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**DEBATES  
and  
PROCEEDINGS**

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# LEGISLATIVE ASSEMBLY OF MANITOBA

Tuesday, May 16, 1978

Time: 8:00 p.m.

## SUPPLY — EXECUTIVE COUNCIL

**MR. CHAIRMAN, Mr. Warren Steen:** The Committee come to order. The Clerk tells me that we have a quorum. We are on Page 6 of the Estimates Book, Executive Council. The particular item for discussion this evening is 1(b) Ministers without Portfolio Compensation and one section of that particular item, the Minister responsible for the Task Force. I think it would be wise if we established the ground rules and I would hope that most members, or all members, of the committee would agree with me that we treat this just as if we'd gone through a department and the Minister has dismissed his staff and we are now going to talk to him about his salary and his running of whatever department it is and in this particular case it being the Task Force. Is that agreed upon by members of the committee.

The Member for St. Johns.

**MR. CHERNIACK:** Well, Mr. Chairman, I don't think we need treat it that the Minister has dismissed his staff, the Minister hasn't had a staff, but the purpose is to discuss the Minister's salary and the work he has done and expects to do which, as far as we know, is the Task Force and apparently Management Committee. But I will want to ask, right at the beginning, particulars of the Minister's staff because I don't know where it would come up . . .

**MR. CHAIRMAN:** To the Member for St. Johns, the reason I suggest that is just in case members of the committee thought that the Minister should bring some of his staff to answer questions and to be quizzed by members. This is still under the normal course of Estimates. Is that agreed upon?

**MR. CHERNIACK:** Mr. Chairman, I don't know what you're saying. The Minister doesn't have staff . . .

**MR. CHAIRMAN:** Well, for example, what if members of the committee wanted Mr. Riley to come and answer questions. Under my understanding of the rules that we work by, he would not be permitted.

**MR. CHERNIACK:** Mr. Chairman, I'm sorry but I presume any member can make a motion and the motion can be passed or not passed. We're dealing with the Minister's salary, that's all I'm worried about.

**MR. CHAIRMAN:** All right, okay. Any persons wish to ask questions? The Member for St. Johns.

**MR. CHERNIACK:** Well, I gather the Minister is not inclined to introduce the subject so I want to start with what I indicated already. I would like the Minister to tell us who are his staff, what are their salaries, what are their responsibilities?

**MR. CHAIRMAN:** The Minister without Portfolio.

**MR. SPIVAK:** Well, I would think that if there's a requirement with respect to the staff, I would assume that that would include those who are administrative secretarial and what-have-you. Just to the Honourable Member for St. Johns, what does he want, the position or does he want the name and the salary?

**MR. CHERNIACK:** Give us all.

**MR. CHAIRMAN:** The Minister of Highways on a point of order.

**MR. ENNS:** Mr. Chairman, I would just like to at least draw the committee's attention to the fact that by and large, as a Minister that has just answered the questions of staff requirements for the Department of Highways or Public Works, I think it's appropriate that members of the committee understand the staff requirements within the complement of any government activity, but there seems

to be some extension of this interrogation at this point where we ask the Minister to supply the names and salaries attached. Now the Minister may well be prepared to do that, and I don't wish to encroach on the Minister's feelings about this except that I and other Ministers have responded routinely to the Honourable Member for St. Johns' questioning or the Member for Elmwood as to how many SMY positions were allocated in a particular departmental staff or division. But I do draw some note of caution that if it is the precedence that is going to be established at this particular point in the committee where individuals are to be named and salaries are to be attached to them, then fine. I just suggest that to the Honourable Member for St. Johns that he is aware of what he is doing.

**MR. CHAIRMAN:** The Minister of Finance also on a point of order?

**MR. CRAIK:** Yes, Mr. Chairman, on a point of order. We're looking at the Executive Council, a portion of the Executive Council. The First Minister is not here and won't be here for two weeks and we would not normally have been in Executive Council except that the opposition couldn't make up its mind until mid-afternoon this afternoon as to what was to come into this committee. We've been asking them for the last day or so. I gather from the House Leader, that he advised what departments were to go into the Main Chamber and we asked, "What department would do you want here?" We did not know until 2:30 today or sometime early this afternoon as to what department the opposition had finally decided they wished to come into Room 254 for examination.

The Minister in charge of the Task Force is here as part of the Executive Council in an effort to accommodate the members of the opposition since it has been the past prerogative of the opposition to name the department that comes in. Mr. Chairman, there is serious question as to how much can be examined under Executive Council without examining the Minister in Charge, namely the First Minister who is not here. If you're going to go into it and ask for detail now on the Minister's Salary, I suggest that we start reading the Rule Book because you're going to find that under that rule, staff is not provided for that sort of investigation by the opposition or questioning by the opposition; the ground rules that apply are strictly the ground rules that apply to the Minister's Salary. The Minister in charge of the Task Force can answer anything he wishes within the scope of those rules but he has a very wide discretion to decide what he wishes to deal with. What is in question is the Minister's Salary.

**MR. SPIVAK:** I wonder if I can satisfy the member in this way, because obviously the Executive Council staff, they're within the Executive Council Estimates, not within the Minister's Estimates because the Minister's Estimates are only dealing with salaries.

We could indicate to you the personnel, the numbers and if there's detail that you require then that's the detail that we have to determine how it's to be obtained. Whether it be obtained from myself or . . . but, there's no mystery and I think that that's very important because there's a suggestion that somehow or other there is.

**MR. CHAIRMAN:** To the members of the committee. The Minister of Highways raised a point of order and I believe the Member for St. Johns; did you wish to speak to the point of order, or get back to your original questioning.

**MR. CHERNIACK:** Mr. Chairman, I asked a simple question and look at the defence that has risen by the Minister of Highways and the Minister of Public Works and the Minister of Finance and the Minister responsible for the Utilities. Mr. Chairman, if the Minister doesn't want to answer, he doesn't have to. I just asked a question. —(Interjection)—Let me finish.

**MR. CHAIRMAN:** I'm going to try to get you some people that will listen to you.

**MR. CHERNIACK:** Well, as long as you listen to me, Mr. Chairman, it will be helpful. I'm sure the Minister will listen because he has not yet risen to his own defence.

Mr. Chairman, as I understand it, I can't force the Minister to do anything in answering questions. But I believe that in order to understand his role past and future, we are entitled to know what kind of support staff he needs for his role. Now, if there is some reason not to give us the answers, then don't. But at least the answer has to be given, either there is a refusal or we know what support staff he works with.

**MR. CHAIRMAN:** The Minister of Finance on a point of order.

**MR. CRAIK:** Yes, on a point of order, Mr. Chairman. The point is that the information on staff,

staff requirements or staff provision, traditionally has always fallen under the Minister in charge of the Executive Council which is the First Minister. And if there was information required in prior cases for the Planning Priorities Committee, or the Management Committee, that was provided. But it did not come under the Minister's salary, or the Minister without Portfolio's salary as the case may be. Now if there's information required on staff and staffing it comes under the First Minister, examination of the detail of those departments.

**MR. CHAIAN:** Minister without Portfolio.

**MR. SPIVAK:** But in order to satisfy the Honourable Member for St. Johns, I would assume that this would satisfy him. With respect to the Task Force staff who have been in place and have been in the process of completing the remaining work of the Task Force staff itself, there are four secretarial staff who are within the Executive Council Estimates; an Executive Assistant to myself who's on contract until September; one staff that was budgeted for who's already left, permanent, who was with the Planning Secretariat before and was on contract, whose contract is extended, he's left; two members of the former Planning Secretariat who have remained, one of whom has already given notice that he will be leaving, and one additional contract employee.

**MR. CHAIRMAN:** The Member for St. Johns.

**MR. CHERNIACK:** I want to thank the Minister, Mr. Chairman, for his co-operation.

**MR. CHAIRMAN:** I just want to point out to all members of the committee, that if we had the Premier answer for all Executive Council, then I think we would run into a problem having him answer for Item 5, which would be Housing and Renewal rather than the Minister without Portfolio responsible for that. It's my feeling that there is no limitation on questions posed to any Minister while we are reviewing that particular Minister's Estimates. If the Minister chooses not to answer a question that, in my opinion, is his business or prerogative, and I think that is the manner in which we should conduct the affairs of this committee. I don't think we want to get into the jackpot of having the Premier have to answer for Item 5 and be responsible for every item within Executive Council. So, therefore, I personally feel the various Ministers should take their particular load.

**MR. CHAIRMAN:** The Member for St. Johns, then the Member for Roblin, and then the Member for Rock Lake.

**MR. CHERNIACK:** Mr. Chairman, I agree with you and I think that the Minister has responded in the proper way, and I would be interested in knowing the Salaries but that is not too important. That may come up, and I'm saying that's not too important at this stage. Now we have an idea of what his staff is and that's the Task Force staff. May I ask, has he excluded someone from that who works with them? He made the point of saying Task Force.

**MR. SPIVAK:** No, this is staff that has worked with the Task Force, who are on call, if necessary, for Executive Council function, if required — I guess there have been some situations where they have been required to assist in some way.

**MR. CHERNIACK:** But this now includes every person who has been and is working and is continuing to work?

**MR. SPIVAK:** No, there are other people, those are the people who were budgeted for in this years Estimates, with respect to the Task Force.

**MR. CHERNIACK:** Oh, all right, that's fine. Now, Mr. Chairman, the Minister indicated a cost for the Task Force work of \$8,000.00. I think he excluded all in-house staff.

**MR. SPIVAK:** Yes, at the time that it was announced I indicated that it did not include in-house staff.

**MR. CHERNIACK:** This \$8,000 was moneys expended outside of staff, or rent, or telephone, or any of the other normal functions, exclusive of the contract employees, is that correct?

**MR. SPIVAK:** Yes.

**MR. CHERNIACK:** Has the Minister made any estimate of the total cost in terms of staff salary and other . . . ?

**MR. SPIVAK:** No, I have not.

**MR. CHERNIACK:** All right.

**MR. SPIVAK:** I am aware, as a matter of fact, of the practice on many of the studies that were undertaken in the last eight years that those studies did not include the staff costs, the administrative costs, that were handled in-house. The costs really related to external costs in the same way that I have referred to them in this report.

**MR. CHERNIACK:** Mr. Chairman, I would assume that the Minister is not basing his failure to produce these figures on a precedent established in previous years.

**MR. SPIVAK:** No, but on the other hand, in terms of the actual cost of the report, recognizing that there are in-house costs that would have continued as in-house in most cases whether the Task Force Report was completed or not. I followed what I considered to be the precedent in providing the information to the House and I provided it, I think, accurately by indicating that it did not include in-house costs.

**MR. CHERNIACK:** Mr. Chairman, I was wondering if I could explore with the Minister the manner in which the Task Force operated.

Firstly, to clear up nomenclature, I assume when we say Task Force we are dealing with five people and that they are the Task Force and all the others are review teams. Is that a correct assumption? Whenever we speak of Task Force, or whenever the Minister speaks of Task Force, that indeed he means five people.

**MR. SPIVAK:** No, Mr. Chairman, the Task Force really consisted of four people.

**MR. CHERNIACK:** Oh, Mr. McCance is not one of the Task Force.

**MR. SPIVAK:** No.

**MR. CHERNIACK:** So that four people includes Jackson.

**MR. SPIVAK:** Yes.

**MR. CHERNIACK:** Well, now, could the Minister clarify the extent to which the Task Force was involved in the work of the review teams in terms of participating in the acquisition of impressions and information or just was it a matter of receiving reports?

**MR. SPIVAK:** Well the methodology with respect to the Task Force is really explained in Volume I but I think that what you're looking for is probably some more detailed information and I think I can give it to you in a way that would explain the procedures.

Once the Task Force addressed itself to the manner in which they were going to approach the examination of government and the structure under which they were going to operate was established, the selection then took place of the people who would be placed on the review teams as the first of the several methods of obtaining information with respect to government organization.

Submissions were asked for, that's indicated, there was a procedure followed and, as indicated in the Task Force Report, we received a substantial number. I want to again place on the record the fact that in many cases the submissions that were forwarded to the Task Force in detail were lengthy in the review team reports; in some cases, were submissions that dealt in-depth with respect to departmental activities, and in some cases in more than one department, were signed in a number of cases by several individuals in department and, in other cases, by individuals from different departments as they affected the operation of government in relation to more than one activity of one department. That was one method.

The review teams were set up on the basis of specific undertakings to review certain areas. The selection was made by the Task Force. They were asked to participate; they were brought together; a preliminary discussion was held with the review team members by the Task Force itself and their instructions were given. A secretary was selected for them to act as the liaison for them and it was left up to each one to proceed in the way in which they saw fit on the basis of the method they believed to be the best method of obtaining the information.

The program auditors of Management Committee were assigned, as well as individuals from each department, to the various activities to be reviewed by the review team. Documentation was made

available to them of in-house documentations in which reports and information was obtained. Each review team adopted its own method and approach. There were regular meetings between the staff and the secretariat of the review teams from the beginning, that was from the commencement of their investigation. There were meetings of the Task Force with the secretariat on a weekly basis. There were meetings with the chairman of the review teams and the Task Force, if not on a weekly basis, once every few weeks. There were discussions between the co-chairmen — either myself or Mr. Riley — with the chairmen as they were progressing to determine the nature of their progress, the manner in which they were operating, the procedures that were being followed. Notes were made of similarities in approach and where there were differences suggestions were provided to the secretaries of the review team as to the methods being used by the other review teams in their attempt to try and obtain information.

