Annual Report in '76, '77, I believe throughout the four years of the Sterling Lyon administration. In fact, one of the last Ministers responsible for that corporation, one Mr. Bucklaschuk, acknowledged that it was a political decision on his part as we were approaching the '86 election to delete it from the '85 Annual Report.

So that while we were heading into an election and looking on the one hand at a reasonably sound financial picture of that corporation, we were led then in Opposition to make certain commitments, promises about redistributing, perhaps reducing the premium because, after all, Crown corporations are there to provide service at cost. We were deliberately misled, not just we but the Legislature from the true facts, which by that time the serious financial obligations that were starting to pile up with respect to the Reinsurance Division.

Mr. Deputy Speaker, I have indicated my support to the Minister for this Bill. It is a campaign commitment, as has been acknowledged, and in theory it should work. But I listen with some interest, particularly from Members of the Liberal Party who have just spoken, that there is this understanding, even on their part, that while it should work in theory, it will likely not work in practical terms. I am prepared to suggest, and I would ask the Member for Fort Rouge (Mr. Carr) to lock back in that mind that politicians have that he will be able to recall some 10 years or 15 years from now after he has had some ministerial responsibility, which I suspect he will have, these few comments. I simply say that while in theory this should work and I support the Bill and it is a better Bill. It is an effort, it is an attempt in the right direction. But I have great problems really in the very principle of the Bill because of the question of accountability.

I have questions about the Bill because what do we do when we are electioneering. When our constituents complain to us about Telephones or Hydro or any other

of the problems, we accept the responsibility. In fact, we raised the level of expectations that, vote for me, or vote for our group, or vote for my Party and we will do something about it. Certainly we did it with respect to the affairs of the Manitoba Telephone System which had been highlighted, or the affairs of the Manitoba Public Insurance Corporation which were highlighted in the last election.

But, Mr. Deputy Speaker, does it then just come to the fact that we have the capacity of appointing better people to our boards than the other group has? I have come to the conclusion and it is shared by somebody who I have always respected, although I have always had some great debates in this Chamber with former senior Member of the New Democratic Party, Mr. Sidney Green, who held to the principle of ministerial responsibility very, very sincerely and very strongly. I simply do not believe that in the Eighties, or the Nineties that we can, as good as an attempt this is in this Bill, shed or step aside from the ministerial responsibility that we have to carry in this Chamber.

Will the passage of this Bill take any of the pressure off of any Members of front bench as to how any of the Crown corporations are operating? Of course it will not. The people expect it. That is even more important. The people expect it. They know whom we have appointed, who the board of directors are. They may know the chairman, or they may fleetingly remember, you know, on the day the appointments are made to a particular board. But on a day-to-day basis, they look to the people sitting in this Chamber to represent their interests.

People phone, unless it is a very mechanical thing, the different managerial people of the Crown corporations for the problems. If there are serious problems, they tend to phone their MLAs. They write their Ministers. They write letters to the editors complaining about this Government or that Government that is allowing this or that to happen. I really come to the conclusion and, it is possibly not there yet or the time is not there for the absorption and inclusion of Crowns within the total Government framework.

I say this for another reason. We are just currently in the Estimates process. This has always bothered me, as a Minister who has had some responsibility for line departments, as we call them. You Members in the Opposition are doing a diligent job and have been doing for the last six weeks of going through the various departments line by line. You want to know how many staffpeople are involved, you want to know how many dollars are being directed towards a particular program, if the programs are effective or, if in your judgment it is not effective, it ought to be directed in a different way. That happens through all the examination in the department of Estimates.

\* (1210)

When does anybody ask how management is managing the 3,000-4,000 employees of Manitoba Hydro? Who asked the question about the size of the fleet of trucks or vehicles that are operating in the Crown corporations? Who is asking about the

allocations of Capital dollars? We are asked in this Legislature, the Minister is going to come forward, and has come forward for Capital Bills, Capital Bills A, Capital Bills B, and you see global figures, \$240 million for Hydro, \$80 million for Telephones, X-number of other million dollars for the other Crown corporations, and we take that occasion to debate the Crowns and their function in principle. But there is no, and there has not been, anywhere near the kind of examination that we put the managers of our line departments through, whether it is Community Services, whether it is Health, whether it is Agriculture.

I am concerned that very often it is the line departments, and quite frankly, very often they are far more critical of departments of Government Services. The departments that are providing people services that go through that kind of scrutiny and very often are the first to feel the pinch if Governments of the Day, the Minister of Finance, feels there is a reason for restraint or if indeed there is decision made to generally hold the line. There is a "has been" and not just this Government, with all Governments. That pressure immediately falls on those service line departments as I described. I have always felt uneasy that there is no such similar scrutiny applied to the Crowns. When we look on balance, we look at the size of our Crowns. We are talking about a major, major part of what we call the public sector.

