



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

STANDING COMMITTEE

on

INDUSTRIAL RELATIONS

37 Elizabeth II

Chairman
Mr. H. Pankratz
Constituency of La Verendrye



VOL. XXXVII No. 1 - 10 a.m., THURSDAY, NOVEMBER 24, 1988.

MANITOBA LEGISLATIVE ASSEMBLY
Thirty-Fourth Legislature

Members, Constituencies and Political Affiliation

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

LEGISLATIVE ASSEMBLY OF MANITOBA
THE STANDING COMMITTEE ON INDUSTRIAL RELATIONS

Thursday, November 24, 1988

TIME — 10 a.m.

LOCATION — Winnipeg, Manitoba

CHAIRMAN — Mr. Helmut Pankratz (La Verendrye)

ATTENDANCE — QUORUM - 6

Members of the Committee present:

Hon. Messrs. Ducharme, Ernst and Manness;
Messrs. Alcock, Carr, Doer, Evans (Brandon East), Pankratz, Patterson, Plohman and Praznik

WITNESSES: Legal Counsel—Shirley Strutt, Norm Larson and Rob Walsh;
Hon. Mr. McCrae; Mr. Cowan

MATTERS UNDER DISCUSSION:

Industrial Relations Committee, considering Bill No. 37, The Crown Corporations Public Review and Accountability and Consequential Amendments Act.

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Clerk of Committees, Ms. Bonnie Greschuk: Will the committee please come to order. We must proceed to elect a chairman for the committee responsible for Industrial Relations. Are there any nominations?

Hon. Jim Ernst (Minister of Industry, Trade and Tourism): I nominate Mr. Pankratz.

Madam Clerk: Are there any further nominations? If there are no further nominations, will Mr. Pankratz please take the Chair?

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

Mr. Chairman, Helmut Pankratz: I would like to call this committee meeting to order at this time. The Committee on Industrial Relations is called to order. Bill No. 37 is to be considered today.

I do not believe that we have a list of any people who are registered who want to make any presentation. So if there is nobody, the Bill will be considered clause by clause. Is that the will of the committee? Is it the will of the committee to go clause by clause?

Mr. Reg Alcock (Osborne): Clause by clause.

Mr. Chairman: If it is the will of the committee, then I would suggest maybe we take 10 clauses, or something

of that nature, at a time and then we can break it down if anybody has any questions in-between with any other clauses. Then I would like to ask the Minister in charge of this Bill to make his opening remarks.

* (1005)

Hon. Clayton Manness (Minister of Finance): Thank you very much, Mr. Chairman. I would like to take the next 10 minutes to make some opening remarks.

Firstly again, as I indicated in the House, I feel this Bill is a very progressive piece of legislation. I think the fact that there are no representatives of the public or indeed individuals here today making representation indicates that this Bill has some wide acceptance in the community.

Mr. Chairman, before I go into great detail, let me first of all say thank you to both Opposition Parties for the expeditious manner in which they moved this Bill through the House on second reading. Let me also at this time apologize, particularly to the Liberal House Leader (Mr. Alcock). When I was negotiating for the hoped for rapid movement of this Bill through the House on second reading, Mr. Chairman, the Government was under some pressure to try and have this Bill through and passed and indeed have one part of the Bill proclaimed so that MPIC in particular could make its representation to the Public Utilities Board, such that rates could be considered in that objective form.

While I was negotiating with the Opposition Parties, and by the way, received their consent to move this through quickly, it became then at the last minute very obvious to us that in spite of the common will to want to handle this Bill in an expeditious fashion that we still did not have the time available to us, that the arithmetic would not allow us to properly have MPIC before the Public Utilities Board such that the Public Utilities Board could render a decision before the late December time frame at which time MPIC had to report the Public Utilities Board decision with respect to rates for the next fiscal year.

At that time then, we had to, as Government, exercise powers under the Public Utilities Board which directed MPIC to go before the Public Utilities Board so that organization could render a decision with respect to MPIC rates for 1989. I was in error. I was remiss in not indicating such, particularly to both Opposition Parties, so that maybe there was not the emphasis or the requirement or the pressure on second reading of Bill 37, and I apologize to Members of the Opposition for not relaying that information to them.

Mr. Chairman, I also want to thank also two people who were very involved in the drafting of this Bill: Mr. Mike Bessey of the Policy Secretariat of the Executive Council who has been very involved in Crown corporations over the last number of years and who

has been a considerable resource person to me with respect to the drafting of this Bill; and, of course, to Shirley Strutt of the Legislative Counsel who, through the many drafts, I believe some eight or nine in number, has helped and persevered and has managed to maintain her—I do not know what the proper word is—but certainly her cool with respect to trying to put into legalese what it is the Government wanted.

* (1010)

I would like, though, to react to some specific remarks made particularly by the House Leader of the Liberal Party (Mr. Alcock). I do not think I did justice to some of his remarks the other day when I was wrapping up debate on second reading. So, Mr. Chairman, if I could spend a few minutes on that and I will just quickly look at those areas.

Firstly, am I recording? Can I be heard? Thank you.

Specifically, Mr. Alcock was concerned about the Crown Corporation Council, wanting to know what role it had to play. In our viewpoint, the Crown Corporation Council has four basic roles, but certainly three very important ones and very obvious. Firstly, we believe that it has an advisory role with respect to Crown corporations. When Governments appoint citizens from the community at large who sit on the Crown corporations, the board members, whether they are good and obviously we all believe they are good people, nevertheless, they come to those boards in a lot of cases without the basic understanding of the mandate, without the basic understanding of maybe how complex Crown corporations work, how indeed they are different from corporations in the business world, because there is a difference. It is not only the bottom line. There are other factors, there are other social factors. Indeed, there are other factors, period, that are taken into account.

We believe that, in some cases, rather than those named individuals having to rely on executive staff of the Crown corporations or in the minds of some, worse yet, going to the Ministers, going to the Government of the Day, asking how it is or what it is their role should be, that they should have another body to approach and receive from them an understanding of what their responsibilities are. In our view, the Crown Corporation Council after a period of time will be able to provide that general guidance to all named individuals who are to sit in a very responsible position, being on boards of Crown corporations.

Also, we believe that there is a coordination and a consistency function that should be in place as between all of the Crowns. It is something that the Provincial Auditor has come to request more and more. In the first case, it was just with respect to remuneration as between Crown corporations. The Leader of the New Democratic Party (Mr. Doer), of course, would be very familiar with this. We think that there should be greater consistency as between not only remuneration but other factors, as between Crown corporations and those directors who sit on those boards. We think that the Crown Corporation Council in that respect can provide greater consistency as between the various Crown corporations.

As we have indicated before, there is an advisory aspect beyond the orientation one, which I have discussed earlier. There is an advisement aspect when indeed those directors on boards who are presented with capital plans for expenditure's sake, let us just say a major capital expenditure by the senior management of a Crown corporation, that board directors will be able to approach not Government directly, although they will have access to their Minister which is all well and good, but they will also have an opportunity to have any concerns, dialogue between themselves and indeed again the Crown Corporation Council. So in our view, those three areas in themselves present the case as to why there should be the council.

* (1015)

One of the most important elements which is sort of set off from that is again what we have built in. I have indicated to Members when I was reading the Bill for the second time—and it is to do with the Ferguson Provision, as we call it, where individuals working for Crown corporations, when they are denied access to senior management, an opportunity to present their case—(Interjection)—I cannot make the statement now that in that case that the Minister of the Day did not heed the call for review but, if that were to happen, where the Minister of the Day decided not to listen to the pleadings from somebody who was working for the Crown corporation somewhere down in the system, that person now had redress to the council which would have to be reported publicly.

In our view, if you do away or if you did not have this particular council which had to report, by the way, all of those discussions publicly, if you did not have that, then indeed you would be removing a major area of public accountability.

I wanted to make that one point. I think there were two other areas I would just like to address very quickly. With respect to joint councils, we have no desire again to do away with the intent of the previous Crown accountability Bill where indeed management and labour come together and, for the well-being of the workers and the well-being of the corporation as a whole, that there be friendly dialogue around issues that are relevant at that point in time.

There is another point, Mr. Chairman, and again I take issue with what the Liberal House Leader (Mr. Alcock) had to say with regard to creating another bureaucracy. It is not the intent. The Crown corporations are not going to be the cash cows, such that this Crown Corporation Council will be able to go and provide for itself all sources of income so that it might be able to do a whole host of things. Indeed, there will be accountability by that council to a Minister.

With those few remarks, let me say that we will be bringing forward amendments also as we deal with some of the specific sections. I will serve notice to the committee at this time. There will be three in nature that we are proposing: one calling for representatives of a consumer association to also be named to the Crown Corporation Council; secondly, some wording changes with respect to the MPIC section under Part

IV; also some wording with regard to Section 30 of the Bill, which is housekeeping in nature.

Thank you, Mr. Chairman. I look forward to the orderly review of this Bill.

* (1020)

Mr. Alcock: A few brief remarks. This is my first experience on a committee and, in the process of amending a committee, I wish to amend a Bill. I wish to thank Mr. Norm Larson, who responded very rapidly to a rather late request for some assistance with amendments and did an absolutely superb job, apparently overnight.

I would just like to respond to a couple of things that the Minister has said and, as I said when I spoke in the House, we see this Bill as a significant improvement over the Bill that precedes it.

I am interested in the amendments that the Minister is going to bring forward and we are prepared to keep an open mind on the question of the council. I do have concerns about it. I do think each time you add in another layer of review that you begin to diffuse the accountability. It loses its clarity as to who is responsible for the decision. If the council reviews and recommends something, then what responsibility do they assume in that, and how much does that muddy up the decision making that is already very difficult, given the complexity of these organizations?

I am also going to be interested in hearing some of the responses of the Minister as to certain sections of the Act governing the council because it is not clear to me just how accountable this council is going to be to anybody.

The areas that we have expressed serious concern—and we are going to be bringing forward two amendments. One is to restore something from the previous Act that we thought was important, and that was the question of public meetings, and we have taken the amendments directly from the previous Act. I think it is important. While I agree with the Minister that they may not be, I agree with Judge Kopstein's suggestion that often they may prove to be nothing more than an exercise. However, what they provide is a mechanism that allows the public, when it is concerned, to speak directly to the corporations. I think that is an important right that people should have, and I think it is worth the possibility of poorly attended meetings when the corporations are functioning appropriately and when there is not the high degree of public concern.

The second amendment deals with the other concern that both myself and the Member for Fort Rouge (Mr. Carr) raised, which was the concern about the appointment of Members of the Legislative Assembly to the boards of these corporations. We think that the removal of the Ministers and the changes that this Bill has made to the previous one are important. We think it should be taken a step further and Members of the Legislative Assembly should not be serving on these boards at all, and we will be bringing forward an amendment to that effect. If they are to be truly at arm's length, they should be at arm's length and we feel they must be seen to be at arm's length.

Beyond that, we are prepared to keep an open mind as to the question of the council and we will look carefully at the amendments that the Minister wishes to bring forward.

Mr. Gary Doer (Leader of the Second Opposition):

We do not agree with the concept of the council that is being proposed, but we do concur with the right of the Government to set the business of their administration of the Crowns in the way that they feel is most appropriate to their Government. We have reviewed the system that has been developed, as I say, under Robert Andras and continued under the Mulroney Government of having Crowns go before Treasury Boards which are Ministers of Government.