The submissions as they came forward were presented to the chairmen of the review teams. They were presented in such a way that the confidentiality was adhered to, they were presented without the names of the individuals or individual who had sent in the submission so that ven to them for considerathe body of their recommendation was gi. tion. Ultimately that led to the preliminary reports which were filed with the Task Force, which were then reviewed by the Task Force and the Task Force staff, and in turn led to meetings with the chairmen; in turn led to meetings with the secretariat; in turn led to discussions and meetings by various members of the Task Force with various members of the review team; that in turn led in some cases to further addendums in written form, more than one addendum to the various reports and various letters and correspondence of explanation, and that led in turn to further meetings directly with the chairmen of the review teams inquiring into their method and their reasons for the decisions and the information from which some of the judgments were made.

**MR. CHERNIACK:** Well, Mr. Chairman, was there an expectation that the review teams reviewing any portion of government administration or programming would interview the person who was in charge of that particular field say a Deputy Minister, say a chairman of an outside external body, say the director — was that an expectation?

**MR. SPIVAK:** Yes, recognition was that within a four-month period it was going to be impossible to interview everyone and the fact is the review teams in many cases did meet with people within government, people outside of government, people affiliated in one way or the other with the government activity that they were reviewing. But it was clearly understood that it was going to be impossible to meet with every person involved in the delivery of service or as a recipient of service. There was the need to try, within a short period of time, to use the resources that were available within government that, Mr. Chairman, had not in fact been used in the last period of time. So what really happened is there was an attempt on the part of each review team to make a decision as to what approach they would take. We are aware of, in many cases, the numbers of people that they contacted, the people that they interviewed The Task Force met with the Deputy Ministers, in turn the review teams met with Ministers, met with Deputies, met with Assistant Deputies, met with the recipients of service.

**MR. CHERNIACK:** Well, Mr. Chairman, are there instances, or will the Minister confirm that there were instances where actually people responsible for programs were not interviewed?

**MR. SPIVAK:** Well, I would say that in an administration which employs 15,000 people directly within the Civil Service and approximately 15,000 within the Crown corporations, it was impossible in a four-month period for 30,000 people to be interviewed. Yes, I would say that.

**MR. CHERNIACK:** Mr. Chairman, I use the words "responsible for a program," well, not all 30,000 were each responsible for a program. Would there be a chairman of a board that was not interviewed, would there be a Deputy Minister who was not interviewed?

**MR. SPIVAK:** That's possible, I think that that's possible, but I don't think it follows necessarily that that would mean that the information available upon which a decision was made was not available. One has to understand, Mr. Chairman, that the review teams had available to them the program auditors who in turn had the full documentation of the Management Committee Secretariat of the last few years with all its reviews and with all its analysis which was available for consideration and in many cases, it's my impression that that simply precluded the necessity, Mr. Chairman, of, in some cases, individuals being interviewed, on the basis that within a four-month period it was going to be impossible, recognizing the time constraints, to be able to see everyone.

**MR. CHAIRMAN:** The Member for Roblin on a point of order.

**MR. McKENZIE:** Mr. Chairman, I would like to know what resolution we're dealing with, I haven't heard you spell it out.

**MR. CHAIRMAN:** We are dealing with (1)(b) Ministers without Portfolio, Compensation, Salary and Representation Allowance — \$46,800.00. It was, I believe, agreed upon by all members of committee that we would deal with the three Ministers separately. We are currently dealing with the Minister without Portfolio responsible for the Task Force. When committee has concluded asking him questions and receiving answers, at the next hearing we'll go on to another one of the other two Ministers, that's my understanding.

**MR. MCKENZIE:** Well, Mr. Chairman on the same point of order or for clarification, I think we're setting a precedent here that I've never seen in my days. First of all the Minister or whoever is in charge of the Executive Council, and it happens to be the First Minister who is in the hospital and hasn't made a statement and that is the general procedure of any committee that I've ever attended. Now I don't know if we have leave. I haven't heard leave mentioned in what we're doing here tonight, we're setting a new precedent dealing with Estimates of a Minister who's absent and I ask you now, just for clarification, — and I know the Honourable Member for St. Johns is going to get uptight — are we going to be dealing with. . . I'm still under privilege . . . Mr. Chairman, and I'd like to have it clarified.

**MR. CHAIRMAN:** The Member for St. Johns.

**MR. CHERNIACK:** Mr. Chairman, the honourable the member is referring to my being uptight. I am not only not uptight, I'm not concerned with this problem. It's your problem and his. Once you settle it we can go on with the business.

**MR. CHAIAN:** I might point out to all members of the committee that it has been pointed out to me by the Clerk that when the Honourable Member for St. George was Minister without Portfolio in charge of the Public Insurance Corporation, that he answered questions under the then Premier, who was answering questions under Executive Council, that it has happened in the past, but usually not with three Ministers, but with one.

**MR. McKENZIE:** Again, Mr. Chairman, on the same point of order. I just want the record to be clear, I know the opposition couldn't make up their minds all day today in which portfolio they were going to have this committee, and of course that problem started several years ago. I'm really surprised and concerned that they would call this item when our leader is in the hospital.

Now can I ask, are we going to deal with the three Ministers of Portfolio when we are under this item, it hasn't been clarified?

**MR. CHAIRMAN:** Yes, yes. I thought I made that very clear to start with.

**MR. McKENZIE:** I apologize, Mr. Chairman.

**MR. CHAIRMAN:** We will deal only with 1.(b), which is the Indemnity for the three Ministers without Portfolio, we'll deal with them separately; we'll deal with the present Minister until we have concluded questions and answers with him then we'll move on to one of the other two, and then the third one and then at some future date when the Premier is back we'll go back to these Estimates and deal with the other sections.

As I pointed out earlier, if we had the Premier only answer for this total section, he would therefore be forced to answer the questions under 5.(a) and (b), which fall under the Minister without Portfolio responsible for Manitoba Housing, and I think that would put the Premier in a difficult position.

**MR. McKENZIE:** I thank you, Mr. Chairman. I just wanted to clear up the record because I was rather concerned that the record be straight and that what we're doing here today we're not setting a precedent — I have no quarrel what we're following. A lot of new members are sitting around this table who have never been here before, and wondering why we're not dealing with the procedure that is going on in the Chamber, which is (a) first, and so the record is clear, and I think we've cleared it up, and I thank you, Mr. Chairman, for the clarification.

**MR. CHAIRMAN:** The Minister without Portfolio, responsible for the Manitoba Public Housing.

**MR. JOHNSTON:** The position that you take is one that you seem to have decided, or somebody

seems to have decided, that I will be answering for the Manitoba Housing Renewal Corporation which I will be, and I do not expect the First Minister to answer all of those questions regarding that corporation because he has given me that responsibility. But I will answer those questions after the First Minister, or the person he designates to say to me, that the Minister without Portfolio responsible for Manitoba Housing and Renewal Corporation will now take over and answer those questions. Until that happens, I will not be answering any questions.

**MR. CHAIRMAN:** That's my understanding. The Acting Premier raised the question that perhaps the Premier should answer for this whole department, and I pointed out at that time that perhaps that would be unfair of the Premier to have to answer Sections 5.(a) and (b).

**MR. JOHNSTON:** It certainly would, Mr. Chairman, on that point of order, that it would be unfair to ask the Premier to do that. But until the Premier, who is responsible for that department, or his designate, says to me, "Mr. Minister, take over and answer for that clause," I will not be answering.

**MR. CHAIRMAN:** All right. We'll have to work that out with the Government House Leader. The Member for St. Johns.

**MR. CHERNIACK:** On this point of order, it would be helpful if the government people could get together and iron out their arrangements. As I understand it, Mr. Chairman, . . .

**MR. JOHNSTON:** Mr. Chairman, on the same point of order. Just one minute, on the same point of order. This afternoon at 3:00 o'clock . . .

**MR. CHAIRMAN:** Just a minute. Order please. The Member for St. Johns, I recognize first, and then back to the Minister in charge of Manitoba Housing.

**MR. CHERNIACK:** On the point of order that's been raised, it was the House Leader, the Government House Leader, that stated in the House, in the presence of some members of whom I was one, that the Ministers without Portfolio would be dealing with their salaries. That's all that was said. Now if the Conservative Party is having a problem with their Leader then they shouldn't wash their linen out in public they should settle it themselves.

**MR. CHAIRMAN:** The Honourable Minister without Portfolio responsible for the Task Force.

**MR. SPIVAK:** Mr. Chairman, on the point of order,. I think many of us have sat around this table around this table and have argued over many different things. This is an unusual situation which arose, and I don't think it's really necessary to try and highlight it in the way it is being highlighted now.

The Premier is not here because he has had an operation. Everyone is aware of that. The choice of what Estimates will be dealt with is in the hands of the Opposition. The Opposition have asked for this. There has been an attempt to try and satisfy the Opposition.

The difficulty at this point, and I think it is a very simple one, is this: there are no Estimates for three Ministers without Portfolio, they are contained within the actual salary with all the Executive Council. My assumption is that when the information is requested, when the statements that are made are made with respect to my salary, there will be a determination whether it is to be passed or not by the committee, and that will be all that's really required. That would be the case for the Minister without Portfolio who is the House Leader.

In the case of the Minister without Portfolio who is the Manitoba Housing and Renewal Corporation, it involves items that are in addition to the salary contained within the Estimates, and at that point there has to be some determination of whether the Executive Council Estimates are to proceed or not, and that will be a question to be determined at that time, because at that time it is conceivable that the Premier will be back if my expectation of how long this discussion is going to take place is true or not. So I don't think it is necessary to get involved, I think the Minister without Portfolio in charge of the Housing Renewal Corporation has stated his position and I think it's understood very clearly.\$

**MR. CHAIRMAN:** The Member for St. Johns.

**MR. CHERNIACK:** Mr. Chairman, on the point of order. I want the Honourable Minister without Portfolio in charge of the Manitoba Housing and Renewal Corporation to know that the House Leader,



— I have to tell him this, Mr. Chairman, isn't that funny — the House Leader, who is just walking into the room, told us today that the Deputy for Housing was out of the City, I believe, and therefore, he said, that the Minister without Portfolio responsible for the Task Force would be available this evening and we would sit to discuss the matter. Now, one step further, the Minister without Portfolio responsible for the Task Force said a number of weeks ago in the House, that he would discuss the Task Force and all the ramifications of its report, during the time his salary was being discussed. Why are we wasting time, Mr. Chairman? Only because there are people present who don't know what was arranged with the House Leader, I assume. Can we not go on?

**MR. CHAIRMAN:** The Member for Rock Lake on the same point of order.

**MR. EINARSON:** On the point of order. I think the discussion has gone on and having the responsibility of acting as Whip for the government, I was to say to Honourable Members of this Committee, and I was working this afternoon with my colleague, the House Leader, who is responsible for working with the opposition as to what committee comes into Room 254. I was given to understand that it was very short notice given. Normally I think with all due respect, that any Minister of the Crown — and I don't have to defend the Minister without Portfolio who is responsible for the Task Force — but all I want to say is that yesterday he asked clearance because he had responsibilities this afternoon and this evening and he had to cancel things that he had to do this evening in order to be here this evening. I think that the Minister without Portfolio in regard to the Manitoba Housing and Renewal Corporation and all those would appreciate some little further advance notice from the opposition members as to what committee is going to meet in Room 254, which is outside the House. This is the area in which we are concerned about and that's all.

I wanted to speak earlier, following the comments from my leader, the Minister of Finance who is acting in the absence of our Leader, the Premier, who is now in the hospital, and I wanted to speak directly after him, but the conversation got going and I suggested to the Chairman that he cancel my name off the rostrum, but now that the thing has proceeded again, I felt obligated on my part to indicate the position, insofar as we're concerned. I would appreciate, and I think that the House Leader, if he wants to make any comments at this juncture, I don't know, but I think that it is important that we have some understanding, not just five minutes before the Minister of the Department is going to be given notice as to when he is going to be called upon. I think in all fairness — and that's the understanding that I had, that the opposition merely asked this afternoon who they wanted to have in Room 254. That's my comment, Mr. Chairman.

**MR. CHAIRMAN:** The Member for Roblin on a point of order.

**MR. McKENZIE:** Same point of order. I just wonder, Mr. Chairman, I think I'll have to ask this question of you, I know the members opposite know that the First Minister is in the hospital, but I'm wondering why we're in this problem, why they didn't call the Civil Service, Consumer, Corporate and Internal Services, Co-op Development, Finance, Development Agencies, Labour, there's all kinds of other departments that they could have called, but why did they pick the First Minister's Executive Council when he was in the hospital? Maybe you could explain that to the committee, Mr. Chairman.

**MR. CHAIRMAN:** Well, to the Member for Roblin, it is my understanding that the opposition have the right to pick the department that they wish to have appear before this committee in this particular room. I don't know why they chose this one, but they have chosen it. It has been agreed upon by our House Leader and I think what we should do is proceed. We have one Minister here to examine his aspect of the Estimates.

**MR. McKENZIE:** Proceed.

**MR. CHAIRMAN:** The Member for St. Johns. He was questioning earlier before he was interrupted.

The Member for Rupertsland on the same point of order.

**MR. BOSTROM:** On the same point of order, I take some exception to the remarks of the Minister responsible for the Manitoba Housing and Renewal Corporation. Is he telling this committee that when it comes time for him to answer these questions from the opposition, which I believe the opposition have a responsibility to ask and a duty to ask and we have the right to ask questions of that Minister, that he is going to refuse to answer those questions until the Premier returns and tells him that he should answer those questions? I mean, what kind of a response is that from the

Tuesday, May 16, 1978

Minister of the Crown who is supposed to be responsible for his own department?