I recall my friend Sid Green saying that I will be damned if I am going to stand in this House and day after day and take responsibility and take criticism about how a Crown is operating and then attempt to shield myself from being able to direct how that Crown ought to operate. If I am responsible for it, by gosh, I am going to run it. There are certainly drawbacks to it.

I think, Mr. Deputy Speaker, in a less complicated time, a less complicated world, the original purpose of Crowns served their purpose. But the Crowns today tend to touch on such a wide variety of our everyday life. I find it inconceivable. We are going to make—we are asked to make and we will make—major decisions as to the Crowns' future. Should we carry on with the General Insurance Division of MPIC? That is a campaign commitment that we made, that we intend to carry out. We are not going to let a group, even if they are people that we appointed to the board, tell us that no, we really ought not to. We will have to do it this way or retain the General Insurance Division.

Perhaps it is being around for a while that has caused me to come to these observations. We are not going to allow the Crowns to move indiscriminately into different areas. The Member for Osborne (Mr. Alcock) and the Liberal Leader (Mrs. Carstairs) talk about containing the Crowns within their mandates. In this complicated world, the mandates change. The Telephone System honestly came towards the Government of Day and said look, with the communication system now developing, fibre optics, the wired city concept, we have proposals and we got into Ida programs. Before we knew it, we were \$4, \$5, \$6 million into the program that conceptually had the Manitoba Telephone System delivering all the perceived

computerized services of today's modern communications world through their system. It meant that the pay television people would have come through the Telephone System. It meant any new services such as the burglar alarm, medicare alarm systems would have to go through their system. That caused a bit of an uproar among the private sectors. Hold it a minute. There are other people that can provide this service.

And so it is inevitable that politics and the pressure of the House is going to be exerted more and more directly on the Crowns. I see it every day. You people do it every day. It is your job. While I respect the Honourable Member for Rouge's (Mr. Carr) concern at this point in time that says—and he is in fact the traditionalist in this position. What you have before you is a traditionalist kind of a Bill. The notion of being able to keep at arm's length Crowns, keep politics away from them, keep political decision making away from them and then we will have a smoother operating Crown free of political pressure, that in essence has been the Member for Rouge's position in the last little while. At this point, I can acknowledge from where he is coming. Ten, fifteen years from now, I would ask him to repeat it back to me and see whether he may not have had at least expressed a willingness to share some of my views. Thank you, Mr. Deputy Speaker.

**Hon. Clayton Manness (Minister of Finance):** I will take this opportunity to sum up debate on second reading on this Bill. I have enjoyed this morning immensely. I have had an opportunity to listen to a number of good presentations from a number of Members within the House. Let me say though, in my view, this is a good Bill. It must be because it has received very few criticisms. I am mindful of the ones it has received. Given what this Bill has attempted to do, given the history as alluded to by my colleague, the MLA for Lakeside (Mr. Enns), and given the fact that we had made certain promises in the election campaign, I feel, on judgment at this time, having listened to the arguments made by the Opposition Parties that we have brought forward a good Bill.

I have listened very carefully to the critics from both Parties and I say they have some of the same difficulty in developing their criticism as we did probably in drafting this Bill. Which way do you go? We have been everywhere. We have been pretty well all over the map on this one. Over 20 years of Crown corporation history and maybe longer in the sense of Saskatchewan, in their case maybe 40 years.

Which direction do we go? Do we go to more bureaucracy, as indeed the NDP had done through PICM, indeed to some degree as was requested by, even though it is a different slant to it, either the Deputy Leader of the Liberals (Mr. Carr) or the House Leader (Mr. Alcock), I forget which, who said that the standing committees that are reviewing the Crown activities should be probably beefed up with a secretariat. He did not say it in quite those terms. I took from the inference that he was supporting it. I withdraw that. I put false words into the collective mouths of Members opposite.

Which way do we go? Do we go to that system, as the NDP said, indeed as the MLA for Brandon East

(Mr. Leonard Evans) said, there had to be greater control by the Ministers. Or do we go back to the simpler system, the system that was once in place where the Minister in charge was in control—totally in control—direct link, not only in management, but direct link in accountability, the person who was answerable to the people of Manitoba through their elected representatives, the 57 of us who sit in this House. That may come again. That day may come, but in the context of what has happened in Crowns in Manitoba, we could not turn back the clock 15 years, we just could not.

The dilemma that the Members had in probably developing some of their criticism such that they could really key in into only two areas, the service committee area and, secondly, the Liberals also into the area they would like to see excluded from boards, MLAs, the reason that they could only key into those two areas—when I said the service committee, the public—was the fact that they were in the same dilemma as we were when we were constructing and crafting the Bill.

\* (1220)

Do we go to greater bureaucracy, greater control, or do we back up? Do we back up to where indeed—I guess would have been the first approach, and the way it was conceived when Crowns were brought into being decades ago, that a Minister was fully responsible. I make the claim that we could not back up to that point at this particular point in the history of our Crowns.