* (1025)

That is a practice that is used in Ontario and developed by the Davis Government and maintained by the Peterson Government. It is a practice that is now used in the Province of Quebec in terms of Treasury Board Ministers because of the great numbers of dollars and expenses and assets and capital concerns in terms of the economy of the province that is involved in Crown corporations. In the Province of Saskatchewan and last year in the Province of Manitoba, we used more of a private sector model which is a holding company, a model somewhat similar to the private sector in the sense that they are temporary shareholders. I say "temporary" because elected political Cabinet Ministers are only temporary shareholders on behalf of the public, sit in a holding company situation as they do with Power Corp. and Great-West Life and Investors, etc. However, we do say that the Government has the right to have their administration in the way that they best see fit to carry out the responsibilities.

I should point out that the Act has only been proclaimed just over a year. From our perspective, some of the areas that were causing us problems in the past—the Telephone Corporation made a surplus this year with no rate increase. Even the Public Insurance Corporation will have a surplus this year under the first year of the full operation of the Crown Bill, although it did not have a lot of input into some of the variety of issues that were facing the public of Manitoba last year in terms of that corporation. Many of the other Crowns are producing surpluses now. I mentioned Manitoba Minerals and others that are doing quite well if one was to look at it.

I also note the Auditor's comments about greater financial information and auditing that was contained in the Auditor's report last year. I think that is an independent reflection on the fact that we had to do something, and it was noted in the Spivak Task Force, in terms of the review of Crown corporations.

The Minister mentions the Ferguson changes in the council. I notice that it is still politically appointed by Order-In-Council. I notice that there is a high degree of correlation between the political appointments the Government has made to date and perhaps followers of the Conservative philosophy. I think that should be noted in terms of political appointments.

I think the Minister would agree that there is a correlation in the Public Insurance Corporation Board

appointments, the Telephone Board appointments, the Liquor Commission Board appointments, on political affiliation and perceived rewards for services. I am pleased that you kept the chair of the Telephone System, having been involved in appointing that person, a truly independent non-partisan person, who is doing a good job on behalf of Manitobans.

The Minister mentions the Ferguson issue. He should perhaps mention the Aysan issue is more appropriate, a person who this Government gave a bonus to in 1980, a person who sat with Mr. Orchard in 1981, starting Project FAST. Many of those projects, I say by way of information to this Minister, had absolutely no analysis that went forward and cost millions and millions of dollars under both administrations. That is why we thought that capital plans and new ventures and new programs should have a review to ensure that indeed the public's interests were being served, and not just the projects that were of a pet nature to a corporation but not in the overall best interests of the public of Manitoba, would get the green light. We think there are some sections missing in that area in terms of administrative control over new ideas and new projects, but we will hold the Government accountable for those decisions as they arise, rather than comment on the way in which they want to order their Crown corporations in terms of their accountability.

We concur with the recommendation on the PUB. I found again, as a former Minister dealing with the Telephone System, that it was a very useful public forum for rate applications. We note that the rate application process had the ability to have multi-year. The Minister has mentioned that would be a substitute to the public hearings. I strongly disagree with the Minister on that point. I feel strongly that there are components in Crown corporations dealing with the service that people receive across the province that is not directly related to a rate increase, and oftentimes a very technical intervention at a rate-setting process. The fact that it is multi-year now would allow for rate settings to take place once every three years and the service committee to the public's or a similar kind of public body was contemplated in terms of the ability of the public to raise issues, because they do not have the ability with large monopolies to walk across the street.

* (1030)

That is one of the weaknesses of a public Crown corporation. There are a lot of strengths in public Crown corporations, but public Crown corporations, in a monopoly sector, there are some weaknesses. One of them is you cannot take your business across the street if you do not like the Telephone System, you do not like the Hydro, you do not like the Liquor Commission, and that is why we will be proposing—

Mr. Ernst: The Liquor Commission?

Mr. Doer: The Liquor Commission has developed the interest of the Member for Charleswood, and I am glad to see that with tourism being so important in our priorities.

But we will be proposing an amendment under Section 13, dealing with mandatory public hearings in

site-specific locations on a once-a-year basis, Mr. Chairman, with the board of directors being allowed to go beyond those site-specific locations. They are locations, I think, the Minister—even though he probably will not admit it in the committee—will find favour with. I know that he knows the arguments are positive in terms of the public hearings. We think this will improve his Bill for the public. We accept his right and responsibility to set up his administrative structure the way he feels best able to deliver, because he is the one who is accountable and his Ministers are accountable. Therefore, their system should be set up in the way that they see delivering that accountability. But in terms of the public, that is where I see our responsibility, and that is why we will propose one amendment under Section 13 dealing with the board of directors.

Mr. Manness: Mr. Chairman, I do not propose to respond to all of the points right now, but I would like to respond to two of them. Firstly, with respect to Mr. Alcock, I just want to make this point with regard to the council. The council will not diffuse accountability. All of the council's power will be exercised through the Ministers. The council will not have the right to direct a Crown, any Crown corporation, to do anything. It has the right to request, through the Minister charged with the responsibility, certain items dealing on financial matters, indeed on any matters. It has the power to request but in requesting, if it is denied by the Minister and even if it is accepted by the Minister, that is to be reported publicly.

So the Minister of the Day who denies a request for information had better realize that there will be a report made publicly to the people vested through the Legislature, coming down indicating that the Minister responsible refused to provide that information. To me, that represents a quantum leap as to public accountability. So let it be said here, the Ministers responsible are still responsible for the management of that corporation but, with respect to accountability, if they choose not to provide information as requested by eminent people from the community, that will be known by all.

Specifically to Mr. Doer, he talked about the Treasury Board process whereby a Crown should be expected to come before some authority. In his legislation, it was PICM, to come before and explain what they were doing in a capital sense. He emphasizes capital plans. No Government of the Day is going to back away from its responsibility with respect to major capital projects. The people of the province only have one vote and that is voting for a Government. So when Hydro, when the Telephone System, which are owned by the shareholders and the ratepayers, when they make a decision to venture into large capital expenditures, the Government of the Day has to make the judgment whether or not that goes forward. That is a decision of the Government, a major capital expenditure. That will be, of course, reviewed in Cabinet, but it will also be reviewed by the Legislature as a whole through The Loan Act because The Loan Act, in almost all cases, provides an opportunity for all legislators to make comment directly with respect to any major capital

expenditure of any of our Crown corporations. So there is legislative accountability. I would, therefore, say there is public accountability.

What Mr. Doer neglected to say, under their present system, that before the evolutionary aspect of Crown accountability was able to come into place, particularly with respect to public rate setting under the Public Utilities Board, was that Crown Ministers or Ministers of the Crown in calling forward plans of a corporation were considering more than just capital expenditures. They were considering things like rate adjustments. They may have been considering a whole host of other items which we feel should not be done in a political sense.

So I do not totally disagree with Mr. Doer, but let him not just put the emphasis on capital expenditure when he tries to paint the picture that Crowns should come before some Treasury Board concept of Government.

I will not get into the Ferguson situation and go into its pre-history. All I am saying is it is very important that people who work for Crown corporations have an opportunity to make known their great concerns, if they are not frivolous, if they are substantive in nature, and have that reported to the public.

Mr. Chairman: At this time, before I open it up for questions from the committee, I have two items that I would like to discuss with the committee, if I may. One is—it was brought to my attention earlier which I should have brought forward—the time element. Is there a time frame that you want to set on this committee meeting? —(Interjection)— So you want to go indefinitely.

An Honourable Member: Till 12:30 p.m. at least.

Mr. Chairman: 12:30 p.m., is that the deadline? Mr. Alcock?

Mr. Alcock: 12:30 p.m.

Mr. Chairman: Okay, if it is required.

The point is I have been told by the Legislative Clerk that we should not go page by page, rather clause by clause. Is it the will of the committee to adhere to that? (Agreed)

What I would like to do, if the committee will allow me to, is possibly go Part I and Part II, and if you have anything in-between it will always go back to whichever items you would like to—okay. So I would now open it up for committee members to question the Minister, on Part I, Clause 1, Definition. So we are going on Part I. Is it the will to pass Part I?

Mr. Manness: Excuse me, are you talking about all of Part I.

Mr. Chairman: All of Part I, Clause 1, and all the other clauses in Part I, unless you have any concerns.

Mr. Alcock: I have a question on Clause 3, the "Notwithstanding any other Act where there is a conflict

between this Act and any other Act, this Act prevails." Does that include things like payment of wages and freedom of information?

Mr. Manness: Would you repeat your question, please?

Mr. Alcock: Clause 3, where it says, "Notwithstanding any other Act, where there is a conflict between this Act and any other Act, this Act prevails." Does that mean that things like The Payment of Wages Act do not apply to these corporations? Does that mean that The Freedom of Information—

Mr. Manness: Certainly this Act prevails over all other Acts. Now that does not mean that the effect of all other Acts are waived.

Mr. Alcock: Okay, but this Act does prevail over all other Acts?

Mr. Manness: Yes, when it comes into—there may be a conflict as between Acts as to which one takes precedence, this one will take precedence.

Mr. Alcock: Okay.

* (1040)

Mr. Chairman: Any other questions in Part I, Clause 1 to Clause 3? Part I, Clause 1—pass; Clause 2—pass; Clause 3—pass.

Part II, Clause 4(1) to Clause 12(2).

Mr. Alcock: We are going to go clause-by-clause.

Mr. Chairman: That includes all the clauses. If you have any questions or concerns in between, feel free to—

Mr. James Carr (Fort Rouge): Mr. Chairperson, I have a question to the Minister on Clause 4(2), the membership of the council itself.

The Government has chosen to mandate, within the legislation, appointments by category, that the Dean of the Faculty of Management of the University of Manitoba and a representative of the Institute of Chartered Accountants of Manitoba be mandated within the legislation to sit on the council. It gives rise to the obvious question. It could be that incumbents of that position either know nothing about Crown corporations, do not want to know anything about Crown corporations or have absolutely no will at all to sit on the council. So what you have done by legislation is forced the incumbent of that school to sit on a council when he or she may have no interest or no desire to do so. Has the Minister thought through that problem?

Mr. Manness: Mr. Chairman, I have. I am going to be moving an amendment whereby I request representation from a consumers' association. The same argument could be made there. The same argument could be made requesting a nominee from the Institute of Chartered Accountants. So I guess the question you are asking just does not deal specifically

with the Faculty of Management. It deals with any of the named areas that I am contemplating. What happens if people do not want to sit when requested by the Government, or indeed named under the legislation to do?

So I think what we will do, the dean has been consulted at this point in time and there is no problem. I think, if there ever was an occasion where the dean does not want to sit, I think the Government of the Day would probably accept a designate from within the faculty.

Mr. Carr: I am glad the Minister has seen the pitfall that is created by this precise wording in 4(2). He is now suggesting that, yes, it is possible that a dean may not be interested and, in such an eventuality, it ought to be a representative or designate. Then let us be explicit in the legislation. Is the Minister proposing an amendment in 4(2)?

Mr. Manness: We are proposing an amendment specific to what you are requesting. We can prepare an amendment to deal with that item. As a matter of fact, I would suggest then that we come back to 4(2).

Mr. Chairman, Legislative Counsel tells me there is absolutely nothing unusual in situations where individuals or offices are designated or required under the legislation, if indeed they designate. That happens very often. It is more than just the person. I guess it has some meaning in law to mean also designate, as I am led to believe.