**MR. CHAIRMAN:** The Minister responsible for Housing.

**MR. JOHNSTON:** Mr. Chairman, the honourable member is forgetting one thing. I said the Premier or his designate.

**MR. CHAIRMAN:** Can we now, members of the committee, get back to — the Member for Brandon East.

**MR. EVANS:** Mr. Chairman, on the point of order raised by the Members for Roblin and Rock Lake for a point of clarification. My understanding was that there was a decision on our part to ask Ministers without Portfolio to be in this committee room some days ago, and I'm surprised if that information wasn't communicated. But if there was a problem, my understanding from listening to the Government House Leader today was that there would be no meeting tonight in this room. So, you know, there would not have to be a problem, if one particular Minister was inconvenienced, we simply wouldn't meet here, we'd all meet in the House. That was fine. I think we're being unfairly chastised, unduly, and at some length wasting everybody's time.

As the Member for Selkirk says, if there is a problem we can adjourn. I don't think there was any problem on the part of the Government House Leader. This was days ago this was agreed to.

**MR. CHAIRMAN:** I think, to the members of the committee, there's no point worrying over spilt milk as to who got a fair amount of notice and so on, that's history now. We do have the Minister responsible for the Task Force here. He is willing to carry on. There is enough members of the Legislature I'm sure prepared to ask him questions. Let's carry on. The Member for St. Johns.

**MR. CHERNIACK:** Mr. Chairman, I am proceeding on the assumption that the Minister without Portfolio, responsible for the Task Force, is prepared to answer the questions, so I don't know what the problem is. If he were in any way frustrated and unable to, I would be the first to move adjournment to give him that opportunity, but he's indicated that he is prepared to go ahead and I think he ought to have a meeting with some of his caucus to straighten out with them how they proceed.

Mr. Chairman, I want to explore with the Minister in some detail the methodology that was used by the Task Force. We have heard some very harsh accusations about the inadequacy of the report. I remember particularly the Member for Fort Rouge speaking of it being very superficial and not well founded, and in order to explore whether or not these accusations are correct, I would want to develop the methodology to try to satisfy myself and other people who are interested, that there was indeed sufficient depth of review and consideration. I must admit that I have certain doubts about it, and therefore I am proceeding on the assumption that there was inadequate review and that's why I want to do this.

Now, that does not mean, Mr. Chairman, that because I happen to catch your eye first that I wish to take up all the time myself and I want to indicate to you, Mr. Chairman, that. . .

**MR. CHAIRMAN:** It's just my fondness for you Saul.

**MR. CHERNIACK:** Thank you very much. I know also that I was one of the first people in the room, even before you were, so that you saw me earlier.

Mr. Chairman, I just want to clarify to other members of the committee that I would be quite prepared to step back in the event that anyone wants to interrupt and carry on because I think that we want to get all the information we can on the Task Force. So I do intend to carry this forward, at the same time inviting other members of the committee to indicate that they are tired of listening to me and want to interject their own points of view.

I think we were talking about the extent to which the review teams were expected to, and did, go into the detail of programs on which they commented, and the Minister was saying that it wasn't necessary, not necessarily necessary, that deputies or directors should be involved in all investigation and review because there were available program auditors from the Management Committee who had documentation. I would like to confirm that this kind of documentation is what members of Management Committee in the past noted as being comments made by program auditors. I assume that that is what the Minister was referring to. On that basis, I would like to know whether the Minister had the review team, review with the administrative people within the department their reaction to

the program auditor's comments.

**MR. CHAIRMAN:** The Minister responsible for the Task Force.

**MR. SPIVAK:** Well, first of all, there is a presumption on the part of the Member for St. Johns that the procedure would be inadequate, you know, that's the presumption he takes. I think adequate is relative in any kind of study.

I'm sorry the Member for Fogt Rouge is not here, because he made reference tohit and I listened to the comments at the time that he discussed the Order for Return. I was unable, at that time, to comment, where he referred to the procedures being shoddy and P found that rather curious because I know that over the last period of time when he has produced reports through his Institute of Urban Studies the criticism that has always been raised is that his methods have been shoddy. So it was very funny for me to hear from him the criticism that has been levelled at his studies. —(Interjection)— Well, he is not answerable; I'm sure that he will be here in the committee and be able to answer for that. I just simply make that as a comment.

Program Auditors from the Management Secretariat and the Management Secretariat staff were assigned to each one of the review teams. In some cases, they went to more than one review team. They were present, together with at least one official from each department who was assigned as the liaison. In some cases they were the deputies. In many cases they were not; they were people who were in administration. And this is in addition to the secretary of the review team, who, in many cases, came from one of the line departments as well.

The interaction that took place within the review teams allowed discussion and debate, and information, to be supplied from program auditors, from Management Secretariat, from line department staff, along with the review team staff and along with others, including, in most cases, one member of the staff of the Task Force itself who was present at all the meetings. Now, I'm not saying that the Task Force staff member was present at every meeting, but who was intended to be present at every meeting and certainly was invited to be. In some cases it was impossible, but they were there at most of the meetings. So the interaction took place on that basis.

**MR. CHERNIACK:** Mr. Chairman, who assigned the person representing departments? Was it the Minister? Was it the Deputy Minister? Who did the assignment decision?

**MR. SPIVAK:** The decision was made by the Task Force, based on discussions held with the Minister, with the Deputy Minister, in most cases but not in all cases.

**MR. CHERNIACK:** But the Task Force picked out the person from each department and then made the liaison.

**MR. SPIVAK:** And then requisitioned that person be given to the review team.

**MR. CHERNIACK:** So the Task Force assumes the responsibility for the selection of the person from each line department who was the liaison with the review team. Well then, Mr. Chairman, there are many recommendations which I'm sure we will be considering. Would they have been checked out with the top personnel in each of the departments affected by these decisions before the Task Force made it a decision of the Task Force?

**MR. SPIVAK:** The recommendations you have before you are the recommendations of the Task Force. The Task Force takes responsibility for those recommendations. The review teams' reports and the information supplied were part of the information supplied to the Task Force for its decision. In some cases the review teams' recommendations were accepted; in some cases they were rejected; in some cases they were altered and modified.

**MR. CHAIRMAN:** The Member for Brandon East.

**MR. EVANS:** Just a supplementary question. If I might just interject with what I believe to be a supplementary question. Could the Honourable Minister make available to the members of the Committee a list of the liaison members to which he just referred; in other words the names and titles or positions of those persons, each person, designated by each department, the departments and the Crown agencies. These are all civil servants, byhand large they're senior people. They're listed in the public accounts anyway, I believe, or in other documents, and I think that this is useful information for the Committee and I would wonder if the Minister would be agreeable to tabling a list of such names and titles; that is, a list of the so-called liaison people or however he may

wish to describe them.

**MR. CHAIRMAN:** The Honourable Minister.

**MR. SPIVAK:** Well, I have no objection to doing that. I don't have that information available immediately and it might take me a day or two but I will certainly provide the list. They were civil servants or employees of Crown agencies who in effect were involved and the Management Secretariat staff, and I'm quite prepared to list their names for the honourable member.

**MR. EVANS:** Well, that's very good, Mr. Chairman.

**MR. SPIVAK:** I think I've indicated in the past, and I think I'm approximate in the number — it would be around 55 — the number is around 55. It may be a bit higher but I think it's pretty close to that.

**MR. EVANS:** Mr. Chairman, I'm sure none of us expect to have it even today or even tomorrow, but if some time within the reasonable future that list could be made available that would be satisfactory, so we look forward at some time in obtaining that. Thank you.

**MR. CHAIRMAN:** The Member for St. Vital.

**MR. WALDING:** When you began the introduction of this particular part you asked for some guidelines for the Committee to be agreed upon. If different members of the Committee are going to ask questions about any of the recommendations and hop from one to one the result could be chaotic. I'd like to suggest that perhaps a way of proceeding for the Committee would be to work its way through the report section by section or page by page. But, Mr. Chairman, that is not to preclude any sort of general comments or questions similar to those that we've heard from being asked. So maybe if you would bear that in mind when we get through any general questions, I'd like to make that as a suggestion for the procedure.

**MR. SPIVAK:** Well, I think there may be a misunderstanding of what the Task Force is all about and I want to sort of clarify this right now.

The Task Force consists of a series of recommendations to the government. The government can accept it or reject it or deal with it in any way it sees fit. The Task Force Report represents the conclusions of the Task Force. To that extent I think the members are entitled to ask questions, and obviously will ask questions of the methodology and, in fact, may make comments in disagreement with some of the recommendations that have been made, and I accept that that is part and parcel of the process. But the Task Force is not coming before this Committee, and I'm not coming for approval by the opposition of the recommendations. The recommendations have been made. They are known. They have been given to the government and the government will act, and I don't think it's necessary to consider this a report to be passed page by page. Certainly if there are comments to be made by the members in the Committee with respect to recommendations in which there is a disagreement, the government I'm sure would be prepared to hear the disagreement. I'm prepared to hear it. All I will be able to answer is that the Task Force recommendation is as stated and that will be the extent of the discussion, and I think that should be understood very clearly. There are legitimate questions which I'm trying to answer with respect to its operations, its methodology, its staffing, and I think those questions are important and relevant, but I want to make it very clear, this is not here for the approval of the Committee. This is a report that's been presented to the government. The recommendations are known. They are published. They are explicit, and that's the way it will be dealt with and they are only recommendations — they are not government policy. It will have to be determined by the Premier and Cabinet.

**MR. WALDING:** Mr. Chairman, I was not suggesting in any way that the report was before the Committee for its approval. I was only suggesting that it might serve as a vehicle for orderly discussion of the Committee in order that debate should centre on one topic at a time.

**MR. CHAIRMAN:** The Member for St. Johns.

**MR. CHERNIACK:** Mr. Chairman, I agree with the Member for St. Vital and I don't see that there should be any argument. I think that it is in order to have — as he says — an orderly review without hopping around. Certainly the only votes I can visualize we'll be involved in would be procedural votes and the salary itself but the recommendations are not a matter for approval or otherwise even by anybody in the Committee. But we want to, I'm sure, test the validity of the research, the validity of facts that are stated as facts, and then discuss the recommendations to the extent that

we believe they would be of value for the government to carry on its administration. I am still of a mind to proceed to discuss the operations of the Task Force and the review committees.

Mr. Chairman, I want to clarify for myself that review committees were instructed to look into various features or groupings in government, that they were assigned a secretary, they were assigned a liaison person who would presumably represent the department, they made such investigation as they deemed advisable, they had the resources of program auditors from Management Committee, and they then made their recommendations, findings and recommendations to the Task Force which accepted some and rejected others. And that — and this is what I interpret from what the Minister said — that their recommendations were not returned to the departments or to the administrative heads or the program directors for comment and even now, they have not been asked for comments departmentally but are now all gathered together and in the hands of Cabinet for its use. Is that a correct resume of what the . . .

**MR. SPIVAK:** Yes, I think that the assumption of the Task Force would be that if the matter is to be considered by government and is to be accepted, that that would go through the normal process of examination within the Cabinet, by the Minister, by his staff, before final determination is made.

**MR. CHERNIACK:** Mr. Chairman, the government Task Force went outside of government itself to seek advice, apparently from private individuals and from organizations and I suppose they made their own decisions on whom to consult, having received a vast number of volunteered comments, but yet proceeded. I have here the Manitoba Teachers Society comments which, as I recall it, complained that they were not invited to participate. I suppose that applies to many organizations that might feel they have a vested interest and were not asked to comment. Is that correct?!

**MR. SPIVAK:** I think it's fair to say that not every organization that's involved with government in a direct or indirect way was consulted. It was impossible within a four month period. Not every individual in Manitoba was consulted. Not every civil servant was consulted. There were opportunities for briefs to be presented from organizations within Civil Service and by citizens, and the number of submissions I think is highly significant. There were approximately 500 and I think in the short period of time that represents a very significant amount. The Teachers Society, or any other group, were entitled, and in many cases did, submit their concerns.

The important factor with respect to the nature of the structure that we operated under, nor was it possible to place on the review team people who were representative of every interest group. It was just impossible. So choices were made and selections had to be undertaken, and they were undertaken on the basis of attempting to try and balance those who had managerial experience in the business and private sector and those who through one contact or another, had involvement in the particular area of government activity, and we tried to blend both together as best we could in a small working group review team.

I must say, and I say this because I think it did not have to be this way, that we brought together people of different backgrounds who really had no association with one another, who were unfamiliar with the experiences of one another, and whose attitude and approach to government was very different, based on their experiences and on their particular disciplines, and I must say that we were able to arrive at a consensus, which I believe is a very important fact. Most of the review teams did arrive at a consensus, and most of the review teams were able to come together with recommendations which were incorporated in our Task Force report.

The interesting thing is that most of the review teams made up of different people from different backgrounds, basically came to the same conclusion with respect to the managerial capacity and ability of government, and that the common concerns were expressed in all of the review teams, and a common thread existed within the reports and the discussions that were held. This is reflected in Volume 1 and has to do with the whole structure of central management, it has to do with the whole question of the objectives of government, the lack of clarity, and the need for proper information systems to be able to evaluate programs and to make assessments for proper accountability, both in a financial sense, and in a program sense.

What I'm trying to indicate in this is that it was impossible, (a) to have every organization represented on the review teams; (b) it was impossible for every organization or every group to be interviewed — there was an opportunity for participation by the request for submissions, and we had a very substantial number of submissions, and on that basis we arrived at a decision within a very short period of time, which was a four month period of time. But I want to again repeat, it was impossible to be able to deal with everyone.