That is on the basis then that we brought forward something, a piece of legislation, which in my view is far superior to anything that I have had an opportunity to read.

I listened with great care to the remarks made by the MLA for Osborne (Mr. Alcock) when he made the point that there is a system in place federally where the Auditor, in combination with elected officials who have some beefed-up resources, and I could not quite understand what he was talking about, but he is talking maybe about the Senate system in the United States where they have much greater powers as Members.

I would say that Auditors are fallible, indeed legislators are fallible and I guess I would prefer to put, as I did in this Bill, our faith in the managers. The managers, to use the MLA for Fort Rouge's (Mr. Carr) historical perspective, that he sat with for a period of time and by, again, not wanting to put false words into his mouth, at least he leads me to believe that that was control, that was management because there were people who came to that board who had an understanding of their role, had an understanding of the mandate of that particular organization and were effective.

That is what Bill No. 37 tries to do at this time in the historical development of management and accountability associated with Crowns, nothing more. It tries to reach into the community and say we know there are good management abilities out there and they are in all walks of life. I digress for a second. Yes, they should all be managers, but we are going to bring in an amendment and recognize there should be an appointee from the Consumers' Association of Canada, who also can be considered good managers in a sense.

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The point I am trying to make is we are going to reach into the community and ask those people who we believe have good managerial capabilities to sit on an at-arm's-length council to make sure that the Crowns stay within the mandates as given to them by the 57 of us historically, or maybe in the future, give to those Crown corporations. That is what we have attempted to do. We are not talking about building up a bureaucracy that consumes \$2.5 million a year, indeed as was done by the former Government. I hear a comment across from the House saying, "we will." We will not because the hierarchy that we have developed is that the Ministers will be still totally responsible for the management of the Crowns.

When it comes to accountability, when it comes to ensuring that the people of Manitoba, the legislators of Manitoba, have full access to not only all information, financial and otherwise of a Crown, but also to make sure that the Crowns and indeed the Minister responsible stay within the narrow limits of the mandates; there will be another group to ensure that. That group will have direct access far beyond anything that has been contemplated before because they will be mandated to report publicly. Not to have their views as they look down at the Crowns and say, look, we have a concern in this area and give that to the Minister and to the Cabinet, but indeed to report that.

There are many good comments that were made. I hope to address all of them in committee because obviously I am not going to have time to do so today. I have covered a lot of them. Let us move into the area of service committees. I am going to try and find out specifically what the Leader of the Liberal Party (Mrs. Carstairs) said a year ago with respect to service committees at that time. I am positive somewhere she is quoted as saying that she questioned -(Interjection)- I know she came along after that to say she supported it. I am going to try and hunt up originally her beliefs as to service committees.

The MLA for Osborne (Mr. Alcock) said in his argument that the public needs access to complaint. I understand that. I understand the process. To me if you carry that far enough, what you have got is complete condemnation of the democratic society. There are 57 of us to represent the people in all respects of Government activities, direct or those entities of Government that are supposedly at arm's length. How far are we going to carry it?

I hear the Member opposite say we cannot tongue lash the management. We can. We are in Government and that is the nature of the democratic system. You

can also have an opportunity to question management. It is called the standing committee. I think you were wanting to see the Standing Committee of the House at which time Crown comes forward. You have an opportunity, indeed as all Members of this House have an opportunity to make their points. I digress. To me it is a condemnation of the democratic representative system and it is a condemnation of the role of the media.

The media have great power in bringing to the attention of all us some of the shortcomings associated with the Crowns. I am not defending the status quo, the past system, because that has broken down. That has been proven to us. This Bill is not suggesting for one minute that Crowns should not go out to the public if they so choose. It comes down to a question as mandating as to whether or not boards should be mandated to do that. I would love to debate that in greater depth but unfortunately I cannot.

The House Leader criticizes my view that boards need good people appointed. I think what I was trying to say is that when I made the statement that good people needed to be appointed to boards, I made it in this sense. The people who are appointed have to have confidence in themselves. They must be decision makers. They must be in a sense dominant, not recessive. I say that because they have to be those types of individuals who in my view will listen to their own feelings, to their own common sense and will not be in any way, or largely to a degree, persuaded by the bureaucracies of the Crowns or by the senior executive of the Crowns to do certain things. That is what I meant by good people.

I will not dwell on the other point the Liberals bring forward, the removal from MLAs from the boards at this time. We will touch that in committee.

Mr. Deputy Speaker, I guess at this point in time it is best that I bring my remarks to an end. I look forward to addressing many of the items that have been presented here. I have enjoyed the comments brought forward by all the speakers on this Bill. I look forward to directing Bill No. 37 through committee.

**QUESTION put, MOTION carried.**

\* (1230)

**Mr. Deputy Speaker:** Is there leave of the House to call it 12:30 p.m.? (Agreed) This House is adjourned and stands adjourned until 1:30 p.m. Tuesday.