Mr. Chairman: Mr. Ducharme.

Hon. Gerald Ducharme (Minister of Urban Affairs): I will wait until I hear the questions.

Mr. Leonard Evans (Brandon East): I would like to suggest to the Minister, following the comments he has made, that he perhaps take this back and fix it. Really, I think this is a bad way to write legislation. We are boxed in with many questions, boxing themselves in by making specific requirements. It is not necessary and will provide difficulties in my view in the years ahead.

If you want people with management expertise or if you want people with certain professional capabilities and experience, that can be referred to in a generality and giving the Government, therefore, the freedom to do so. I do not think you gain anything by designating a specific office. There is nothing to be gained. You can have your cake and eat it too, and have the flexibility. I appreciate what the Minister is trying to do. He wants to tell the world that he is bringing in a lot of people with management expertise, but surely you can tell the world that without designating it in this detail. There is really nothing to be gained, and I think this is a very poor way to write legislation. So I would suggest the Minister take this back.

I would also like to suggest that he consider other professional categories. He is not leaving enough room here for people who have other expertise that may be valuable in the years ahead, a communications consultant, for example, who may be very invaluable

on this council in regard to the Manitoba Telephone System, or an economist perhaps or an engineer perhaps. Maybe at some point you want an electrical engineer. It may be valuable to have. You see in 4(2)(c), you are referring to at least three persons who have demonstrated management expertise. Sometimes you want other than just management expertise. So I really think the Government is constraining itself, and it is not doing itself or anyone a favour in this respect. So I would suggest the Minister take it back, review it and come up with a more flexible type of clause.

Mr. Manness: Mr. Chairman, I hear the argument, and I say to the Member for Brandon East (Mr. Leonard Evans), what we have attempted to do here is not to exclude anybody. Indeed, there is flexibility right there now to include all those types of individuals, because we have indicated that five out of at least seven in due course. A Government, a future Government may wish to name nine. So all of that can be covered and that flexibility is there. I think what we attempted to do in bringing this forward was to say, look, this is still a politically appointed council and we want it to mandate, by way of the legislation, that some portion of those political appointees should be representative, first of all, of the academic community in a management sense; secondly, somebody from the Institute of Chartered Accountants; and thirdly, is that we will introduce, by way of amendment, somebody from the consumers' association.

That was taking only one small portion of the total complement that any Government may choose to put in place, take one small portion and mandate it under the legislation, other than leave it completely open, rather than leaving it completely open to naming any number who could come from all walks of life. So it is a difference in philosophy, I suppose.

Mr. Leonard Evans: I am trying to be helpful here to the Minister. I am offering this in a very positive way. Maybe he could answer this question. What I do not understand, you are saying the council shall consist of at least seven members. So you have one being the Dean of the Faculty of Management; the second person is from the Institute of Chartered Accountants, which to me also represents some kind of management expertise; and then (c) you have added three more who have demonstrated management expertise. So that means, more or less, five out of the seven unless I do not count this correctly. The five out of the seven—

Mr. Manness: Not restricted to seven, it is at least seven.

Mr. Leonard Evans: Oh, at least seven. Oh, I see, okay. At any rate, my feeling was that there was a little too much emphasis put on the management side and not enough emphasis on the other, but you have pointed that out to me and I appreciate that.

The other thing, though, I think that the point that was made earlier about specifying a specific office may not necessarily be a good idea. Maybe there should be some flexibility.

Mr. Allan Patterson (Radisson): If I might just address Clause 4(2)(a), as a recently retired member of the

Faculty of Management, I should first of all point out that it is part of the duties of any member of a university faculty to be of service within the university itself and in the outside community, and university faculty members generally are very willing and able to bring their particular expertise to public bodies.

In particular, I just might mention that the normal term of appointment for deans, department heads and so on is five years. Our new dean in the faculty who took over in May of this year is on a seven-year appointment and evidently qualified to fill this particular position. But indeed I would assert that the dean of any of our Faculties of Management and our universities across Canada are individuals who are very well qualified to fill an office such as this. It redounds to the prestige of their own university and faculty if they are participating in things of this nature. I would say that any dean across the country would consider it a duty and an honour to so participate.

Mr. Manness: There is no question of that, Mr. Patterson. That is not in question. What it is, is trying to develop some consistency so that Governments that change tend not to want to pick their favourite dean but have some responsibility to continue to go back to the same faculty, to try and keep it again, to give it the appearance to the public that there is some requirement to be consistent, and just not to politically appoint individuals who I know in the sense that they serve the community in being deans in certain faculties, who are well and good but who may be selected for some other reason.

* (1050)

Mr. Patterson: I did not mean it in that sense. I was trying to point out that I see nothing wrong with specifying the office here as opposed to the individual, whoever the dean now or in future might be, in the same way that the president is a permanent appointee to the Boundaries Commission.

Mr. Doer: Mr. Chairman, that is a good point. The Boundaries Commission in Manitoba has the ability, a specified alternative for the president of the University of Manitoba. I think the Boundaries Commission, the City of Winnipeg, under The City of Winnipeg Act, has a specified person as an alternative if the person cannot do it. So if you do not have a designate and did not want to have the situation where Governments choose it, you could have a specific person designated if the dean cannot be on the commission. So I would ask that the Minister to look at that. It is a very small item, but I think if the intent is to have a specific member from a specific faculty, then the alternative should be from that faculty if the dean cannot in fact do it. If the intent is to have a designate, you could do that as well. But if you look at the wording of the Independent Boundaries Commission and other similar legislation, there is a specific alternative and it is specified in the Act if the person cannot act as deemed in the Act.

Mr. Carr: If I could on that point, the Minister of Finance (Mr. Manness) mentioned the same item as an interjection, as a matter of fact, when I was making

my remarks to the Bill, that the Leader of the New Democratic Party (Mr. Doer) does now. The Boundaries Commission is established to do a very precise task, well defined, once every 10 years, and is not related to the continuing management of the affairs of the province through Crown corporations with assets of \$4 billion. There is no money involved, there is no expenditure of public funds. There is no renegotiation or definition of the mandate of Government or Crown corporations. So I think that it is a parallel which is not appropriate in this case.

I agree in substance with the remarks made by the Member for Brandon East (Mr. Leonard Evans), which may come as a surprise to him, that the Government in situations like this ought to give itself flexibility. The legislation, in my opinion, is too restrictive, it is too exclusive, it is too particular. Any Government would want to expand the number of choices available to it, rather than contract the number of choices knowing all the while that the appointments are political appointments and every Government will do its best to make sure that there is a proper balance of expertise and a reflection of the community that can work for the interests of the corporations involved. I think that Sections 4(2)(a)(b) and (c) ought to be made more general, and I would encourage the Minister to go back and do some redrafting.

Mr. Manness: Mr. Chairman, I am prepared to make an amendment with respect to 4(2)(a) and include some wording with respect to designation. In our view, (b) should stay as it is because again it is a name that will come forward from an identified association, and (c) of course is again very broad in nature, so we are prepared to revisit 4(2)(a) with an amendment. While that amendment is being drafted, I am wondering if we could move on to another amendment under that section.

Mr. Ducharme: We move that Clause No. 4(2) of Bill No. 37 be amended by the following:

THAT subsection 4(2) of Bill No. 37, The Crown Corporations Public Review and Accountability and Consequential Amendments Act, be amended

- (a) by striking out "and" after clause (b);
- (b) by re-lettering clause (c) as clause (d); and
- (c) by adding the following clause after clause (b):

(c) one of whom is a person who, in the opinion of the Lieutenant Governor in Council, represents organizations of consumers in Manitoba; and

I move this motion in respect to both English and French.

Mr. Chairman: On the proposed motion of Mr. Ducharme to amend clauses 4(2)(a), (b), (c) and (d), with respect to both the English and the French text, shall the motion pass? Does everybody have the motion?

Mr. Leonard Evans: What happens to clause (c), the old clause (c)?

Mr. Chairman: It becomes (d). Legislative Counsel is at present rewriting this amendment; and, if I may ask, is it going to be brought forward shortly? Possibly at that time it could be reviewed. Is that the will of the committee? No, I think they are rewriting it.

Mr. Manness: I gather, Mr. Chairman, because of the commitment that I made with respect to the first portion, (a), that Legislative Counsel is going to bring back a complete new amendment dealing not only with that but also the consumer interest. So it will be a combined new amendment.

Mr. Ducharme: I will withdraw the motion that I made and we will bring it back in that scale.

Mr. Chairman: Is that the will?

Mr. Patterson: Could I suggest that in 4(2)(c) that possibly it will help—might you say, “have demonstrated management or technical expertise,” to clarify some of the—

Mr. Chairman: Mr. Minister, did you want to respond to that?

Mr. Manness: I have no difficulty with that, so we will add that to the amendment.

Mr. Chairman: Mr. Patterson, is that fine?

Mr. Patterson: Yes. I was just meaning it as a suggestion.

Mr. Manness: No, it is a fair point.

Mr. Chairman: Is it the will of the committee that we proceed on a different clause and come back to Clause 4(2) later on? (Agreed)

Clause 4(3), Clause 4(4), Clause 5, Clause 6, Clause 7. We are on page 5. Now we are going back to page 4, right? Clause 7, the Annual Report on page 5.

Mr. Leonard Evans: Just back on Clause 6, “Duties of council,” 6(1), and 6(2) “Powers of council,” is the Minister satisfied that he is not going to set up a situation where wires are going to be crossed because, if you just read this, at first glance you get the impression that the council will have power over the Crowns at the same time the Ministers have their responsibilities over the Crowns? Who do the Crowns report to in this case? This was the beauty of having the Ministers on the council. That was the idea to try to avoid some of that wire crossing so to speak.

I would like the Minister to comment on this. Is he satisfied that he is not setting up an organizational structure here that is not going to give them, give any Government some difficulty in organizational efficiency because, if you read it, the council will facilitate the development of clearly defined mandate and facilitate development of criteria, review long-term corporate plans and so on. Where does the Minister fit in with this? What if there is a difference of view between the Minister's idea of long-term corporate plans and the

council? Again the powers of the council under 6(2) requesting the chief executive officer to provide reports and so on, will the Minister be advised of the chief executive officer providing these reports to the council? I would hope so. But it seems to me that what you are doing is setting up a rather awkward organizational structure. I say that again in a very positive way. There is a problem here. And I know the Minister is shaking his head to the negative, but is he satisfied that he or any Government will not get their wires crossed organizationally?

* (1100)

Mr. Manness: Mr. Chairman, I do not know if Mr. Evans was in the room when I specifically dealt with the responsibilities of the Crown Corporation Council. We see no conflict arising here because as we have indicated, the Minister responsible is still responsible for the management of the organization. That council draws its powers only through the area of requesting information. The Minister in charge of the Crown corporation is responsible for the day to day—well not responsible for the day to day, in reporting the day-to-day activities. Because he is the Minister responsible, he is not responsible for the day-to-day decisions. But through the Chairman, the Minister responsible for the Crown corporations is the one who is responsible to report the activities of the Crown corporation to the public. That will not change.

But what we feel was very necessary is that boards of directors that are named by the Government by Order-in-Council, that they have an advisory group to approach, other than having to go to the Government itself, because it is then political interference, other than relying on the word of the senior management because that has been a problem far too often, that they will have an advisory council to which to go. That is what the Crown Corporation Council allows, No. 1.