**MR. CHERNIACK:** Mr. Chairman, would the Minister agree that he is not submitting any support

for any of the statements he has made now as to consensus, or as to the extent to which there was agreement, or the extent to which there was general agreement outside of the committees on the managerial competence of government, but that he is asking us to accept his statement as to the depth of understanding and the scope of the understanding of the consensus he speaks of. I want to confirm that that is correct.

**MR. SPIVAK:** Mr. Chairman, when any Minister talks about his department, when any Minister talks about his government activity, he talks about it on the basis of his experience and his impressions, and the support that's been given by his staff for the carrying out of its programs. If there's a specific that is asked for, then that, in fact, is answered. I am saying, and I will repeat, and the Member for St. Johns can reject it — frankly, if he rejects it, that's up to him — I'm saying that in my opinion, and certainly I think I can speak on behalf of the other members of the committee, because we did sign the report together, that in effect there was a consensus that was arrived at in the review teams, that what I suggested in terms of the basic concern that appeared to be common to every review team report, that that consistency of concern was there, that it was expressed to us, and repeated almost in the same language, that in effect, as a result, we determined that in examining the central management, our concerns were heightened by the impressions we gained, and as a result, we attempted to try and structure government in a way to be able to meet what appeared to be a very important failure of the government structure. I say that, Mr. Chairman, not in terms of a political comment, because I have a feeling that when we talk in terms of failure of government, we're talking about failures of government not just here but elsewhere. That's an impression. There may be some disagreement, but certainly, that was the belief here. The Member for St. Johns can reject or accept, I really don't care, I simply say that that was the consensus. He can accept that as being the case, or not.

**MR. CHERNIACK:** Mr. Chairman, I don't quite see the analogy between this Minister responsible for a Task Force of people, none of whom were accountable to him, and for none of whom he has any responsibility, as compared with any department of a line nature in government where the Minister is indeed the head of the department and the employer and responsible for all activities of government. The Minister certainly cannot assume responsibility. nor has he a right to speak on behalf of all the people listed on Pages i, ii, and iii, of his first volume under acknowledgements. They are people like the Vice-President of James Richardson's, the former general manager of Canada Packers, the general manager of Manitoba Pool Elevators, the Children's Clinic, surely the Dean of Medicine, President of Spiroll Corporation, the Minister cannot refer to them as if they were people who worked under his department. And therefore I come back to say that the Minister, I assume, and I believe, has no right to say that he is responsible for any opinions expressed other than as expressed in the Task Force. Therefore, I repeat again that from what he says, the three people — I think there were only three — who signed this report, are the only ones who are making the statements here, and they are not giving us any form of confirmation of their opinions, nor any documentation to show that the statements they make as to conclusions, are supported by anyone else, other than the three. I think that should be clear.

**MR. SPIVAK:** So that there will be no misunderstanding, the consensus I was referring to was the consensus of the review team with respect to the recommendations and the facts which were presented. I just want that clear. Obviously, the review teams were not parties to the final Task Force report. The Task Force report, as I've indicated, does not contain all the review team recommendations, and in fact rejected a number of them, and modified and altered a number of them based on additional information in discussion and review. And, as a matter of fact, the review teams themselves sent further addendums in many cases in particular items, and in some cases in the overall approach as a result of the discussions that took place. This is the consensus of the Task Force. The Member for St. Johns will accept that as being the consensus of the Task Force.

The supporting material is part of the whole process of the last four months, and if the Minister has objection to a particular fact or a particular conclusion, I guess this is the opportunity for him to raise that, and it's very clear that this is the opportunity, and I'd be very interested in listening to those facts that are concerning the members of the opposition and those conclusions.

**MR. CHERNIACK:** Well then, Mr. Chairman, I assume that I was correct in stating that there is no support offered to this committee or to anybody to confirm any of the statements made in this Task Force report signed by three people. Other than that, we're being asked to accept the word of the Minister and, by implication, the two other people who signed this report, that there is all this mass feeling and general concern expressed as he describes it to be expressed, by all these

500 submissions plus all the other people whom they consulted and whom they discussed this matter with.

I think it's important just to confirm it. The Minister has already refused, with the support of his side of the House, to give us any backup material to support the statements and I think that was their right so to refuse, but having done so, I want to make it clear that the Minister is asking us, all of us in Manitoba, to accept all the statements he makes as to the support, the background, as to the recommendations, as to the investigations, the research that is suggested has been made by the Task Force, he is asking us to accept it at its face value because he says so, and the other two, by implication, would appear to support it. I think it's important that we get that clear.

**MR. SPIVAK:** Mr. Chairman, I don't think that's a highly unusual situation. I think that there are a number of reports that are submitted by various Royal Commissions and by various studies, which in effect follow the same procedure. I have the progress report of the Lambert Commission, and I must say Mr. Chairman, that they follow the same kind of procedure. They deal with departments, the role of a Deputy Minister, central management, parliament, focuses of inquiry, they deal with personnel, and Mr. Chairman, they follow the same procedure. So that I don't think that the implication should be left that somehow or other what has happened is so mysterious or so unusual, or in effect is a procedure that has not been followed elsewhere.

My point, Mr. Chairman, I think this is the point, is that if there are items within the Task Force that are of concern to the members opposite and there are facts they do not appear to believe to be correct, or there are conclusions that they feel to be incorrect, I'd like to hear it from them, and I think that that would be an important exercise. But the onus is on them, not on myself. I appear here with the Task Force recommendations based on our study and our review and the consensus we arrived at. You can disagree. You have a perfect right to disagree, but it's here, it's not silent, it's in front of you, and you can deal with it. And to suggest that somehow or other, because that's the only implication that there's something lacking, I think is, you know, from the opposition maybe it would appear to be a tactic to use, but I think in practical terms it is not something that I am going to be concerned about, nor does it take away from the report, and I'm prepared to argue, if necessary, some of the elements of the things that I've talked about. I'm prepared to argue that the central management in government was working improperly before, and I believe that a correction is necessary of substantial means and it's referred to in the report itself, and I think that that's a very important consideration in trying to assess the whole question of government accountability.

**MR. CHAIRMAN:** The Member for St. Johns.

**MR. CHERNIACK:** Mr. Chairman, I think the Minister has now confirmed that my statements are correct and that we are being expected to accept the statements made by him and by implication that of the two other people who signed the report that the information stated, the research set out, the facts and the conclusions are all matters for which he and the other two assume full responsibility and since he does not give us any of the support material, therefore we have to accept his statement as being correct.

Now, Mr. Chairman, I've not yet criticized that. I just want to make it clear that we are not being given any other information to support it. We are told there are 500 submissions. We don't know whether there were 500 or 100. We are told that the majority of them were from civil servants. We don't know that. We are told that they all expressed certain concerns. We don't know that that is a fact. The fact is that this commission met in secret. It met under the direction of a government which was elected and had to try and prove all the statements that it had made for several years before the election and during the election, and this now Report is signed by the Minister, by Con Riley, and by Gordon Holland. Now, that being the case, let's just agree that that is the fact and the fact that other people in other cases have not seen fit to give more background material is not a problem for me, nor do I accept it my onus to disprove anything that the Minister says. The fact is that the Task Force report is a document prepared and signed by three people, and they don't — we've already determined — we don't have to vote on it. We don't have a right to say, "You shall not do as is recommended." But we have every right to probe, to ascertain the validity of the statements made, the research alleged to have been made, and the recommendations made, and having established that I think we can go on to review them, but certainly it is not the onus on anyone to disprove statements that are made by the Minister or his Task Force. Indeed, they are the ones that made a big noise about appointing the Task Force, the need for the Task Force, and I believe that they made it clear what they expected the Task Force to come up with and the Task Force has come up with what they expected to do.

And then they made a big publicity campaign on the Task Force recommendations which is their

right. I have here — I think it's the whole package of news service published by the Manitoba Information Services Branch, summarizing and reiterating many features of the Task Force Report.

**A MEMBER:** That was a busy week.

**MR. CHERNIACK:** It was, well, for them. They may have been writing it for months ahead because all they had to do was read statements made by this Minister and by his leader to see what would be in the Task Force Report. Now, I'm saying that because I believe that they had an angle which they wanted to pursue and they did pursue it, so I'm quite prepared to discuss all of these alleged facts and all these conclusions and the recommendations, but, in the light of the fact that we are clearly denied an opportunity to review what stands behind this report. I think it has already been made clear that there are people responsible for programs who were not consulted by the review committees and that the liaison people were appointed by the Task Force and that the Task Force accepted some and rejected some of the recommendations which again means that where they wished to rely on the research or review committee's report they have done so; where they reject the review committee's impressions or beliefs they don't tell us that they rejected them and therefore all we do know is that the review committees which reported to the Task Force have made various statements to the Task Force which the Task Force has edited in its own way in presenting its report. So as far as I'm concerned we are now reading a report of three people. How they arrived at it, what they had to support their contentions is not available to us, and I am prepared to proceed on the basis that we should review what these three people have stated and recommended.

**MR. CHAIRMAN:** The Honourable Minister of Finance.

**MR. CRAIK:** Mr. Chairman, there's some implication here that somehow the procedure of funnelling the findings of a large number of people through a small number of people into final report is unusual and, you know, I think that if you looked at the average normal committee you'd even find there's committees of one; in some cases, Royal Commissions of one. There's a committee that reported to the House of Commons yesterday — the Bryce Committee Report that's been under way for quite a long time, and in the final analysis the open hearings, or whatever type of hearings, it's finally funnelled and digested through a smaller committee because it's not possible to write a committee report with hundreds or dozens of people on it and get it done. So there's nothing particularly different here.

Now, on the question of accepting, I think Mr. Cherniack knows that he doesn't have to accept what's in the report, and I think he also recognizes that the government does not have to accept it. It's just what it is. It's a committee report. But I don't like to see the total work of the Task Force down-played because it was a valuable contribution and, in some cases, it presents propositions and proposals that are open for valuable argument by members of the Legislature regardless of what side of the House you're on. We've already had one suggestion, it was at Public Accounts Committee, that's already come up for some sort of debate, and it's been a valuable debate. We're quite willing to accept the fact that the opposition has a contribution to make as well on some of these issues; such as, financing of Crown corporations by way of the government or direct exposure of the Crown corporation in the financial marketplace. That's an issue that has been recommended in here and which are going to be many different sides to. In final analysis the Task Force felt that in their opinion and presumably in the opinion of the people that they sought their advice from, that this was a recommendation worthwhile making to the government. There are many such recommendations that are going to be open to debate and they're not going to necessarily form government policy, and if they do form government policy, government policy may want to use the recommendations of the rest of the community and the official opposition as well in formulating that policy. So I think that, just to repeat, there's no requirement on anybody at this table to accept the report, but it would be valuable to make the contributions on the items that are in it, whether they're in agreement or disagreement. I would think that, from what I've seen of the report, that the opposition would have to agree with many of the recommendations that are contained in the report, and likewise they'll disagree with many of them.

**MR. CHAIRMAN:** The Member for St. Johns.

**MR. CHERNIACK:** The Minister of Finance is — I don't recall that he said anything with which I disagreed, and I don't think that I didn't say it before he did to a large extent. We're not here to say that we have the right to veto any recommendations; we want to discuss them. What I'm



concerned about is not so much the recommendations which are clearly matters which should be discussed, and I think that our own leader said more than once in the past and others of us have said that it is a valuable thing to review government every so often and to do an extensive review. The point I am trying to establish, and frankly I think it's been established now, is that this is a report by three people, and let me say that it's a report by management people; it is not a report by other than management people, and, if there is any bias in management or any particular point of view, it would be carried out in this report. I would not quarrel with the recommendations having been submitted by them being discussed. What I expect to quarrel with is statements of fact, inferences, conclusions, and the general tenor.

Mr. Chairman, it's not as if we haven't been in Estimates for a while. We've been here for some weeks now reviewing Estimates, and we have yet to find in those Estimates review, unless somehow we had picked on departments where they were run so efficiently and so well that there was no fat, no extravagance to speak of, and I would be surprised that any department was free from some wastage, and I would be surprised to know that any Minister could say that his department was completely clear of all fat or extra expenditures.

But, Mr. Chairman, let's get it clear that not one of the Ministers who have already presented their Estimates have even tried to carry forward the suggestions made by the "political" people of government nor by the Minister of Finance, nor by the Minister responsible for the Task Force, nor by the First Minister. Each one of them has stated and I believe in their honesty and integrity, that they did not find this kind of extravagant waste and this kind of extravagant mismanagement that had been suggested before. We find now, Mr. Chairman, and I think it's valid to point it out now, that when we reviewed, and I particularly was involved last night in discussing with the Minister of Education, the budget on special projects, we found that he could not point out any kind of extravagance or waste or mismanagement but he did find reductions in every one of the programs. He didn't pick one out or another and say this is far beyond the necessary expenditure, but he did almost a percentage reduction all the way down the line which meant to me that the government was brought in believing that they could find . . . And the present Minister, the Minister we're dealing with now, the Minister without Portfolio responsible for the Task Force, is the one who said in years gone by, "Well, we will do all those things, and we will reduce taxation, we will cut out inheritance taxation, and we will be able to do all this programming that we recommend that we think should be done out of saving all the extravagance." It has not been proven so far in the last number of weeks of our Estimates review, and if it isn't found there, Mr. Chairman, I don't know where it could be found. But we've been through a number of departments and therefore the entire flow of words in this Task Force Report, which is what we are reviewing, is already being given the lie to by the Ministers who have already committed. appeared before Estimates

That is why I want to fix the fact that the Minister and the government is refusing to give us any of the reports, any of the submissions, any of the background material, and is saying take my word for it. I'm quite prepared to accept the fact that this is a report by three people who are in the management field as being their belief and their conclusion and their recommendations, but I cannot accept the fact that we are being given a report which bears the support of all the people mentioned here because, indeed, we know already that some of their recommendations have been rejected.