No. 2, we believe that there has to be a watchdog as to the mandate, because Government itself does not always bring into the Legislature—and you know this, Mr. Evans, well—a new definition of mandate, and so there should be somebody in place who will ensure that Crown corporations stay within the legislative mandate as given to them some time in the past by the Legislature of the Day.

Mr. Chairman, in essence, those are the responsibilities of the Crown Corporation Council. They appear and attempt to set aside to ensure that there is arm's length difference between Governments and Crowns, and yet they act as an advisory board specifically to the Crowns.

Mr. Alcock: I think Mr. Evans is speaking to exactly the concern that I have about this and that we have had about this for some time. As I understand the concept of the council, it is a collection of people with expertise who are to act as consultants to the boards of the various Crown corporations. Are not consultants, Mr. Ernst, defined as people who borrow your watch to tell you what time it is? You get a sense of that here.

I have a couple of specific questions. In the duties of the council, there are some things stated here that

I think all of us would agree with and think they should be part of the management structure of the corporations, (b) for example, "facilitate, in cooperation with each corporation, the development of consistent and effective criteria for measuring the corporation's performance." Why is that not a duty of the corporation?

Mr. Manness: Well, that has never happened to date and that is why we have put it here. It is easy to look at a bottom line number but there may be other criteria for measuring a Crown corporation. We may want to look at the inventory build-up, to use an example. We may want to look at economic indicators within indeed the economy as a whole, having direct influence on the potential of that Crown corporation. I honestly believe that to date it has been proven to us, it has been proven to all Manitobans, that maybe those economic indicators, other than just the bottom line, have not been taken into account.

We believe there should be an element of expertise with the Crown corporation and the council who may say to the management, are you aware, given the quarterly report that you have provided to us or given the information that we have requested of you that you have provided to us, are you aware that because of this indicator, not only the bottom line, you have a potential problem right around the corner in this area. Now that is not the Government given direction to the Crown corporation, but that is the expertise from the community which can be shared with the Crowns. That, to our view, is where Crowns should turn.

We seem to think we appoint directors to the Crowns. They have their existing management. We pay that management well and they should be able to make all the right decisions. It does not work that way. We all from time to time should have access to advisors, not paid consultants but to other people who could help us, and I think that is what the Crown Corporation Council provides.

Mr. Alcock: Yes, but there is more than one way to get at that problem and there is more than one way to bring forward those concerns. Before we get into that part of it, although I would ask the Minister if he would like to comment why they did not choose to go the way the federal Government has done and empowered the Auditor to comment on a mandate as well as the, sort of, financial accountability.

The first question I have though is why, if it is important that a corporation develop a clearly defined mandate and a clear statement of purpose, is that not part of the duties of the corporation, perhaps in addition to the council, but why would that not be part of the—

Mr. Manness: In essence, it does, because this Act supersedes all the Crown corporation Acts. In essence, the duties here that become forward, by way of mandate, by way of clarity of mandate, are directed towards the Crowns, so that in effect happens.

Mr. Alcock, what is being contemplated here is this is where theory meets practice. We can talk about the Auditor, but there is no Auditor in this country who is infallible because we give stature to the office of the

Public Auditor, whether you want to debate there are proper resources in place or not for the Provincial Auditor to undertake or to provide or to discharge his or her mandate. To me, this is certainly as good as any auditor because you are bringing, hopefully, your best people from the community to pass judgment.

* (1110)

Mr. Alcock: The best people from the community, qualified people from the community, who are doing this part time as opposed to the Auditor who is into these corporations all the time or can be. If you look at the provisions of the federal Finance Administration Act, you will see that they have addressed some of these questions of mandate and performance. You are building a secondary structure to do something that could be done in another way, and it strikes me as redundant.

Mr. Manness: First of all, I am not building a structure, I am tearing down one, I am dismantling a structure. We are putting into place something a little bit different that will deal not only with numbers but with other concerns, and I say to you that this is pro-active. It will look at social concerns regarding the management. It will take into account more than just numbers.

Mr. Alcock: But should not the board of each corporation be doing that?

Mr. Manness: M'hmm.

Mr. Alcock: Then why do you remove it?

Mr. Manness: That is a rhetorical question. Maybe they do, maybe they should, maybe they have, but maybe they have not. I am saying, how do you direct boards to do certain things? In our view, this is a better way of ensuring the boards themselves, Crown corporations, the way they are set now are to deal specifically with providing services to Manitobans in the most efficient manner. That has a very strong economic and fiscal side to it and that is the way it should be.

But when you bring in other concerns, if the Government of the Day is bringing in other concerns directly, then you get into the same problem we have had over the last number of years. You have political interference and influence. What we have tried to do is say, well, rather than let the politicians exert those social influences, why do we not bring eminent people from the community. Let them not only give it a managerial capability but also take into account some of the pro-active social considerations which will not deem to be political as they would be if you had hands-on approach from a Government.

Mr. Alcock: Twice now—you are bringing in qualified, I would presume, people from the community to serve on the boards of these corporations. You are bringing in a second group of qualified people from the community to take over some of the duties that should be part of good management within the corporation.

I do not understand why the development of a clear mandate of objectives is not part of the duties of the corporation.—(Interjection)— Mr. Carr points out that the Minister also assumes some responsibility for mandates, and now we have three groups working on it.

Mr. Manness: I have said I do not want to recite the history of Crown corporation accountability, but this is evolutionary, these are complex times. This is a situation where these Crown corporations, which are deemed in the first instance to be clearly corporate in the sense that there was a fiscal direction to them, now in today's context are wanted by society to do something more. Yet, when the Government of the Day imposes its political judgment on it, then they are deemed to be political.

So you tell us where we go from here because I can tell you, if you do not bring in the community as a whole through eminent people, then any decisions they make are going to be deemed to be political. If you force them to move along in a very straight fiscal nature, in a fiscal sense, then they are going to be deemed to be nothing more than another corporation and not providing to the public and not working within the mandate.

Mr. Leonard Evans: The Minister, the Government has a dilemma here. Either it is going to be an effective watchdog, or it is going to be, to use the Minister's other expression, an advisory committee or an advisor. A watchdog to me is a body that has some punch or some clout, and either it is going to be effective or it is going to be totally ineffective. It could end up, if your interpretation of this Act or these clauses with regard to it being an advisory body is correct, as a very ineffectual body. On the other hand, if you are saying it could be a strong watchdog and it does have some teeth here, I say then you get back to the problem of getting your wires crossed with ministerial direction. I tell you this from many years of experience.

The problems we have had with Crowns is not political interference, although some people may not like some decisions and judgments made. It has been the lack of Government control over the Crowns, and that is why the previous Government brought in this legislation. I suspect this is why the present Government is carrying on some version of that legislation. It is the need for more control, the need for more accountability which we want, which I guess all Members of the Legislature want. So what you want then is to have an effective body.

So I am hearing two messages from the Minister. Either, you know—if it is an effective watchdog, fine. But then you have the problem of organization and the role of the Minister vis-a-vis the role of this group or it is just an advisory council and, if it is simply an advisory council, then you are doing nothing. You are doing very little really on the accountability side. I say we have had difficulties in this province, and I say in a historical context, because of lack of control by the Government over these Crowns, not because of too much control.

Mr. Manness: Mr. Chairman, I hear what the Member is saying, but I ask all members of this committee to

read these sections—these are councils and powers of councils—in the context of the whole Bill because, if they do, they will realize this council has considerable teeth not to direct or demand as under the old PICM state but in requesting to report to the public.

Here is a situation where, again I repeat, this so-called watchdog agency without teeth, to put words in the —(Interjection)— a toothless dog. But can you imagine what power this group will have because it is mandated, when it makes a request of a Minister for certain information, if it is denied that information it has requested, it is mandated by this legislation to report to the Legislature, to report to the people of the Province of Manitoba. That is not a toothless watchdog. I say that watchdog has long teeth because I defy any Minister to deny it and then stand up publicly indeed to the Premier and indicate why it is that Crown did not present that information. This is an effective watchdog because of the public accountability mandated by further sections of this Act.

So in my view, this is far more accountable than under the old former PICM model which indeed reported, but reported only to five senior Cabinet Ministers.

Mr. Carr: I think this debate is revealing and important because what we see now is, with another layer of responsibility and accountability, there has indeed over the last 10 minutes been confusion and diffusion of responsibility. The Minister says that this council has long teeth. Well, the longer the tooth of the council, the shorter the tooth of the board of the Crown corporation of the Crown. The Minister talks about the powers to request information, to define the mandate of the Crowns, yet he also within the context of the same legislation talks about the autonomy of the boards of those Crown corporations, not to mention the ultimate authority, the responsibility of the Minister to write legislation, to redefine mandates from time to time and to be responsible politically for the operations of those Crown corporations. So we have a whole different set of relationships to analyze and evaluate.

We have the relationship between the Minister and the board of the Crown itself. We have the relationship between the Minister and the new council; we have the relationship between the council and the board; we have the relationship between the board and the Minister; the council and the Minister; and the council and the Executive Council.

We now have a web that we have woven of relationships and interrelationships between a Minister, a council and boards of Crown corporations, all of whom have some either autonomy, responsibility, mandate-setting, and accountability. My Honourable friend from Osborne (Mr. Alcock), I think rather well in his speech in the House made the point that when you add more layers of responsibility you diffuse accountability. That is precisely what is coming out through this debate this morning. I would like to ask the Minister a question, after all of that. Well perhaps I should let him respond, because the question I have relates to item 6, (c) and (d), so go ahead.

* (1120)

Mr. Manness: Well, Mr. Chairman, what Mr. Carr has recited here, he is right. There is nothing new. There is absolutely nothing new. As I said in the speech, if we want to take out this—and he tries to make it appear like there are three or four levels. If he wants to do away with two of them, then we roll the clock back 20 years ago, like we did 20 years ago, when it was a Minister who was fully accountable, and that may happen. That may happen someday.

In the context of where Crowns have come in this province, it cannot happen today. So, what he is talking about in terms of who has got what responsibility, then I say to him it is no different than indeed the New Democratic Party, the problem that they had in trying to build their Crown Accountability Act, indeed no different than the Liberals would have if they were trying to bring in Crown accountability legislation too. If you are going to try and have a system other than just a Minister being fully responsible, it would be no different.

Now, as far as the accountability. Again, with respect to the Crown Corporation Council, let me say this to Mr. Carr. As I said early on in the presentation on second reading, it is accountability, management is still in the hands of the corporation through the Minister responsibility. We talk about the long teeth of the council will not be to make management decisions for the Crowns. That will not exist. The long teeth come in requesting information, requesting audit information, requesting information that the council deems should be made public. That is the accountable portion of the council.

As to whether or not a certain Crown decides to provide service in this part of the province versus that, that is a decision of the corporation. The council has no mandate to make those decisions. The council again is there to be advisory in nature but, more importantly, to account, to make public what it is that any Crown corporation is doing. That is all we have promised, and that is all we believe that the people of Manitoba want. They want to know what their Crowns are doing, and they want to know not a year and a half after the annual report comes down. They want to know in a frequent and open fashion, and that is the guarantee.

Mr. Carr: Mr. Chairperson, the duties of the council, we see that they may "receive and hear submissions from any person who, in the opinion of the council, has knowledge respecting any aspect of a corporation's activities." Is the purpose of that clause to replace the service committees and the mandate and requirement for public meetings? Does the Minister anticipate that members of this council are going to be deluged with requests from motorists in Manitoba to talk about their complaints with MPIC? Just what is the purpose of that clause and what does the Minister expect its effect to be?

Mr. Manness: No, the purpose is not for the council to be deluged with everybody who has a complaint with respect to rates or disservice. The specific intent of that clause is for an individual in society who has a specific charge of wrongdoing within the corporation as to propriety, as to any element of the fiscal side which should be brought to the attention, that can be heard by the Crown Corporation Council.

Again I hearken to the Ferguson situation whereby a person—the Leader of the New Democratic Party, Mr. Doer, shakes his head. I do not want to get into that specifically, but I want to make sure from here forward that an employee who sees something that is wrong or indeed a person outside of a corporation who sees something wrong from some distance—I am not talking about rates now—something substantively wrong, that they have an opportunity to provide that somewhere so it is not buried by either the senior management or the Minister or indeed by the Cabinet of the Day. It is open legislation.

Mr. Doer: Again, we respect the right of the Government to organize its duties as it sees fit. I do not like this model. I think it is wishy-washy and it really is a little bit in-between. It really is not a controlling model, it is a facilitating model. It is like a transactional analysis group but we respect the right of the Government. If they want to be wishy-washy about what they want to do with the Crowns, we respect their right to be wishy-washy.

I like the model in the federal Government where it goes to the federal Treasury Board Ministers. I like the model in Saskatchewan and Manitoba where it went to a group of Ministers who reported to Cabinet. The Minister, quite frankly, is in the wrong end of the problem, and it was a disaster. The MTX was a disaster. The problem was there was a strategic plan that was reviewed by nobody and it showed up nowhere in the financial reports. It was approved by the former Government in terms of the board going into Saudi Arabia. It continued on in perpetuity until the skeletons started coming out and then people came out six years later.

I want to have a controlled method at the front end of these plans and these adventures, not at the back end. I respect the right of what the Minister is trying to do. I think he is going about it the wrong way but I respect his right to organize it that way, and he will be held accountable for it. The problem with these things is that these grenades sometimes sit in the closet for four or five years before they explode.—(Interjection)—I beg your pardon.

An Honourable Member: Your accountable is too late.

Mr. Doer: That is the problem. That is why I want strategic plans and capital plans, and reviews of plans made early by the people who eventually answer for them. The people who made the decision on MTX was not Mr. Mackling, the Member for St. James, but I can tell you where the grenades exploded and when it exploded, and whose head it exploded in. If he had some better protection at the front end with the former board in '80, '81, our board in '82 in terms of the information they had, I do not believe that we would have continued on for such a length of time in an obviously ill-fated enterprise on behalf of Manitobans.

We disagree with the Minister but we do agree with his right to provide his administration system. He is the one that is going to remain accountable, and his Ministers, for the system they provide. So, therefore,

he should be able to have the kind of system that he sees giving him that accountability. I do not agree with it but it is his call.

Mr. Manness: Let me respond by saying if the Ministers are still in charge and are responsible, let me say the control at the front end is guaranteed, more so under this Act. Not only the strategic plans or any new capital plans, not only are they going to be presented to the council and also to the Cabinet through the Minister responsible, but they will be reported to the public through the council. I say to you that there is control at the front end. Beyond that, wanting the Government to have direct control as to not only capital plans but indeed all elements of the operation of the Crown such as rates and so on and so forth, we have given up because the public of Manitoba do not want us to have that control.

Mr. Doer: The public of Manitoba, if something goes wrong, I know whose door they are going to be knocking on because they have elected you to do that.

One last question to the Minister—we disagree and that is fine. The Minister is a member of Treasury Board. Why do departments, and he would know, get an analysis from Treasury Board even though a Minister is presenting a proposal from a department? There is an independent analysis of the financial implications to the Government and the taxpayers and the public on the Treasury Board analysis in each department. Why does he not think that is useful for the Cabinet to have somebody analyze these things rather than the Minister just sign a document that comes from a Crown corporation, usually a very sophisticated proposal with very technical terms often written by engineers and accountants with no second opinion? I do not have any problem with ministerial responsibility. I have no problem with the Cabinet responsibility. I know that Treasury Board reviews those department proposals and protects the Cabinet a little bit more than what was happening in Crown corporations, and Spivak identified that in his task force, and what you are proposing in this Bill. I think you have to be honest enough to say and acknowledge that.

Mr. Manness: Part of what Mr. Doer says is correct. I am not going to argue with him. I guess I take the view that setting up a \$2.5 million Crown Treasury Board system, as his Government was going to do, was no guarantee, indeed as Treasury Board is today, is no guarantee that bad decisions are not made. I say to him that we would prefer to have representatives of the community who, I think, bring a different perspective, just a little bit different. Even the analysts under Treasury Board, and I hate to admit this, under PICM, at times know how it is that their masters would like to lean on certain issues.

An Honourable Member: Things have really changed.

Mr. Manness: I dare say, what we are proposing here in my view is the purest of the analytical approaches.

Mr. Chairman: Any more discussion on 6?

Mr. Doer: Just one last point, could the Minister confirm the cost to the public in the first year of the Crown Corporation holding company, notwithstanding the secondments that were made to MPIC and the Kopstein Task Force and eventually Workers Compensation with the excellent people who were hired in that area, if I do say so myself?

Mr. Manness: This has absolutely nothing to do with this Bill.

Mr. Doer: You mentioned \$2.5 million.

* (1130)

Mr. Manness: In fairness to Mr. Doer, seeing that PICM really only began to staff itself up in September of '87, I believe that in its first fiscal year which then would be—when is its fiscal year—end? December. I think it consumed from September to December roughly \$250,000 or \$300,000.00. This year, because we have held it back coming into Government in May, it will probably consume another \$300,000 to \$400,000.00. Well, you know, the president alone hired by the former administration was receiving, I believe, \$90,000 a year. It does not take long to get—

Mr. Doer: One of the areas that I do encourage the Minister to—and he will get our support on salaries for Crown corporations and salaries of staff working in Crown corporations. You have one of the mistakes we have made, quite frankly, developing a policy of not being able to attract the right people. We applauded the Government for having the right salary to attract a qualified person in the Public Insurance Corporation. The person we attracted for the Crown corporation sector, I think the Minister would agree, is very competent, and you have to attract those types of people. The person we attracted as the vice-president of Finance is now running Workers Compensation. He is also very competent, he was doing an excellent job in the interim period at MPIC. At the Manitoba Telephone System is a person who is qualified and doing an excellent job. So I would suggest that in Crown corporations this Minister will get our support for fair salaries to compete in the private marketplace with the appropriate people because, if you do not compete, it costs the taxpayers more money in the long run. I want to put that on the record.

Mr. Manness: Mr. Chairman, I concur with Mr. Doer. There are large responsibilities. Good people are needed and good people have to be paid well.

Mr. Alcock: The Minister, in responding to Mr. Carr, makes the statement that we either go this way or we go back 20 years, as though there is no in-between. I think that he is quite mistaken. There were substantial improvements to the management of Crown corporations contained in the existing bill and they have been carried forward into this Bill.

The concern is not around the Bill in total. It is the mechanism that the Minister has chosen to provide accountability, and I think that I would urge him to look

at the duties of the council and ask him why some of those duties are not part of the duties of the various corporations. I am surprised when I go through the various Acts of the major corporations and I am surprised when I look at the duties that are assigned under later sections of this Bill, Section 13, that duties such as development of mandate and criteria for evaluation are not part of the normal management practices of the Crown Corporations.

Mr. Manness: Mr. Chairman, I beg to differ. My understanding is that they are covered under Section 13—Part III, pardon me, Part III of the Bill, not Section 3. It deals with the Crowns and their responsibility.

Mr. Alcock: In any event, Mr. Chairperson, we are prepared—I mean, we accept the fact that the Government has the right to determine how it is going to manage itself and we are prepared to pass this section.

Mr. Manness: Before, if there is a disposition to pass a section—or Part II, pardon me—

Mr. Alcock: No, we are going clause by clause there.

Mr. Manness: Yes, okay, I do have these amendments now that can be introduced.

Mr. Chairman: If it is the will of the committee, I would like to go back to Clause 4(2) at this point in time. We have received from the Legislative Counsel a revised amendment.

Mr. Ducharme: I so move:

THAT Clause 4(2)(a) be amended by adding "or his designate from that faculty" after "Manitoba";

Il est proposé que l'alinéa 4(2)a) du projet de loi 37 soit modifié par l'insertion de "ou la personne de cette faculté qu'il désigne" après "Manitoba";

An Honourable Member: In English and French.

Mr. Ducharme: In English and French.

An Honourable Member: His or her designate.

Mr. Ducharme: Oh, his or—.

An Honourable Member: Gender has changed in the Act.

Mr. Ducharme: It has been changed in the Act so you just go along with that. Okay?

An Honourable Member: The Legislative Counsel has a good eye on that.

Mr. Ducharme: I also move:

THAT Clause 4(2)(d) of Bill No. 37 be amended by adding "or technical" after "management," in both French and English.

Il est proposé que l'alinéa 4(2)d) du projet de loi 37 soit modifié par l'insertion de "ou des connaissances techniques" après "gestion".

Then we will go back to my original motion:

THAT subsection 4(2) of Bill No. 37, The Crown Corporations Public Review and Accountability and Consequential Amendments Act, be amended

(a) by striking out "and" after clause (b);
(b) by re-lettering clause (c) as clause (d); and
(c) by adding the following clause after clause (b):

(c) one of whom is a person who, in the opinion of the Lieutenant Governor in Council, represents organizations of consumers in Manitoba; and

Il est proposé que le paragraphe 4(2) du projet de loi 37, intitulé Loi sur l'examen public des activités des corporations de la Couronne, l'obligation redditionnelle de celles-ci et certaines modifications corrélatives, soit modifié:

(a) par la suppression de "and" après l'alinéa (b) de la version anglaise;
(b) par substitution, à la désignation d'alinéa c), de la désignation d);
(c) par l'insertion de ce qui suit après l'alinéa b):

c) une personne qui, de l'avis du lieutenant-gouverneur en conseil, représente les associations de consommateurs au Manitoba.

Mr. Chairman: It has been moved by Mr. Ducharme. Is it the will of the committee to pass the amendment to the amendment?

Mr. Alcock: Just a question about the amendment. This is (c): "one of whom is a person who, in the opinion of the Lieutenant Governor in Council, represents organizations of consumers in Manitoba." In the other two, you have designated groups putting forward their representative. Could that not be done for the consumers' association?

Mr. Manness: One of the dilemmas we have is there are many, many different consumers associations and groups. I just do not know which one we could name.

Mr. Alcock: That is okay.

Mr. Darren Praznik (Lac du Bonnet): I believe that the Consumers' Association of Manitoba is not established by an Act of the Legislature, if I am correct, whereas the Institute of Chartered Accountants would be. You have a body that is established in law. Any more comments, Mr. Alcock?

Okay, we have before us a motion to amend the amendment. Is it the will of the committee to pass the amendment to the amendment—pass.

Is it the will of the committee to pass the amendment?