**MR. CHAIRMAN:** The Minister of the Task Force, and then the Member for Selkirk.

**MR. SPIVAK:** That's an interesting debating point that the Member for St. Johns is bringing forward. The fact is that what the Member for St. Johns is not prepared to recognize is that the government had to take control of a situation which was essentially running wild. . Well, we are going to go through this procedure and we're going to understand exactly what happened.

To begin with the restraint program was put in: Management Committee Function with the Premier as head and the Finance Minister as head — no decision was made without its review; the Crown Corporation decisions to a certain extent, but not in the complete form, were handled in the same manner; the Members of Cabinet who had to deal with the existing Estimates that they then had, and had to go through the procedures of management, had to apply the restraint program and they did. They in turn had to plan their Estimates, and those Estimates were proceeded with with reviews by Cabinet, and if I'm correct in three series of meetings which were a substitution for the one-week review that the Premier used to have on Estimates the year before, and they were able to deal with a deficit position which they were able to reduce and in turn they were able to, Mr. Chairman, deal with the projected deficit for the coming year and to make the judgments that had to be made with respect to expenditures, based on their own conclusions and whatever information

Tuesday, May 16, 1978

was available to the Task Force and communicated through the Task Force by me both to Management Committee and to Cabinet, and in turn, Mr. Chairman, I want to point out that a number of recommendations in the report are obviously very similar to the Estimates that were presented.

In fact, there is still some confusion in the opposition to know whether the full Task Force was accepted or not because some of the members for the opposition have been saying that it has been accepted entirely. But obviously we could only impress our findings on the Estimate process to the extent that we could before the finalization of Estimates had to take place. Mr. Chairman, so the record will show, the fact is the Minister of Finance produced a series of Estimates with the assistance of the Ministers, including the Ministers without portfolio — including myself who had the benefit of the reviews of the Task Force — which was the lowest rise of Estimates of any province in the country, the lowest in modern times, —(Interjection)— that wasn't that easy, that wasn't that easy. The Honourable Member for St. Johns says it was easy. It wasn't that easy. The point is that they couldn't do it, they couldn't do it, nor were they prepared to do it, and those were hard decisions and they were based on the total process of the Ministers themselves being involved.

Now, there are a number of recommendations that the Task Force concluded that were not communicated to the Ministers because the timing being such that they could not deal with them both in terms of the final recommendations with various programs and with the overall re-organization or suggested re-organization of government. They will be dealt with by Cabinet in the future. So, I simply say to the honourable member I reject completely your suggestion. I believe that the report, and I acknowledge that the report is a report of three members, I don't want to suggest anything different, who had a process of review by review teams who provided information, along with other sources, and that was responsible for the documents that you have in front of you, and the information, to the extent that it could be conveyed, was in fact conveyed and I think that one could say that it did have some influence but it was not the only decisions. The Ministers themselves had to make their own decisions, and the Cabinet then had to established the priorities, which in fact, they did, both on Capital and Current accounts.

The restraint program, without question, effected the Estimates at least and decreased what I would consider would have been the deficit had that restraint program not been exercised. There is some very important evidence that can be presented on that if that's necessary.

So, I simply say to the Member for St. Johns that I reject your position. If you believe that this document is a document that was prejudged in advance of its actual formation and review, I simply say to you that whatever conclusions I may have had, and others that may have approached it, we found the situation to be far more serious than we ever believed it to be. We tried to apply ourselves as quickly as we could and to come up with the kinds of suggestions that could be brought forward, and we've done this in the best way we could see in the hope that we could influence the Estimate process for this year and I think we have to a certain extent, and in the long run for more fundamental changes that we think are necessary for better control by government of its expenditures in the years to come.

**MR. CHAIRMAN:** The Member for Selkirk.

**MR. PAWLEY:** Mr. Chairman, just by way of initial comment I really don't know where the Minister obtains the idea that the previous government completed an Estimate review within a week. Certainly he was not there. I was there, and I know that the Estimate review process continued on for weeks and weeks and weeks, and there is I think, in recollection, that the average time-span would be six, eight, ten weeks, Estimate review process. To refer to review as one week's review is, I'm afraid, a complete fabrication.

I would ask the Minister therefore, if he would like to first, one of the questions that I would pose to the Minister when he makes his response, that probably he would like to modify that comment rather than leave that comment on the record. Secondly, is it my understanding that the members of the review teams were appointed by the Task Force itself?

**MR. CHAIRMAN:** The Minister responsible for the Task Force.

**MR. SPIVAK:** Yes. The members for the review team were selected by the Task Force and I guess appointed by the Premier on behalf of the Executive Council. That's a technical — and I'm not sure that I'm correct on that — but in a sense the selection was made by the Task Force, that's

Tuesday, May 16, 1978

clear. How the appointment was made, whether it was done through a procedure of our —(Interjection)— No, it wasn't an Order-in-Council, but it was done through some procedure with respect to the Executive Council I believe, but I will try and get that information if I can.

**MR. CHAIRMAN:** The Member for Selkirk.

**MR. PAWLEY:** Now, the Minister indicated in his earlier remarks that there were nine staff working under him in this respect, four secretaries, the executive assistant, executive secretary, two planning secretaries, one additional contract employee.

**MR. SPIVAK:** That's contained in this year's Estimates.

**MR. PAWLEY:** My question to the Minister, insofar as the role of one, Mr. William McCance, would he define for me what his role was in respect to the Task Force, and when he commenced his work?

**MR. SPIVAK:** He was secretary of the Task Force.

**MR. PAWLEY:** Can the Minister advise me whether or not he was on public salary from the beginning of his operations as secretary of the Task Force?

**MR. SPIVAK:** I can't advise you of that, he is on contract. I can get particulars of the contract.

**MR. PAWLEY:** I say that because I would refer the Minister to earlier comments which were made that Mr. McCance was on the staff of Great West Life during the early period of the Task Force activity. I would ask the Minister to indicate whether or not that is so, or whether he was on the public payroll from the beginning of his work on behalf of the Task Force.

**MR. SPIVAK:** Well, Mr. Chairman. I think that for the record, and I think it's very important, because I think this is a very serious question, and one which no doubt the Member for Selkirk will talk about from time to time, Mr. McCance commenced a contract with the government as of October 14th, 1977.

**MR. CHERNIACK:** He was hired before they fired the other guy.

**MR. SPIVAK:** Oh no, it couldn't be the 14th, it must have been the 24th. But I'll tell you that in any case, just for the record because I think this is very important, we will get the particulars of the contract and the Member for Selkirk can have that.

I'm sorry, obviously the 14th is wrong and probably I misread this. My eyes are a little bit more severe this year than last year. I would only say to the Honourable Member for Selkirk that I will get him the particulars.

**MR. PAWLEY:** I would like to ask the Minister, in view of the fact that the Task Force is one which was geared towards developing improved reorganization and economy, if he could advise me as to why important staff cuts would be made prior to the recommendations of the Task Force having been made and without his knowledge.

**MR. SPIVAK:** I'm sorry, what staff cuts are you referring to?

**MR. PAWLEY:** Well, I'm referring to specifically, and I would draw to the Minister's attention, the information which was revealed during the short Session in December 1977, when I personally asked the Minister to confirm that there had been reductions of staff at the Selkirk and Brandon institutions. The Minister was unaware of this staff cut. I think that is fair to say, and I believe Hansard will confirm that, and the decision having been made by administrators of those two hospitals. My question to the Minister is: If the Task Force was to bring in recommendations pertaining to organization and economy, why the government, his government, that he indicated is anxious to operate in a more efficient line, why would random cuts and changes be made such as that prior to the presentation of his recommendations?

**MR. SPIVAK:** Well, I think it's contained to a certain extent -- not the specific answer -- but the information is partially contained in the report itself. One has to understand that when the government took over, they found a situation with respect to the Civil Service that had become

Tuesday, May 16, 1978

rather unique in the last four years. To begin with, there were employees within the Civil Service who were civil servants. There were employees who were term employees within the Civil Service, that is they were there for a term and the term expired. There were people who were term employees who were not within the Civil Service. There were departmental employees who were not within the Civil Service. There were casual employees, some of whom had been there for more than a year. There in turn were 1,200, I believe, contract employees when four years earlier there had not been one contract employee.

So the problem that the government faced in trying to deal with the Civil Service and in trying to be able to review the procedures to be followed was a very simple one, to indicate that where in fact someone left the Civil Service for whatever reason, whether it be death, or by retirement or by leaving, that that position would not be filled unless it had been approved by Management Committee. This was to give Management Committee control of what took place. Where a person had a contract or was on term, that that term was not to be renewed and that contract was not to be renewed unless it was approved by Management Committee. In the particular situation that the Member for Selkirk is raising, if I'm correct, there were term employees whose term was not renewed and to a certain extent I think that that was a procedural error which was corrected because the procedure simply being before that renewal could take place, it would have to be renewed by Management Committee. One has to understand that the procedures that were put in and the imposition was intended to try and get control of the situation which had existed to a certain extent out of control.

**MR. CHAIRMAN:** The Member for Selkirk.

**MR. PAWLEY:** Could I ask the Minister in reference to his advice that Deputy Ministers and Assistant Deputy Ministers generally were contacted, whether in the case of Legal Aid, the Executive Director and Chairman of the Legal Aid Board had been approached and had been consulted prior to the very far reaching recommendations and criticisms that were launched in regard to the legal aid system in Manitoba?

**MR. SPIVAK:** I can't indicate whether the review team did contact them or not, I'm not in a position to indicate that. The Task Force did not. The Task Force had available to it the review team's recommendations and the recommendations and information from the reports contained within the government including the Management's Secretariat.

**MR. PAWLEY:** Well, I would ask the Minister if in view of the many pages given to a criticism of that particular program, and what I suggest to the Minister are a number of factual errors and a very very wide ramifications of those recommendations, would he, as Co-Chairman of the Task Force, not feel it incumbent to satisfy himself that the two principal individuals responsible for Legal Aid in Manitoba, not be consulted prior to such widespread and sweeping recommendations, many of which I might add, and when we do reach that area, I hope to show to the Minister, are based upon factual misinformation.

**MR. SPIVAK:** Well, Mr. Chairman, in dealing with this, the recommendations I do not think are as radical as the Member for Selkirk would suggest. —(Interjection)— . I don't think so. I don't think they are as radical as he would suggest. I think there was sufficient information upon which to base certain judgments and it was the conclusion again of the Task Force to deal with that as they dealt with many items in a short period of time, unable within the time constraints to interview everyone, and they felt that they had sufficient and reliable information to deal with the subject matter and they dealt with it.

**MR. PAWLEY:** The situation involving institutions, and since we are dealing with the central theme of the Task Force, I believe it was obvious in respect to the earlier example I gave in connection with the Selkirk and Brandon Mental Institutions, that staff cuts were made of a sizeable proportion, with not even the Minister's knowledge, but also the Minister responsible for the department being aware of the cut. I would ask the Minister — I don't recall that having happened under the previous government — if he can advise how such a cut like that would be made without policy makers being aware of a cut of that magnitude.

**MR. SPIVAK:** Again, to the honourable member, if I'm correct, the cut he is referring to are term employees, whose contracts were not renewed, and the procedure was not followed whereby all renewals of contracts had to come through Management Committee, and if I'm correct, that did take place, and subsequent people were re-hired. One has to understand that the basic concern

at the time was to try and bring a whole range of categorization within the Civil Service under some kind of control, and that was what was attempted. The terms of a policy decision, if a policy decision was arrived at, Mr. Chairman, to in turn alter or change a program or cut a program, that is a decision that would be made by the Minister in charge. The Task Force requirement at that time was to review what was taking place, there was a restraint program that was placed, the restraint program very clearly said that no contracts and no term employees would be renewed unless it was reviewed by Management Committee, understandably. There was an attempt to try and gain control over what had been the hiring practice before, which had in effect circumvented the — in legal terms, the Civil Service Act — but in effect had altered the nature of the Civil Service within the province.

**MR. PAWLEY:** Just so I can disabuse the committee as a result of the information provided by the Minister that term employee, in the case of the institutions, meant employees of six months or less. Many of these term employees had been employees for years, whose six months term had been constantly renewed, and were, de facto, on the same basis as a permanent employee.

**MR. SPIVAK:** But again, I wanted to point out that one of the things that we found, and I pointed it out in my preliminary statement, is that there were two categories of term employees — those who in fact were term employees, and those who in fact, whose term really put them in the category of full civil servants, and who had not been brought in within the Civil Service. All that happened is that procedure indicated that in effect if a term employee was to be renewed, whatever categorization he was, or description, that that had to be approved by Management Committee, and that was simply an attempt on the part of the government, to get control of the situation, both in terms of the hiring and to be able to understand what was taking place within the various departments, while the Ministers became acquainted with their own departments. And the procedure that occurred there, if I'm correct, and I think I am, was simply a misunderstanding of the procedure that had to be followed through with Management Committee for extension of contracts or term contracts of employees, notwithstanding the fact that some of them had been there.

I pointed out to the Member for Selkirk that there were casual employees who were supposed to be casual for what — two months? — some of whom were there for two years. So the situation existed, and it had to be corrected.

**MR. PAWLEY:** If I could just also, moving back to one further question in connection with Legal Aid Manitoba, would the Minister be able to indicate, as we arrive at different sections of the report, as to which positions in various agencies and functions such as that of Legal Aid had been consulted in respect to the recommendations which were made.

**MR. SPIVAK:** Mr. Chairman, I think that it should be clear, not every agency was involved, and I don't think there's an essential requirement on the part of myself to indicate every agency that's been contacted, who was spoken to, who submitted a proposal, a submission, because in many cases, agencies, directors, boards, some members of boards submitted, what information was available from the Management Secretariat through their reviews, who in turn they had contacted, what information was available from them, what individuals contacted and sat down with various members of the review teams, and in turn that information was passed on both to the review team and passed on to the Task Force members, who the Task Force itself, met.

I think that it serves no purpose to go through with it to indicate that we attempted to try and do, in the short period of time, as much as could be done, and I simply indicate that we made the decisions as best we could, based on the information we had in front of us, and we're prepared to stand by them.

**MR. PAWLEY:** Mr. Chairman, I have to dispute with the Minister that he made the decisions the best he could. If he cannot assure us that in the case of Legal Aid, for instance, that the Chairman and the Executive Director would have been consulted, his recommendations discussed with the two principal members of that organization — I want assurance, certainly if we are to give weight to the recommendations being provided, that the consultations were with the principals of the various agencies and boards responsible, not with the janitor, not with the clerk, not with the secretaries, but with those who are responsible for the administration of those various functions and departments within government.

I have to say to the Minister, candidly, that I am, well, my colleague for St. Johns uses the statement, "shocking" and certainly it's not an overstatement that ramifications which could flow from recommendations such as those pertaining to Legal Aid have been made, had been made, without

consultation with the principals, with Legal Aid, those most familiar with the workings of Legal Aid. Management Committee has not been involved as a policy-making area insofar as most areas such as Legal Aid is concerned, and to weigh recommendations based upon reports from Management Committee, Mr. Allen, Mr. Peden — I might say, Mr. Allen did very little Legal Aid work. He was a private practitioner. The record will show that. To me, it's a very, very disturbing revelation.

**MR. SPIVAK:** Mr. Chairman, I'm sure that the honourable member was shocked on October 11th, and I don't expect him to be less than shocked today.

**MR. PAWLEY:** I've been more shocked since. —(Interjection)— I'm sure you would be.

**MR. CHAIRMAN:** The Member for St. Vital.

**MR. WALDING:** Thank you, Mr. Chairman. Just a few questions here to get things clear for me. Can the Minister confirm that there were eight review teams and that the people mentioned on Page i were its chairmen.

**MR. SPIVAK:** Yes.

**MR. WALDING:** Can the Minister just elaborate a little more on what is termed "special studies," as to what they were, how many there were, whether the six persons named on Page iii were the chairmen of those special studies groups, or served on them.

**MR. SPIVAK:** Mr. Allen did the special study on Legal Aid. Mr. Gilfix was one of the accountants who did the special study on the accounting procedures of the Department of Northern Affairs and the Department of Renewable Resources and Air Transportation Services. Mr. Neville did the study on Federal-Provincial relations, Mr. Buckworth is a partner of Mr. Gilfix and assisted Mr. Gilfix. Mr. Hitesman did the basic, or worked with the Chairman on government administration, and did particular studies for the staff and for the Task Force, Mr. Peden worked with Mr. Allen on the study on Legal Aid.

**MR. WALDING:** So how many special studies, as such, were there?

**MR. SPIVAK:** Well, the two main studies undertaken as special studies were Legal Aid and Federal-Provincial relations. There were additional studies that were undertaken with respect, because of the need of the accounting procedures in the Department of Northern Affairs, and frankly to untangle the mess that we found. I repeat, the mess that we found. That was undertaken. The various review teams had some of their members conduct specific studies under their basic area of concern, and some of them, in addition to being part of the review teams, did undertake studies within the review team itself, but that was left up to their own procedures.

**MR. WALDING:** Were these special studies then done only by the individual named here, or was he the Chairman of a committee?

**MR. SPIVAK:** No, they were shown as special studies because it was done by the individuals, although they in turn had access and some support staff when required. They certainly had access to documentation, but they were done, not as a review team sitting as a review team as such, but really one individual doing a specific study.

**MR. WALDING:** Another question, Mr. Chairman. Was there any particular area or branch of government that was particularly not looked into by any of the review teams of the Task Force?

**MR. SPIVAK:** Well, I think that there were many areas that were not undertaken, in the sense that there are just general comments in the Task Force Report that specific studies should be undertaken. One of them, and it relates to the Order-in-Council, relates to boards and commissions. In the main, it was impossible to cover the whole range of boards and commissions and we determined at that point that rather than try and attempt a special study within a short period of time, that while some of them will be dealt with in terms of specific reviews because of necessity, they became very important in the particular area of concern. Many of them required further study and really had to come under a much longer period of time and a different kind of structure than the way in which we were operating. Our recommendation, of course, is that there be additional study. There are a lot of recommendations for further studies, because those areas were just touched and highlighted. What we have done is we've indicated that these areas are areas of concern. We didn't come to a conclusion on them, we raised them and we raised the necessity of further study for determination

of government policy and for the kind of review that we've undertaken.

**MR. WALDING:** Mr. Chairman, I would further ask the Minister how the Task Force decided which boards and Crown Corporations it would look into and which ones it would not.

**MR. SPIVAK:** The first terms of reference for the review teams were to look at all the boards and commissions that affected their area of concern, but what really happened is, as we started to talk to them when they set up their own method and they started the procedures, we recognized that time limits were there and it was going to be very difficult for them to cover it, and so as a result in many cases there was agreement as it was proceeded with that we would not be touching this, we would just indicate it. In other areas, they didn't touch it and they just informed us that they didn't touch it, at which point we then had to deal with either the information we had, and we made the conclusion that there was a need for the study of boards and commissions, which is contained in the report. If one looks at the terms of reference on the Order-in-Council, it says, "identify and report an incidence of duplication, waste and other inefficiencies in Executive Government or in the Crown agencies or in the boards and commissions," and that was a very difficult thing to do. I think we've indicated that there were close to 300 boards and commissions, and that makes it pretty difficult.

**MR. WALDING:** Mr. Chairman, I'm still trying to find out from the Minister how his Task Force or how the review teams decided which particular boards and commissions to zero in on. Why did they pick the Legal Aid, for example? Hydro and Telephone, I suppose are the big ones, they probably first come to mind, but there are many smaller ones. How did he decide which ones they would look at and make recommendations on and which ones did they not look at?

**MR. SPIVAK:** There was a review team on Crown Corporations that looked at Crown Corporations and that review team was chaired by one of the chairmen here. The Legal Aid study, the Federal-Provincial relations study, were a series of studies that we considered to be special studies. We actually had a number of others that we wanted to undertake but we couldn't, simply because of the time constraints and the sheer effort of trying to get the procedures working, which is really what we undertook. So these were some of a number of studies that we considered which we could not complete, because we felt that we couldn't do it in the short period of time. They are mentioned in the Task Force report as requiring further study, they are intermeshed in the whole report. It's very obvious that you could have a dozen studies, two dozen studies on specific areas if you want to identify it, and we identified a few, we would have liked to proceed with more, we just couldn't because of the time requirements and the limitation of our own staff to be able to put it together.

**MR. WALDING:** Then, Mr. Chairman, can I ask the Minister if the Task Force gave an indication to the particular review team that it was to look into certain boards and commissions, or that it was not to look into others.

**MR. SPIVAK:** No, they were given their areas of responsibility and they were asked to review government agencies, including boards and commissions that affected their area of activity whose economic development would be those that were included in the whole field of economic development. If it was agriculture, it was those within agriculture, and they were given it but the problem was, and it became very obvious when we started to get the preliminary reports back after they had met and after they had set up their own procedures, that it was going to be impossible in many cases for them to deal with it in the kind of depth that we wanted, and so, therefore, we resolved that this is one major recommendation which we would propose and we would propose that a department of government administration, or whatever form that may take, should undertake that as a very necessary step.

**MR. WALDING:** A further question, Mr. Chairman. I'd like to ask the Minister about the Workers Compensation Board and whether that is reported upon in the Report.

**MR. SPIVAK:** Well, no, it really isn't. It's not. It would be one that would have to be studied.

**MR. WALDING:** Can I then ask the Minister why there is no report on that as being a very important government board. I don't know how much it handles in terms of dollars in a year, but I'm sure it must be very substantial.

**MR. SPIVAK:** Well, there is . . .

**MR. WALDING:** If I may just go on — I notice that there is — one of the names as a member

Tuesday, May 16, 1978

of one of the review committees who is actually a management person on the Workers Compensation Board — a Mr William Johnston, Q.C., chairman of the Workers Compensation Board.

**MR. SPIVAK:** In addition to his position he has held several positions within government and is very familiar with government organization. It was felt that he could contribute generally to the overview that would be undertaken, but, as I indicated to you, not all boards and commissions were studied, and Workers Compensation was not. This was intended to be a very quick study of government with suggestions for specific economies which we provided, and further, with suggestions for reorganization in particular reference to the central management of government, which is also provided. It could not cope with everything in that short period of time and there are further studies required and this is one of them, and it was just purely a matter of trying to deal under the general headings with the areas and the recognition of the impossibility of being able to deal with the various boards and commissions in the time period that we had to try and produce the information that was required.

**MR. WALDING:** Mr. Chairman, I would just leave it with this. I do not understand from the Minister why there was a distinction made between, for example, the Workers Compensation Board which was not examined, and the Manitoba Data Services which was and was reported upon and recommendations made. Why the distinction?

**MR. SPIVAK:** Well, for a very simple reason at that particular time. First of all, the Manitoba Data System came under a Crown corporation because of the Manitoba Telephone System and because of its structure and because there was an immediate requirement for a substantial capital investment in which the demands had been made in government almost immediately because the procedure had occurred before. The implications of it were not just for the capital investment but for long-term funding in terms of its operation, and that warranted in our opinion an immediate study, which is what we undertook. I am simply saying that selections were made, choices were made. You could quarrel with them. We did not suggest that we could cover everything. We suggested that further studies be undertaken, and Workers Compensation would be certainly one that should be undertaken. But I think — I can't find the exact page — but there is a reference here to the boards and commissions within the Report and the necessity for further study.

**MR. CHAIRMAN:** The Member for Burrows.

**MR. HANUSCHAK:** Mr. Chairman, the Honourable Minister without Portfolio, responsible for the Task Force on Government Reorganization and Economy, E/ I believe . . .

**MR. CHAIRMAN:** You have it correct.

**MR. HANUSCHAK:** Yes — did make a statement a moment ago that a previous premier had spent one week in reviewing the Estimates and passed judgment on the basis of that. I'm not quite sure what previous premier he was referring to because there were many previous premiers during the time that the Honourable Minister sat in this House — three — and I certainly would want the Honourable Minister to give the Committee some evidence that he has for making that statement because I have no recollection of the Honourable Minister at any time having sat in the Cabinet room during Estimates review so, therefore, he wouldn't have any personal direct knowledge of the amount of time that the previous premier spent. But I, having been one who had spent time in the Cabinet room reviewing the Estimates — I have the very distinct recollection of the premier having spent much more than one week in reviewing the Estimates for each and every fiscal year — in fact, I would say at least eight to nine weeks. And I think that the record should show that, Mr. Chairman, and not just the Minister's statement.

**A MEMBER:** You expect us to believe you?

**MR. HANUSCHAK:** Well, if the Minister expects to be believed by the people of Manitoba, and I have just as much right as he does to want to be believed by the people of Manitoba.

**MR. SPIVAK:** Mr. Chairman, it may have been longer than a week, but I'm going to make this statement so that the record will show. Based on the information that was available to us, based on the procedures that we understand were followed in the past, the proper scrutiny of Estimates, the development of Estimates within the line departments, its approval by the Minister, its observance, its approval by Management Committee, and then its examination by the premier was not followed. In effect there was a short circuit. In some cases we were led to believe that Ministers really had very little knowledge of what their departmental Estimates were in the first place and in the



that were placed before Cabinet, and in many cases all that really took place was a dialogue between the premier, management secretariat and the program auditors in terms of its finalization.

**MR. HANUSCHAK:** That's absolute garbage!

**MR. SPIVAK:** Well, that may be garbage but that's the information that we were given.

**MR. CHERNIACK:** Even if it's garbage it's okay.

**MR. SPIVAK:** Well, I'm not saying it's garbage. I said that may be garbage as far as the honourable member is concerned but that's the information we were given, and there is some reason to believe that this was the case. Well, you know, I think that this is a very ticklish subject and I think that it reflects very badly on the previous government. I think as well that they will take the posture, as they should, that this wasn't the case, but the information would lead us to believe that that procedure was followed, that in effect the premier did work very hard, that he did have to make the decisions, and that in fact he did make the decisions.

**MR. CHERNIACK:** Unsupported.

**MR. SPIVAK:** Well, it's unsupported, but that information was the information that was presented to us and I happen to believe that there was no reason for those people within management to provide us information that was inaccurate in this sense.

**MR. CHAIRMAN:** The Honourable Member for Burrows.

**MR. HANUSCHAK:** Perhaps, Mr. Chairman, this matter should be referred to the Committee on Privileges and Elections and we should get to the bottom of this. You know, for a Minister to make a charge of this kind against a member of the House, a member of the previous government, we should get to the bottom of this. So what is the procedure that we follow to refer a matter to Privileges and Elections — a Motion from this Committee? I would so move then, Mr. Chairman, that this matter be referred to the Committee on Privileges and Elections, and call upon the Minister without Portfolio responsible for the Task Force on Government Organization and Economy to substantiate the charge which he had made against the last previous premier of this province.