Mr. Leonard Evans: We are still passing this as amended. I think getting along with other sections, what

both Opposition Parties are recognizing is that ultimately the Government has to take responsibility to make its own mistakes, which reminds me of the Unitarian religion. We are all entitled to go to hell any way we please. Life is difficult.

* (1140)

Mr. Chairman: Is it the will of the committee to pass Clause 4(2) with all the amendments, as amended?

Clause 4(2)—pass; Clause 4(3)—pass; Clause 4(4)—pass; Clause 5—pass; Clause 6(1)—pass; Clause 6(2)—pass; Clause 7(1)—pass; Clause 7(2)—pass; Clause 8(1)—pass; Clause 8(2)—pass; Clause 8(3)—pass.

Clause 9(1)—Mr. Alcock.

Mr. Alcock: It has to do with 9(1) and 9(2). As I understand Clause 5 and then Clause 9(1), that the council really is quite independent and that they can choose to follow up leads or concerns or make inquiries or hire consultants and advisors and whatever they feel they need in order to perform their duties. What control exists for the council? To whom does the council answer, for example, for their budget?

Mr. Manness: The control, because it is in essence an entity outside of line departments, does not enjoy maybe the same scrutiny that a line department would have, but it would have much more, for instance, than what exists right now. Right now, Public Investment Corporation Manitoba can levy certain fees and we are using it. I will tell you we are using it right now with respect to the divestiture of some of the Crowns and, if we need certain consultants or certain help outside, we sanction that request and they levy accordingly onto the Crown.

What is going to be different here now is that this council itself is going to have to report to the public—by the way, when we do that, that is not reported. So we enter—for instance, when PICM enters into a consulting contract for somebody, that is not reported publicly. In due course, it will be; in due course, by the annual report, it will be. What this council would do now is it will be mandated to report quarterly its activities in those regards. So I think you have much greater accountability as far as ratification of their budget. No, they still would have the licence to go out in an ad hoc basis, find the resources they need and levy accordingly to the Crown corporations, but they will have to report it much more frequently. The Minister responsible then for this council then will have to answer the questions why.

Mr. Alcock: And if there is a disagreement between the Minister and the council?

Mr. Manness: Disagreement? Well, the Minister is in charge because, under the parliamentary system, somebody has to be in charge. The Minister is there to not direct the council, he is there to respond on its behalf to the Legislature and indeed to Manitobans.

I can tell you, the Provincial Auditor looked at this source of funding and had no problems with it, as a matter of fact, thought it was progressive in his view.

Mr. Alcock: The source of funding is not the issue. It is who says to the council, whoa.

Mr. Manness: If the council is spending wantonly, obviously the Government of the Day can say, no, and then the council will report that openly to the Legislature, and the Government then will either be criticized or supported by the public through the elected Opposition.

Mr. Doer: Yes, and I should point out that there is probably more unaccountable waste still in Government under The Department of Finance Act for all kinds of these borrowing and purchasing and other measures for literally hundreds of millions of dollars for Crowns under the Minister of Finance than this Act. This Act will provide for an annual report every year on the expenditure of those monies, and report. That is pursuant to the direction that is given by the Minister assigned and responsible and I suppose, if the Minister so desires, the Members could ask questions on it as well.

I note that you are using the same system of levying Crown corporations for purposes of carrying the costs of the council. I recall correctly, and I do not have to read Hansard, the Members opposite were very critical of the consumers of the hydro and telephone having to pay for a levy on the Crown corporations. I remember the Member for Pembina, the Member from Morris, the Member for Roblin-Russell—pardon?

Mr. Manness: The Member from Morris did not speak on it.

Mr. Doer: I know he was writing the notes, helping the Member for Roblin-Russell on his comments, as he did in turn second your Budget this year.

Has the Minister now agreed that they were wrong in Opposition? It does not make sense to take money out of a senior citizens' home, out of the public expenditures for purposes of Crown corporation monitoring. It does make sense to have a small levy, considering Crowns spend lots of monies anyway on management consultants and Government has a right to have a bit of money available to it to protect the public assets of \$4 billion. Has he had a change of mind and were their comments last year without merit in the opinion of the Minister, given what he is proposing today?

Mr. Manness: Mr. Chairman, I can remember some of those comments having been made but at that time, of course, we were heading towards, in our view, a \$2.5 million monster, and we felt that that was an unwarranted charge-back against the ratepayers supporting the Crowns.

I think, though, I will be quite candid. Having seen the levy system in place in a marginal sense—in a nominal sense is a better word—that it in theory has a place, because really there should be a charge-back to Crowns. However, I think we provided within this some greater authority under 9(2) that again the Lieutenant-Governor-in-Council will make regulations, so that the Government of the Day again is totally

accountable for what it is it directs the council, what is defined as costable, so there is greater accountability by the Government of the Day. That did not exist in the former Act. I think we have strength in that. Even though we have adopted the concept, I still think that we have narrowed the focus down and taken away some opportunities from the council to, at will, spend on some things that we know the former Government was moving outside of appropriation and moving into other areas.

Mr. Alcock: By what you are proposing here, there is no review by the Lieutenant-Governor-in-Council of the budget of this organization on an annual basis.

Mr. Manness: This organization as such does not have a budget indeed as many entities do. I mean we have got agencies outside that do not provide us with budgets and you would know about them, Mr. Alcock.

Mr. Alcock: Yes, and in those Acts it does say that agencies shall be advanced such money from the Consolidated Fund as the Lieutenant-Governor-in-Council shall approve. This does not have that. This council can run around and do whatever it wants. Those are large complex organizations. It will be difficult, as has been pointed out over and over again, for anybody to develop a perspective on these organizations. What you have given this council is an ability to just go at it. I am not taking away from the people who will be on it, but they are going to be faced with a very difficult job trying to understand large complex organizations, and they are going to need some assistance. Where does somebody, other than the sort of public embarrassment that you suggest, say whoa?

Mr. Manness: Mr. Chairman, again Mr. Alcock looks at the specific area in isolation. I can refer him to 12(1). The Provincial Auditor will be auditing this group, so I do not think any entity of Government is going to run—by the way, this is a very specific audit. This was to be built in to ensure that sort of thing did in fact not happen. Also the Minister responsible for this council is in the House and he is accountable. This council will report quarterly, one of the few entities of Government outside that will be mandated to report quarterly, so indeed in itself has to be accountable.

Mr. Alcock: Well, let us just go with that for a second. So if the Minister is accountable, as Mr. Manness has suggested, what is he going to do? What action does he take?

Mr. Manness: We are going full circle here now. The Minister of the Day, the Government of the Day, if a council gets away on them in the sense that—first of all, they have politically put the people there, in charge of it, appointed them. If the council goes off, then under 9(2) and 12(2), the Government still is in control and brings them back. The Government of the Day can—you know, we all heard about the whim of the Order-in-Council, you replace the people. Those powers are there.

Mr. Alcock: It dies by Order-in-Council.

Mr. Chairman: Any more questions to 9(1)?

Clause 9(1)—pass; 9(2)—pass; 9(3)—pass; 9(4)—pass; 10—pass; 11—pass; 12(1)—pass; 12(2)—pass.

Clause 13(1)—Mr. Plohman.

* (1150)

Mr. John Plohman (Dauphin): Mr. Chairman, to move an amendment to Clause 13(1), I move:

THAT subsection 13(1) be amended by striking out "and" after the semi-colon at the end of clause (c), by adding "and" after the semi-colon at the end of clause (d) and by adding the following clause:

(e) for the purpose of explaining the objectives of the corporation, ensure that the senior management of the corporation hold a public meeting at least once in each year in Winnipeg, Dauphin, Brandon, Selkirk, Thompson, The Pas, Steinbach, Virten and such other centres as the board considers appropriate.

Il est proposé que le paragraphe 13(1) du projet de loi 37 soit modifié par l'adjonction, après l'alinéa d), de ce qui suit:

e) fait en sorte que la direction générale de la corporation tienne une rencontre publique au moins une fois par an à Winnipeg, Dauphin, Brandon, Selkirk, Thompson, Le Pas, Steinbach et Virten et dans les autres centres que le conseil d'administration indiqués afin d'expliquer les objectifs de la corporation.

I move this motion with respect to both the English and French texts.

Mr. Chairman: On the proposed motion of Mr. Plohman, to amend Clause 13(1) with respect to the English and French texts, shall the motion pass?

Mr. Plohman: Mr. Chairman, just briefly to the motion, we would hope that the Minister would have brought forward this amendment himself because it makes eminent sense and no other provision in the Act provides for this kind of direct accountability to the public. No section in this Act provides the opportunity for the public to appear directly to question senior management, members of the board, or chairmen, and so on.

I think Manitobans have a right to have this opportunity to raise their concerns directly with senior management and the board, and we believe it is ultimately very much in the public interest to have this provision. I do not think that anything is perceived by the public as being of more relevance to them in terms of accountability than such a provision.

The Public Utilities Board is not the kind of forum that would provide opportunities for the average public, representatives of the public to come forward and to bring forward concerns. He may in fact, because of the legalistic kind of atmosphere and the awkwardness of the situation, even be ruled out of order in making

presentations that he feels are of interest to himself and his neighbours or the communities that he may represent or she may represent. So I do not think it is that costly to have this direct grass-roots feedback, and yet the results and the input is really priceless. It is really the ultimate sort of input from the public.

Rather than having elected members only or members of boards or this council or other legislative Members who were included in this Act, as being the watchdogs or the people with the advice and with the wisdom, we have the ultimate wisdom which comes from the grass roots, from the public. I think that I would like to emphasize to the Minister and the Government, as well as the Official Opposition, that we unanimously approve this amendment.

Mr. Doer: Yes, the right of the public to have public hearings is an area that my colleague has spoken on, the Member for Dauphin (Mr. Plozman), and I think we have spoken on it in the House before. We think it is a good procedure, a good right of the public. I know with the Minister, when he looks at his PUB provisions of three-year pricing and his argument against these meetings, if he really looks at that in the cold light of day, I am sure that deep down in his heart he probably agrees with that proposal.

The areas suggested were areas that were very well attended during the public hearings of the Telephone System. There could obviously be other areas like Beausejour, Swan River, and other communities across Manitoba. There is a permissive clause in the proposal. We could have Selkirk. Generally speaking, except for Steinbach, they are very close to the—there are some distance issues here in the communities we have chosen and some attendance difficulties in the communities we have chosen, but we obviously know that there could be other communities chosen. We have just found that the attendance of those meetings and the ability to attend meetings in those centres, with our 22 meetings we had last year in the Telephones, made sense.

So we, quite frankly, made a mistake not having Virden on initially and we had to add that. So we used that experience of our meetings with Telephones to add Virden. But any time you designate an area, you leave out a number of areas. We do respect that. We think that a Government that does not believe in these hearings, we just do not want a pro forma exercise of having one or two hearings just to fulfill a requirement of an amendment of The Act.

So that is why we thought we would be much more bold in our designation of public places for public hearings based on past performance and the ability to get around major geographic areas, recognizing there are other communities that should not feel slighted but will be, because they are excluded, would hopefully be incorporated in a Crown corporation. I would think Morden, for example, in the Telephones is a good place to go, but it may not be the community most concerned about liquor distribution. So perhaps in the Telephones, we would go to Morden and perhaps the Liquor—you know, other Crowns would go to other communities and there are some permissive parts of it at the end.