**MR. CHAIRMAN:** The Member for Selkirk is the seconder, the Minister is speaking to it.

**MR. SPIVAK:** Well, there are any number of procedures that could be followed by the Member for Burrows or any member within the House, and there are many statements that have been challenged. I think that there will be a continuing debate about the history of the previous administration. If I'm correct, there was a continuing debate for eight years about the previous administration from that and every tactic can be used. I again am quite prepared to indicate that the information supplied to us was the information that I've indicated, that the procedures that were followed were not the kind of procedures for the careful examination of the Estimates, that in turn the central management structure did not work effectively, that the information systems were not available, that part of the program auditor's participation really was a dialogue between the program auditor and the premier with respect to the Estimates process, and that in our examination of the information that was supplied to us of the procedures that were followed, we came to the conclusions for the need for radical change.

I have stated that. Now, if the honourable member suggests that's a reflection and an inaccuracy of the previous government, I must say that during the eight years I think that we would have been in a position to almost move that Motion every day that we were in the House for eight years.

**MR. HANUSCHAK:** Well, Mr. Chairman, this is a very simple matter to resolve.

**MR. CHAIRMAN:** The Member for St. Vital on a point of order.

**MR. WALDING:** Mr. Chairman, on a point of order. Would you confirm that you have accepted the Motion and that it is for debate before the Committee.

**MR. CHAIRMAN:** Yes, I've accepted the Motion, and I made the reference that the Minister was speaking to the Motion, the Minister to my left. And now the Member for Burrows is also speaking to his own Motion.

**MR. HANUSCHAK:** Yes, this is a very simple matter to resolve. We're not debating a matter of

philosophic principle; it's a matter of determining the amount of time the procedure was followed by the previous government in reviewing the Estimates, and surely, you know, that can be resolved once and for all by the Committee on Privileges and Elections. We can call in the people who were involved in the Estimates review process and the whole thing can be resolved in a matter of hours.

**MR. CHAIRMAN:** The Member for St. Johns speaking to the Motion.

**MR. CHERNIACK:** Yes, Mr. Chairman, I think it's unfortunate that the Member for Burrows deemed it necessary to bring the Motion, but I can understand that a Minister is making unsubstantiated, unsupported statements about matters which normally take place in secrecy — when I say in secrecy, in Cabinet confidentiality, and, frankly, I don't remember ever referring, when I was a Minister, which was quite a while ago, to anything I was told about how the previous Cabinet operated when it was meeting in Cabinet or in a Committee of Cabinet, so I think it's reprehensible that this Minister is prepared to report what he was told that he should never, frankly, have ever discussed with civil servants and put them on the spot to account to him for how procedures were carried on by the previous government in the confines of the Executive Council, which I was taught was something that was confidential and confidential forever. Now the Minister is gleefully reporting — and has done it more than once — today isn't the first time, what he was told by — we don't know — by unnamed people, unsupported in any way — he's making statements about how the previous government operated. He would be much better advised, Mr. Chairman, to be making recommendations for the future to his government on the way his government should operate its affairs, but to carry with that a slant and a slap and a revival of election talk that went on before is not, I believe, in accordance with the dignity and with the respect that a member of the Executive Council should have for his predecessors. I think that it is a pity that he and his group find it necessary to make statements like these that are unsupported, unsubstantiated, and stir up what is unnecessary if one considers that there is a government today to run the needs of the people of Manitoba.

If we were discussing principles or policy, that would have validity. But this Minister is doing damage to the whole system of government, is inviting me to report to the people of Manitoba that I was told that he never attended meetings of Cabinet when he was a Cabinet Minister in the past except when they dealt with his specific item and was always out of the room when they dealt with all other items. I wouldn't say that, Mr. Chairman. But, you know, it just prompts me to say that what somebody is told about confidential operations is something that ought not to be repeated and I suppose that's what made it necessary for the former chairman of the Management Committee to indicate not only disagreement but resentment and I can understand his bringing this Motion.

**MR. CHAIRMAN:** The Member for Burrows.

**MR. HANUSCHAK:** That's exactly what prompted me to make the Motion that I did, but I would hope that the Minister without Portfolio would also be mindful of the precedent that this would set and the ramifications that it would have and the implications on the future operations of government including his.

**MR. CHAIRMAN:** The Honourable Minister without Portfolio, on the same Motion.

**MR. SPIVAK:** Well, Mr. Chairman, one of the problems we have is that the Task Force of necessity had to deal with the central management of government and it had to come to certain conclusions, and it had to draw those conclusions based on the information that was given. The reason they had to deal with central management was because the observations when we took over government simply indicated the need for substantial change, the need for reform and we were involved in a procedure in which we were introducing a restraint program, which in many respects had been a restraint program that had been introduced almost a year earlier by the previous government but which had not been carried through and we wanted to understand why this did not occur, why it was not reflected in the Estimates of the previous year, why in fact it was not carried out. We had to deal with the information flow, we had to deal with the work of the program auditors. We were quite astounded at the information that the program auditors actually had within the Secretariat. We wondered why that information hadn't been acted on. We wondered why the decisions of government appeared to be so different than the information that was provided.

So, Mr. Chairman, we had to review this, and we had to come to certain conclusions. Now, the

honourable members may believe that in some way this information that's being passed on, is being passed on in sort of violation of the basic understanding of government and the basic way in which the Executive Council's functions are maintained as both confidential and not normally the subject of debate in terms of its internal operation and to that extent, I think that there is some legitimacy, except that I have to point out that this is a review of the government, including the central management with some very major recommendations for change in procedures and this comes as a result of the information that was provided to us. What I've done to the committee today is I've given some of the information in a more explicit way than is contained in the report, but if one reads in the report, one will be able to recognize some of what I've said. I could be covering in the presentation here, an area which would be considered borderline in certain respects. If that is the case it was not intended to cover that because I think I have too much of a respect for the procedures of the Legislature and I'm not about to alter it. But it simply comes forward, Mr. Chairman, because to a certain extent I think the provocation of the suggestions that the conclusions here are simply not based on facts or on assumptions that were provided, or information that was provided, but rather on certain prejudged assumptions that were there prior to our taking over government.

Mr. Chairman, I want to explain at this point, I have no fear at this point in talking about the kinds of recommendations that we have or the proposals that we have or the future change. It's based on our analysis of it, and if the members opposite want to talk about what happened in the past, I'm prepared to talk about it as well. —(Interjection)— Well, I'm prepared to talk about it. But our conclusions are based on our information that we have as it was in the past, and we believe those conclusions, that the information that was given to us was given in good faith. But what was intended was not to violate the rule, but of necessity, any Royal Commission or any Commission by Order-in-Council, given the right to in fact look into the central management of government, of necessity has to cover procedures of the Committees of Cabinet. I think one must recognize that we have attempted here in the report to show the structure of the way in which the executive of government operated in the central management structure, and that's shown on page 59, and, Mr. Chairman, I think that if one looks at that, one recognizes that that was the structure under which the government operated and one can draw a lot of conclusions without even having to say anything with respect to the operation of government over the last few years by just looking at that.

**MR. CHAIRMAN:** The Member for St. Johns, speaking to the motion.

**MR. CHERNIACK:** Mr. Chairman, speaking to the motion! Mr. Chairman, the Minister has indicated that we want to talk about the past. Mr. Chairman, the fact is that he is the one who talked about the manner in which Estimates were made, budgeting was done in the past. He is the one who raised it. He is the one who made the casual comment that the Estimates were prepared by the First Minister sitting for a week and dealing with the Estimates. Now, Mr. Chairman, the point I'm making and the reason this motion seems relevant, is that the Minister has put civil servants obviously now, civil servants on the spot, questioning them about what went on in Executive Council and its sub-committees, inquiring as to what the procedure was and now he refers to a Royal Commission. Mr. Chairman, a Royal Commission has the power, and does call witnesses, swear witnesses, hold certain of its sessions in public, and in this case, this Task Force did not — well, would the Minister indicate that he swore any witnesses, that they were required to tell the truth — or will he say that they are people whom he asked questions who were bound to reply and who are hearsay in this room, whom he is reporting without name, without specific statement, but just making a broad statement which is damaging to the previous government in that respect which would only require another member of the previous government to reveal further confidences of government. And I say he is actually attacking the structure of our system of government. He is destroying it and then he says he's sorry but he's bound to do it. He is not bound to do it, Mr. Chairman. What he is bound to do is to make recommendations. He has refused to give us the background material on which the recommendations are based. That is his legal right and he has asserted it. But then to go back and keep talking about hearsay, making hearsay statements which were, in the case of some people, breach of confidentiality. I would have to say in the case of every person other than the Minister because anybody who told him anything like that breached their obligation, and in many cases an oath to keep confidentiality. He forced them, I say he forced them by asking . . .

**MR. SPIVAK:** I didn't force them.

**MR. CHERNIACK:** Well, he called them in and he said, now you tell us what went on last year,

and they told him what went on and this Minister, if he had any respect for the system of government would have stopped them rather than to invite them or let them go on. And now he is repeating it again and again without vouching for it in any way other than these hearsay statements about which he admittedly knows nothing. I say admittedly, he can't possibly have known what went on. Now, the people on the committee who are rising to the aid of the Minister don't like to hear this but let them know. They're not all Ministers. Let them know what can go on if Ministers become irresponsible, and let the Ministers know what can be reported about them that goes on in the confines of the Executive Council Chamber where they may feel that they are free to speak their mind without fear of being reported by others. Let them know that the Minister whose salary we are now dealing with is prepared to reveal confidential information gleaned not by himself but from other people. I think that's disgraceful.

**MR. CHAIRMAN:** To the Members of the Committee, the Clerk has written out what we believe is to be the motion by the Honourable Member for Burrows and that is, "That the statements by the Honourable Minister without Portfolio responsible for the Task Force, regarding Estimates, consideration by the previous government be referred to the Standing Committee on Privileges and Elections. " The Honourable Member for Burrows, is that correct the way I've read it?

**MR. HANUSCHAK:** Sorry, I didn't listen.

**A MEMBER:** Yes.

**MR. CHAIRMAN:** All right. All in favour of the motion please indicate so that the Clerk can record it.

**MR. CLERK:** Yeas 6, Nays 12.

**MR. CHAIRMAN:** I declare the motion is defeated. Any further speakers or questioners of the Minister? If not, we'll ask if we can pass his salary. The Member for St. Johns.

**MR. CHERNIACK:** Mr. Chairman, I think there will be quite a bit of discussion yet about these reports. I have one question. I want to ask the Minister, now that he has not been able to tell us that in the case of Legal Aid anybody discussed the recommendations or conclusions or any of the information with the Chairman and Executive Director of Legal Aid, will he inform us the extent to which they discussed with the Deputy Minister of Finance their concerns and considerations in regard to capital financing as indicated on Pages 154 and 155 dealing with Crown Corporations?

**MR. SPIVAK:** I think the Deputy Minister of Finance has already indicated to the Public Accounts Committee that it was not discussed with him. So I don't think that that question has to be asked of me.

**MR. CHERNIACK:** Well, I do, Mr. Chairman, because I don't know whether the Minister confirms that that's the case, and if it is, is he then indicating to us that when it comes to raising a question involving the manner of borrowing for the future that neither he nor members of his Task Force, nor the Research Committees took the trouble to discuss it with the man who is responsible for raising all these moneys for the province of Manitoba? He is giving us that indication.

**MR. SPIVAK:** Mr. Chairman, the matters were discussed with the review team chairman, with the staff of the Task Force who were involved with the committee particularly with respect to the discussions that it had and the research that took place.

**MR. CHERNIACK:** Mr. Chairman, could we know who are the members of that Task Force, or that research group?

**MR. SPIVAK:** Whpch committee?

**MR. CHERNIACK:** The one that dealt with capital fund raising.

**MR. SPIVAK:** The Crown Corporation was chaired by Mr. Robert Jones who is the present Chief Executive Officer of the Investors Group. The members of the committee consisted of Mr. Martin Freedman who is the counsel for the Bgyce Commission Report. I believe Mr. Jack Ellis who is Vice-President of James Richardson Sons, and Roger Murray, President of Cargill Grain Company.

**MR. CHERNIACK:** Mr. Chairman, these gentlemen, who are

involved to my knowledge, any of them, in — well, I suppose Mr. Ellis has something to do with fund raising on foreign markets, I don't know that he has — but they did not bother to talk to the person responsible for fund raising within the province who has raised millions of dollars. Mr. Chairman, not only that, but apparently they did not get a recommendation from the department itself. Now, even the department wasn't asked for a recommendation. The Minister has said there was really no recommendation from the department that the Minister is aware of. Mr. Chairman, on that basis they are proceeding to deal with that.

**MR. SPIVAK:** Mr. Chairman, the review teams met with the various officials of the Crown Corporations, the heads of the Crown Corporations, the officials who were involved in the financing, the procedures that were followed. They tried to apply to the government the necessary changes so that the Crown Corporations would in fact operate in a similar fashion to that of corporations in the private sector, accountable to its shareholders, and in some cases accountable to subsidiary corporations if they are controlled by other corporations and in turn there was information that was available to them on studies that had been undertaken with respect to the particular matter. Who within the Department of Finance they dealt with I can't tell you, but I do know that when recommendations came through, particularly with this item, that the Task Force did meet with the chairman, we went through this along with the secretary of the review . . .