Mr. Ernst: Mr. Chairman, perhaps I could ask the mover of the amendment, although I understand, I think, the

principle of the amendment, I have some trouble with the way it is worded because his amendment would now require Channel Area Loggers Limited to hold public meetings in Steinbach, Selkirk and a variety of other communities. It would require the Manitoba Development Corporation to hold meetings in Thompson, Flin Flon, The Pas, and so on—all across Manitoba. It would require Venture Manitoba Tours to hold similar types of meetings all across the province.

I do not know if that is the intent of the Member from introducing this amendment, but I find, Mr. Chairman, that perhaps the proposal and the amendment to require all of these Crown corporations to hold public meetings in all of those centres does not serve the purpose of public hearings as intended across the board, but I am advised by Legislative Counsel that is the case, that this amendment would require all these corporations to hold public meetings in all of those centres on an annual basis. I would ask the Member if he could clarify his intent.

* (1200)

Mr. Plozman: Clearly, the intent is that it would apply to those grounds mentioned in Section 2 of the Act. Under "Application of Act, this Act applies to Manitoba Hydro, the Manitoba Public Insurance Corporation and The Manitoba Telephone System," and then in the next section, 2(2), "This Act, other than Part IV, applies to The Liquor Control Commission." What we are dealing with in our amendment is those four. If it needs to be amended to say that then we would do that. I believe that the application of the Act deals with that concern.

Mr. Ernst: Legislative Counsel just advised me a moment ago that is not the case and that further amendment is required. So I was seeking the clarification of the Member for Dauphin (Mr. Plozman) as to what his intent was here. To go with the amendment as presented by the Member for Dauphin, seconded by his Leader, we would be required to have public hearings or public meetings from all of these—shall we call them?—miscellaneous Crown corporations as opposed to the major utilities.

Mr. Doer: Yes, I am surprised, shocked, and the Members who are responsible for those Crowns would be very surprised to hear that they are called miscellaneous. We certainly do not believe they are. We thought the application of the Act section covered that.

The substance of the amendment is to cover the major Crown corporations that this Minister is proposing to disenfranchise with this Act. The technicalities of that, we respect the Legislative Counsel. If it needs a slight technical amendment on the Section 2 in dealing with application, we would ask that be developed and we would support it. The bottom line is we do not want to divert this issue away. We respect the professional expertise from Legislative Counsel. We had great help in developing the Act by Legislative Counsel. If it requires a slight technical explanation to clarify the intent, which is clearly the major Crown corporations, we respect the advice of the professional staff that we

have. The intent is Hydro, Telephone, the Liquor Commission and the Manitoba Public Insurance Corporation.

Mr. Plohma: I think Legislative Counsel would be in the best position to add the amendment, I would say, those mentioned in Sections 2(1) and 2(2). If that would suffice in that amendment for the purpose, it would read then:

“(e) for the purpose of explaining the objectives of the corporation mentioned in sections 2(1) and 2(2), ensure that the senior management,” and so on. The rest would remain the same. If there is a better way to amend it that the Legislative Counsel has, fine, to have the same effect, but that certainly would do it as far as I can see.

Mr. Manness: I guess I am seeking guidance. I believe that there was motion, a further amendment, that had been—has it been introduced?

An Honourable Member: No.

Mr. Manness: It has not. Okay. So what I have before me is what we have got at this point in time.

I would only make this point, with respect to the service committees. Again, as I have indicated in the House, Judge Kopstein thought it would be, from his viewpoint, unproductive.

I have been through this, Mr. Chairman. I can remember when the Canadian Wheat Board first went to the public by way of its meetings throughout all of Western Canada, and there was a great belief in the farm community that this would now allow accountability and an openness that never existed before. It was a matter of one or two years when I became terribly disillusioned with the process. It really has not worked and ultimately what happened, the powers that be, whoever that may be, would give long responses to very specific questions and it came to a point where it tied up an awful lot of the important time of senior management.

In theory it is wonderful, and I support it in theory, but in practice, as I have seen it work, notwithstanding the Telephone System and their proposals—which is fine. I think any Crown corporation would want to take out a major new thrust of activity in a capital sense to the people, and there is nothing of course in this Bill that prevents that. But beyond that, I have come to see and experienced first-hand that public accountability sessions by large Crown corporations in time do not seem to work particularly well and yet, if the Crown corporations want them, of course then they have the right to do that. That is my only reaction to it other than of course there are at this point, before I see the Liberal's amendment which I believe is to come, already eight centres identified as appropriate locations and maybe the new Member will fix that.

Mr. Alcock: Perhaps we should bring forward the subamendment at this point so we can debate the whole thing. I should start by saying that, as I said in the House, we too believe there is value in having this

mechanism in place. We think there is value in the public having the ability to come in and comment and having senior management of the corporation there to respond. I do agree with the concerns raised by Judge Kopstein to the extent that, as I said earlier, at times when there is not a high level of public concern about the operations of the corporation, those meetings may be very poorly attended, but at times when there is a concern the public immediately has a mechanism whereby they can speak to the corporation. I think it is an important right to give to the public.

We were going to move in the direction of the previous Act, using the service committees which the previous Government brought in which called for one meeting per year. However, having seen this amendment, it is a more elegant way to go including it in the duties of the corporations, but I think that the designation of all of those sites, and given the reservations that Judge Kopstein has put forward, eight annual meetings strikes me as an excessive number and a drain on the resources of the corporation that may not pay back much in terms of the benefit that would be derived from it. However, I do think that there is value for Manitoba public corporations, these large corporations, in moving beyond the boundaries of the City of Winnipeg.

The subamendment that we have that I would like to move:

THAT the amendment to subsection 13(1) be further amended in clause (e), that everything after the word “Winnipeg” be struck and replaced with “and at least two other centres, including one in northern Manitoba and one elsewhere in rural Manitoba, as determined by the board.”

et dans du moins deux autres centres que le conseil d'administration détermine, y compris un centre situé dans le Nord du Manitoba et un centre situé ailleurs du Manitoba, afin d'expliquer les objectifs de la corporation.

I move that with respect to both English and French texts.

Mr. Chairman: While we have legal counsel, I guess checking that out—

Mr. Alcock: They are just copying it.

Mr. Chairman: While they are just copying it or whatever, do we want to move on or do we want to just wait for—Mr. Doer.

Mr. Doer: Generally, we are in agreement with Members opposite in terms of the public hearings. We disagree on the specifics of it. Having been a Minister and gone around to 22 meetings—I think 22 meetings is too many—but I know the one in the North was very difficult between Dauphin and Thompson. I know that I had considerable criticism for not attending a meeting in Virden and we rescheduled. I do not think meeting in seven locations once a year by a corporation is a difficult task. In fact, it is a helpful task. It helps to manage,

so I think we are on the same wavelength as the Members opposite on the substance. The specifics, we will have to just disagree and I respect their point on it. He may be right, we may be right. We just disagree on that.

* (1210)

Mr. Praznik: If I may ask a question, which Crown corporations were specifically to be required to hold these meetings under the amendment? I was not quite clear as to whether or not Mr. Plohman's amendment had been altered to limit or restrict or specifically name the corporations.

Mr. Plohman: Mr. Chairman, the Legislative Counsel has suggested an amendment that would indeed give effect to what we suggested. I would be prepared to move that following this amendment that is on the table right at this present time. It deals with an amendment to Subsection 2(3). It is not in order, I would not think, at this time to discuss it, Mr. Chairman, until we have resolved the other issues. My intent clearly is to move an amendment that will give effect to this applying to only those four corporations, not all of the miscellaneous, as the Minister of Industry, Trade and Tourism (Mr. Ernst) said, corporations but just those four that are mentioned in 2(1) and 2(2). We will do that through an amendment to Subsection 2(3).

Mr. Ernst: Perhaps I am being a little picky, but I am very hesitant to vote for this amendment or clause as amended without having seen that further amendment dealing with the individual corporations.

Mr. Plohman: Here is a copy. See if that will make any difference to you.

Mr. Doer: We can move it if that is the will of the committee. I think we are all talking the same thing and there is no sense in getting caught up in picky issues.

Mr. Chairman: Is it then the will of the committee to go back and possibly deal with this first?

Mr. Doer: A subamendment to the subamendment.

Mr. Chairman: Could we get a copy of this amendment, please?

Mr. Plohman: Copies are coming.

Mr. Chairman: Committee members, at the present, we have just an English version, but in order to proceed, is it the will of the committee to pass it in English and in French in spite of the fact that we only have the English before us? Mr. Doer, are you prepared to move this amendment?

Mr. Doer: Absolutely.

Mr. Chairman: THAT subsection 2(3) be amended by adding "clause 13(1)(e)" after "other than"—pass.

Il est proposé que le paragraphe 2(3) soit modifié par l'insertion de "de l'alinéa 13(1)e)" après "à exception".

Mr. Plohman: And it is moved in both English and French?

Mr. Chairman: Yes.

Mr. Doer: Yes, please.

Mr. Maness: Mr. Chairman, we now then have the NDP motion before us, so which will we be voting on first then—the subamendment?

Mr. Doer: We deal with the application, then we deal with the Liberal amendment, then we deal with the main motion.

Mr. Chairman: While we are waiting for the original amendment to the amendment from legal counsel, we will be going through—we accepted a motion, an amendment by Mr. Plohman which would indicate which Crown corporations are basically going to be included in this, and I think legal counsel is in the process of handing out those copies to each Member on the committee.

Mr. Plohman: I do not know whether it is technically correct for us to be amending a subsection that refers to a section that does not exist yet. It will only exist after we have moved the amendment and voted on the amendment regarding Section (e), which is not in the Act yet. So I would think we should deal with Section (e) first. That is why I was doing it before in terms of order, and then the Minister of Trade and Tourism said, well, he wanted to have the other section done first. I am open to advice on that, but it seems to me that would be the sensible way to do it. Get the changes made to Section 13 and then deal with 2(e)(3).

Mr. Chairman: Okay. Is it the will of the committee to deal with 13(1), with the amendment to the amendment of 13(1)? And then, is it the will of the committee to pass Clause 13(1), the amendment to the amendment? (Agreed)

Mr. Doer: The subamendment is the three meetings we are dealing with right now. That is the next item. We passed the application. We are now dealing with the three meetings as opposed to the seven.

Mr. Chairman: Yes, that is right. Is it the will of the committee to pass that subamendment? (Agreed)

Now we have before us Subsection 2(3)(b) amended by adding clause 13(1)(e) after "other than." Is it the will of the committee to pass that amendment, Clause 13(1), as the amendment to the amendment? Is it the will of the committee to pass clause 13(1) as amended—pass.

Clause 13(2)—Mr. Alcock.

Mr. Alcock: Has the motion relative to 2(3) been passed?

Mr. Chairman: We just did that.

Mr. Alcock: Okay.

Mr. Chairman: Now we are on Clause 13(2)—pass.

For clarification of the committee, I would like to state that 13(1) the way it was amended with putting in Clause (e) for the purpose of explaining the objection of the corporation ensuring that the senior management of the corporation hold a public meeting at least once each year in Winnipeg and then Mr. Alcock's amendment and at least two other centres, including one in northern Manitoba and elsewhere in Manitoba as determined by the board, that should read, "as in rural."

An Honourable Member: One elsewhere in rural Manitoba.

Mr. Chairman: Okay, that is right. Just for clarification, I am reading that into the records, that is what was passed, the amendment that Mr. Alcock made to Mr. Plohman's original amendment.

Mr. Manness: Yes, I do not think we need the additional word because I think it is fully explained.

Mr. Chairman: Mr. Alcock, what are you prepared to do with this amendment? How should it be worded?

Mr. Alcock: That is fine.

Mr. Chairman: The way it is right now, that is how you want it recorded?

Mr. Alcock: Yes.

* (1220)

Mr. Chairman: Is that the will of the committee? (Agreed)

Just to inform the committee, after this, we passed the amendment to the amendment which Mr. Plohman introduced, which was also passed, 2(3), that is right. So everybody is clear on this? Very good. Thank you, we will proceed.

Clause 13(2)—pass; 14(1)—pass; 14(2)—pass; 14(3)—pass.

Item 14(4)—Mr. Carr.

Mr. Carr: I have an amendment to introduce:

THAT subsection 14(4) of Bill 37 be amended by

- (a) striking out "ministers" in the heading, and substituting "M.L.A.", and
- (b) striking out "Executive Council" and substituting "Legislative Assembly".

Il est proposé que le paragraphe 14(4) du projet de loi 37 soit modifié:

- a) par la suppression de "ministre" dans le titre et son remplacement par "député";

- b) par la suppression de "du Conseil exécutif" et son remplacement par "de l'Assemblée législative".

And I move that in both English and French, les deux langues officielles.

Mr. Plohman: Mr. Chairman, first of all, I would like to put on the record that I believe MLAs have a responsibility in this area and I do not support the amendment. However, I am wondering, for clarification, whether the Member is moving an amendment that in fact applies to all corporations in this case, not just three or four as mentioned in Sections 2(1) and 2(2), but all Crown corporations. Is that the intent, that no MLA would sit on any of those boards? -(Interjection)-

Mr. Chairman: Does that answer your question, Mr. Plohman?

Mr. Plohman: Yes, I would think that this applies only to Crown corporations, not such boards as a Water Commission or -(Interjection)- Yes. It applies to all those Crown corporations listed in the Act.

Mr. Leonard Evans: Whereabouts is that, what page?

An Honourable Member: Page 27.

Mr. Carr: Mr. Chairperson, just a comment or two on the record in this area, we agree entirely with the Minister's logic that there ought not to be Ministers chairing these boards or, in fact, as members of them, and we accept his reasons. His reasons are that there ought to be a separation of role between Ministers and chairs of those boards. We also believe that there ought to be a separation of role between legislators and the operations of these Crowns. The potential for a conflict of role is apparent. When is the MLA there to represent a partisan interest, and when is he or she there to represent the interests of the Crown, which can at times be in conflict?

We have seen examples in the past number of years of how that conflict can emerge and what effect it may have on the operations of those Crowns. It can be considered an amendment which errs on the side of safety. One can even use the word "punctilious." We think that it is prudent and appropriate that we make a clean break between elected officials and the day-to-day management of Crown corporations because it is, after all, those boards who are responsible.

The chief executive officer and members of the senior management team are responsible to the board. They report to the board, and we think that it is wiser to remove any Members of the Legislature from that day-to-day process. The political responsibility for those Crowns rests with the Minister and we believe that to be proper. We believe that by adding MLAs to this section, we take that logic that the Minister himself has expressed in an articulate way to its natural conclusion.

Mr. Leonard Evans: This often reminds me of a rather interesting point in that whether this is even constitutional that we can somehow or other legislate

or curtail the powers of a Minister of the Crown in this particular Act. That is a legal question that would have to be determined.

But putting that aside, my position is that we want more control, not less of Crown agencies, because the difficulties that have happened historically in this province, it seems to me, were because of insufficient control. To that extent, I had always been in favour of the Ministers being directly involved as in Saskatchewan. People say, well, that is political interference, but really not in a narrow sense. In my judgment, it should and could be in the best public interest sense, and that is that you have that control that is necessary.

Too often, we set up Crown corporations that almost act—to make the point, I will exaggerate, I guess—like a Frankenstein monster that, once established, can go on its own way without accountability. I am in favour of increasing accountability as much as possible. Therefore, I support the general intent of the Act. But there is nothing wrong—we are not going to fight this if this is the decision, the will of the Government not to have the Ministers involved, okay. But I say that there is nothing wrong with this and maybe some good points to have the Ministers directly involved on those boards.

The other point I was going to make is with regard to MLAs. We cannot support the Liberal amendment for the same reason. We think that an MLA can serve and help a Minister, if nothing else, as providing more communication, more information to that Minister as to what is going on in the corporation. In fact, you could almost make a point of arguing that a legislative assistant to a Minister should be the one who should be on the board. I say it again, with the positive suggestion of control and getting information, the Minister has to have eyes and ears as to what is going on in that corporation. That is why I have always advocated, in fact, technical assistants, full-time technical assistants, in the Minister's office, who also have access to the corporation, is knowledgeable in what is going on and so. I can tell you from a lot of experience that is useful to any Minister and it makes for better Government.

But at any rate, without belabouring this, we cannot support this Liberal amendment on that account for that reason. We think it is good to have public accountability. Another way of doing that is to have an MLA. I like to think that an MLA will work on that board, as he or she does in the Legislature, with the public interest in mind, not for any scurrilous, narrow partisan interest or whatever. I think that MLAs do their best. I am sure that they have in the past shown that they have, serving the public interest, and I do not see why we should not allow them to carry on.

Mr. Manness: Very, very quickly, in our view, the MLAs are not in Cabinet. We did some hard thinking on this but, once Judge Kopstein, in his view as he looked at it and using his third party credibility on this matter, seemed to indicate that he had no major problem with it, we decided to proceed and not exclude MLAs.

Mr. Chairman: We have before us the proposed motion of Mr. Carr to amend Clause 14(4) with respect to both English and French text. Shall the motion pass?

I would like to have a show of hands, please? All those in favour: Mr. Carr, Mr. Alcock, Mr. Patterson. Three in favour. Against: Mr. Praznik, the Minister (Mr. Manness), Mr. Evans. The motion is defeated. The amendment is defeated.

Clause 14(4) as amended. No, there is not an amendment. This was defeated. Clause 14(4)—pass.

Mr. Ernst: At this time, can I offer a suggestion that if there are no further concerns, that we go page by page as opposed to clause by clause?

Mr. Chairman: The Members of the committee have advised me that we shall not go page by page, we shall count the clauses or we shall document the clauses. We can go 10 clauses at a time. Unless nobody has anything in between, we can go clause by clause, but we shall not do page by page. I will call out the clauses faster.

15(1) to 26—Mr. Evans.

Mr. Leonard Evans: With regard to Clause 16(1)—

Mr. Chairman: 16(1)?

Mr. Leonard Evans: Yes, the duties of the directors. I do not want to make a big issue of this but, on reading it, it seems really unnecessary, particularly (a) and (b). In fact, I think it would almost be an insult to the person you have asked to serve as a director. "Every director and officer of a corporation in exercising his or her powers and discharging his or her duties shall (a) act honestly and in good faith with a view to the best interests of the corporation." Well, my gracious, that has to be assumed. Surely to goodness, you do not have to put that in legislation.

* (1230)

An Honourable Member: That is where we got it.

Mr. Leonard Evans: I would say that I do not care who proposes it originally—" (b) exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances." That should be taken for granted. I mean if those people are not going to do that, surely you do not want to put them on in the first place. I really think that is redundant. I do not care where it came from.

Mr. Manness: Mr. Chairman, it not only came out of the old Act, it also came out of The Corporations Act. It is in two places in law right now.

Mr. Chairman: Is it the will of the committee to proceed with this Bill until finished or are we on a time restraint?

Mr. Alcock: I have only one question and it is on 22(1). It goes back to my question about the—

Mr. Chairman: We are moving on 16(1), and the next one was, Mr. Alcock, what number?

Mr. Alcock: 22(1). In 22(1) and 22(2) you have got a double removal of liability. The only question I have is

Payment of Wages Act brought in a thing that held directors of corporations accountable for one pay period's worth of salaries that could be quite effective in certainly the non-profits that I worked with, in identifying for directors that they had some very serious direct accountability here. 22(2) seems to be a standard kind of protection of directors who act in good faith without negligence, but 22(1) seems a blanket removal of all liability. That would certainly seem to be in conflict with Payment of Wages and, I suspect, others. I am just not certain why that was inserted, why 22(2) is not sufficient.

Mr. Manness: Mr. Chairman, we checked this out with the Auditor this morning, and the intent of 22(1) is not to remove all the liabilities but it is to remove the corporate debt liabilities. In other words, in situations—and you are thinking specifically I believe, Mr. Alcock, with respect to payment of wages. Our indication is that in the sense that it is in law in another Act, that is still in place. The intent of 22(1) is specifically the corporate debts.

Mr. Alcock: Without belabouring it, that is why I raised that question about the “notwithstanding” clause because I would suggest that this negates Payment of Wages relative to these corporations. Rather than move on that, I would ask that you consider that between now and third reading.

Mr. Manness: Specifically around The Payment of Wages Act, I will look into that and I will report that on third reading.

Mr. Carr: Mr. Chairman, one very fast comment, on 20(4). I would like to commend the Minister for that clause because we have seen in the last number of weeks too many examples of reports from this Government which have not been tabled in the House, which have been distributed to the public and members of the press before Members of the Legislature have received copies of those reports. That is absolutely inappropriate and borders on breaching the privileges of Members of the Assembly.

I think what the Minister has done in this clause is to explicitly say that in terms of the financial statements of Crowns that they be made available for inspection by the public pursuant to Section 2, only after they have been tabled in the House. I commend the Minister

and I would ask him if he would not have a chat with some of his colleagues to ensure that applies not only to financial statements of the Crowns but also to reports prepared for this Government.

Mr. Chairman: Up to 26(1), all of them have now been passed. Is that right? (Agreed)

26(2).

Mr. Ducharme: I move:

THAT Clause 26(2)(c) of Bill 37 be amended by striking out “and classification systems”.

Il est proposé que l'alinéa 26(2)(c) du projet de loi 37 soit modifié par la suppression de “et des systèmes de classification utilisés” et son remplacement par “utilisées”.

Mr. Chairman: On the proposed motion on 26(2) with respect to both English and French text—pass.

The motion, as amended—pass; 26(3)—pass; 26(4)—pass; 26(5)—pass; 27—pass; 28—pass; 29—pass.

30—Mr. Ducharme.

Mr. Ducharme: I move:

THAT Section 30 of Bill 37 be amended by adding “in right of Manitoba” after “Her Majesty” in subsections (2), (3), (5) and (6). Also in French.

Il est proposé que l'article 30 du projet de loi 37 soit modifié par l'insertion de “du chef du Manitoba” après “Sa Majesté”, aux paragraphes (2), (3), (5) et (6).

Mr. Chairman: On the proposed motion of Mr. Ducharme on Clauses 30(1), (2), (3), (5) and (6), French and English text—pass; clauses, as amended—pass.

So now we are on 31. Clause 31—pass; 32—pass; 33—pass; 34—pass; 35—pass; 36—pass; 37—pass; 38—pass; 39—pass. Clause 40, Coming into Force—pass.

Schedule—pass; Preamble—pass; Title—pass. Bill 37, as amended, be reported.

Committee rise.

COMMITTEE ROSE AT: 12:38 p.m.