**A MEMBER:** I'm sorry I missed that, met with whom?

**MR. SPIVAK:** The Chairman of the Review Committee. When the Review Committee's recommendations came in, we met with the review team chairman, particular reference to this item and we dealt with this. And the Task Force secretary was involved. We also had the summary of their findings and we drew the conclusion that is contained within the report.

**MR. CHERNIACK:** Mr. Chairman, that is a committee, a research group and a Task Force that did not trouble to discuss this matter and obtain recommendations of the Deputy Minister of Finance who is responsible for fund raising.

**MR. SPIVAK:** There were by the way meetings, if I'm correct, with the Minister of Finance.

**MR. CHERNIACK:** Well, the Minister himself says he didn't make a recommendation.

**MR. SPIVAK:** Well, I don't think he made a . . .

**MR. CHERNIACK:** Mr. Chairman, is the Task Force Chairman, the Minister saying that the recommendations or opinion of the Minister of Finance is one which is more important than that of the Deputy Minister, who has been involved in raising funds over many years for all these Crown Corporations?

**MR. SPIVAK:** Mr. Chairman, I think it's important because I think that this issue has been dealt with prior /in Public Accounts to try and get more information on it. But I want to point out to the Honourable Member for St. Johns, that again, the review team members met with those involved in the Crown Corporations, and dealt with them, dealt with the method of financing, dealt with the approach that was made by the government, our experience in the corporate field, and financing of major corporations, and there was an attempt here to provide recommendations with respect to Crown Corporations to put it into a greater degree of accountability and to provide it on a more business-like basis than it had operated before.

Those recommendations were dealt with by the Task Force, with further meetings of the committee, with the committee chairman, and with the secretary of the committee, and on the basis of that, the recommendations were made. I want to point out to the Member for St. Johns, if he disagrees with the recommendation, and if he sees something wrong with the recommendation, let him say so, if he does not agree with it, let him say why he doesn't agree with it. And then, in turn, we

will have his contribution to the process. We have arrived at a conclusion, we have tried to indicate our procedures, and I must say, Mr. Chairman, I have no intention, really, of following the procedures that I have followed so far. I have no intention of telling the Honourable Member for St. Johns from here on in who met with what, because I don't think that that serves any purpose. I have indicated that the meetings were held, not everyone was spoken to, not every Deputy was spoken to, in some cases I am very familiar with the names of the people and in other cases I am not familiar, and I don't think it serves any purpose.

These recommendations were a consolidation of information that was processed, and the final determination was made by the Task Force based on the best information that we had. If there is disagreement with the information, if there is a disagreement with facts, then let the honourable members put it on the table and tell us why or how they disagree.

**MR. CHERNIACK:** Mr. Chairman, I'd like to put on the table. . .

**MR. CHAIRMAN:** Excuse me, just before I recognize the Minister of Consumer Affairs who has a motion, I'd like to recognize the Member for St. Vital, who has a comment to make regarding the most recent motion.

**MR. WALDING:** Mr. Chairman, I believe it's a matter of privilege of the committee, Mr. Chairman, and without wishing to reflect on a decision that had been made by the committee nor to reflect on you as a Chairman, I'd like to draw to your attention, Mr. Chairman, Citation 242, which I believe was not available to you when you accepted the previous motion. 242(2) reads — "the only motion allowed," and this refers to the Committee of Supply, "when a resolution is under consideration in Committee of Supply, is that the amount be reduced or that the Chairman leave the chair, either without making a report or to report progress on certain resolutions." That would appear, to my reading, Mr. Chairman, to rule the previous motion which you accepted, out of order. I wonder if you wish to comment on that now or maybe take it under advisement to our next meeting.

**MR. CHAIRMAN:** I thank the Honourable Member for St. Vital for bringing that to the committee's attention and I'll certainly take it under advisement.

The Minister of Consumer and Corporate Affairs.

**MR. MCGILL:** I move that committee rise.

**MOTION presented and declared lost.**

**A STANDING VOTE** was taken, the result being as follows: Yeas 10, Nays 7.

**MR. CHAIRMAN:** I declare the motion carried. Committee rise.\$

## SUPPLY — HEALTH

**MR. CHAIRMAN:** I would direct the honourable members' attention to Page 36, Health and Social Development. 1.(a)(2) Salaries — the Honourable Member for St. Boniface has 22 minutes.

**MR. DESJARDINS:** I can assure you, Mr. Chairman, that I don't intend to speak that long, just a few minutes to finish what I had started before the dinner hour, and I think that we were talking about the financing, block funding, on the Social Services.

I would want to say, though, that I thought that the Minister was kind of cute in trying to set up the situation, blaming Ottawa for no more funds or a lack of funds, giving us a lack of funds, and setting it up so the social agencies would be warned that there would be no new programs and probably no expansion of the existing programs, and that Ottawa would be blamed.

There is no doubt that I certainly don't blame the Minister because we were having block funding. He is absolutely right, it was pretty well *afait accompli* before Mr. Lalonde left. We fought very hard to have that changed, but it wasn't to be, and it was obvious that the Federal Government was going to bring this block funding. But the main reason I would say, that it was blocked by Ontario and Alberta, and some of the other provinces, that was the situation.

My honourable friend though, I think it should be something that he should look at, maybe it should be a lesson to him because he was all set or he is all set to maybe blame the Federal Government or at least he would have somebody to share the blame and say, "Well, there is no money from the Federal Government." But how can you have it both ways. The Conservative Party is saying to the Federal Government that you shouldn't spend too much money, that they are spending

too much money, too much staff, and this was in the field, but it seems that this government has chosen to curtail programs to try to save some funds. Of course, where else can they go. The Minister is absolutely right. Approximately 40 percent of the total budget of the province is spent by this Department but I wanted to make that point.

One thing that we will be following very closely is how much money, and this is a question that I have asked the Minister and the Minister of Finance, how much are we going to get from Ottawa? I was promised an answer, of course, only when the Minister is sure he knows what the situation will be. And I also want to know if all that money will be earmarked for Social Services programs as well the provincial share, so then we can make sure that it won't be a reduction or a pulling out of the provincial share, and say, "Oh, yes, we are spending all that money from Ottawa." Well, of course, that would be just a kind of, not a straight answer, a devious answer, and I am sure the Minister would not resort to that.

Now before I sit down we can start looking at the Estimates properly. I asked about two months and I hope the Minister is prepared for this, but we would like to have right now, immediately the list of the staff man years, that is permanent, term, contract, part-time and vacancies as approved in 1977-78, in the last budget, November 1st, 1977 — approximately when this government took over, and I might say April 1st but I don't want to play games and I don't want anybody to play games with me, I'm talking about now what will be approved at this time once the Estimate is approved. And, I hope that they will give us the same courtesy, the same information as we gave them last year, and that is that this will be broken down by different divisions in the department. In every department, I'm talking only about the Department of Health, but different divisions within the department.

I would also suggest to the Minister that we can save time if he could take a few minutes maybe to explain this reconciliation statement. If not, I'm afraid that I'll have to ask a lot of questions because some of the figures that they have on this for last year doesn't jive with the figure that I thought that we had approved last year. So, if we can understand that a little bit it might save a lot of time.

**MR. CHAIRMAN:** The Honourable Minister.

**MR. SHERMAN:** Mr. Chairman, with respect to the honourable member's question having to do with staff complement and total staff man years 1978-79 in the department broken down by division, and comparisons with 1977-78 and 1976-77, I have that information in printed form and I would ask one of the Pages to take a copy of it over to the Honourable Member for St. Boniface.

As far as the question on vacancies is concerned there is a cumulative total attached on Page 3, the honourable member will see, on vacancies. But, if he wants a breakdown of vacancies by program or by division we would have to get that for him.

I understand that a request somewhat similar to that is already in as an Order for Return, but I may be incorrect on that.

**MR. DESJARDINS:** It would help if we could have it while we're looking at the review and then I'm sure that it's going to save an awful lot of time in questions.

We're on 9. (1)(a) Salaries. I wonder, Mr. Chairman, if the Minister can explain the setup in his office. I think this is the best place to look at it. I see that there is no longer a Policy Committee, so therefore we did away with (c), I think it was (c) last year on this, (c) or (d), and I wonder, briefly, if the Minister can explain the setup in his office and maybe explain the position of Dr. George Johnson. I understood that he is the Chief Medical Consultant and Tavener was already the Chief Medical Consultant. Now, has his position been switched and therefore, maybe the Minister could tell us about the people in his office and what they're doing and so on. They've cut down from 14 to 9, but you know, there were vacancies in there before.

**MR. SHERMAN:** Mr. Chairman, the Member for St. Boniface is quite correct. There were five staff positions previously designated for the Central Policy Committee, so-called. They have been abolished and those funds have been deleted from the Estimates.

My office consists of nine personnel which I can detail. At the moment it consists of one term position that is vacant, two clerical, two secretaries, my Executive Assistant, my Special Assistant, my Deputy Minister Mr. Johnstone, and myself. Mr. Johnstone to whom I refer of course is my Deputy Minister. Dr. George Johnson is not included in this group. He is on contract to me as special advisor to the Minister, medical. It's not in conflict with the position that Dr. Roy Tavener still holds as Chief Provincial Psychiatrist and Chief Medical Consultant.

**MR. DESJARDINS:** Can the Minister go through for us the reconciliation statement, or will that

have to be done as we go along?

**MR. SHERMAN:** Well, Mr. Chairman, I would be happy to accommodate the honourable member with regard to the reconciliation statement in any way that I can. I believe that the way the Estimates have been laid out for the current fiscal year that we have done that in connection with every department and it simply is a straightforward, or intended to be a straightforward reconciliation of the vote in the 1977-78 appropriations, as compared to what we are looking at for 1978-79, but I would certainly attempt to accommodate the honourable member in any questions that he has.

**MR. CHAIRMAN:** The Honourable Member for Seven Oaks.

**MR. MILLER:** Mr. Chairman, the reconciliation statement of the Main Estimates is the MHSC federal recoveries, which I understand, the GSI, the transfer of functions from Mines, Resources and Environmental Management — could the Minister tell us what those functions are? As well, the \$200,000 Northern Affairs, could he tell us what that is, what ? they consist of

**MR. SHERMAN:** Mr. Chairman, the \$19,800 item shown for Mines, Resources and Environmental Management refers to the licensing officer transferred, and the \$200,000 for Northern Affairs covers the Home Economics Program operations. That is in northern Manitoba.

**MR. MILLER:** All right, then, the last one Capital, the transfer functions to Public Works. Is that Capital or is that operating funds that were transferred to Public Works?

**MR. SHERMAN:** Mr. Chairman, I'm advised that we used to pay operating costs for the Manitoba School for Retardates at Portage la Prairie. We no longer do that, and that now all comes entirely, I would assume, under the Department of Public Works.

**MR. MILLER:** So, instead of Public Works doing the work and billing the department, they're taking it on as their responsibility so the funds are transferred to them.

Then the last item, the reference to the Schedule "B" Loan Act, \$3,506,000. As I see it, you're asking for \$398,000 this year and in the statement distributed by the Minister of Finance there is \$405,800 which is a carry-over of authority for 1978-79. So, firstly, is that \$405,000 money that has been actually spent — authorized and spent — and what about the balance of \$3,101,000.00? Will that lapse? Are there now some programs being examined by Management Committee which will require the utilization of the Capital authority and a draw-down of that Capital authority?

**MR. SHERMAN:** Mr. Chairman, included in the Département of Finance listing was a carry-over authority, as the honourable member points out, of \$405,800 for capital projects for the department. I can give him a breakdown of the \$190,300 that will be used during 1978-79. The fact of the matter is that looking at that carry-over and subjecting it to a subsequent review, we find that the carry-over authority can be reduced by \$215,500. That leaves \$190,300 that will be used during 1978-79.

The Department of Finance has been advised to amend their records accordingly and I can give the honourable member the breakdown as to where the \$190,300 is to be applied. It includes the Pelican Lake Training Centre, Vital Statistics Computer Retrieval System, Residential Smoke Detectors Program and Ambulance equipment purchases.

**MR. MILLER:** Mr. Chairman, I'm not seeking a breakdown. I'm trying to understand what is occurring. The \$398,000 is what the Minister is asking for this year. Was he giving me a breakdown of that \$398,000 because I was not interested in that. It was the \$405,000 carry-over.

In making that statement, the \$405,000 carry-over, does that mean that the \$3,506,000 voted in last year's capital, all of it has been already expended except for \$405,000.00?

**MR. CHAIRMAN:** The Honourable Minister.

**MR. SHERMAN:** Yes, Mr. Chairman.

**MR. MILLER:** If it was expended, and you may not have it today, I am wondering whether the Minister could tell us — perhaps for tomorrow, if he can get the information — the \$3.1 million which has already been expended, what the flow of funds on that particular money — how much was expended before November 1; how much was expended since November 1? I know he may not have the information here, but I would appreciate getting it for tomorrow.

**MR. SHERMAN:** Mr. Chairman, I have to revise my last answer to the honourable member. The



\$3.1 million was either used or cancelled, and I will get the details for the honourable member with respect to the flow and the application of it.

**MR. MILLER:** Is the Minister saying then, of the capital voted last year, that in fact the amount of \$3.1 million may have been cancelled and that all that is intended to use was the \$405,000 which the Minister of Finance indicated might be used, and now it has been reduced by \$215,000.00. So I'll wait until tomorrow to get the information on it.

But Mr. Chairman, while I'm on my feet, I heard the Minister's opening remarks and I found myself listening to a repeat of the scenario and the script which has obviously been laid down by members opposite, by every Minister that's presented his Estimates, and the script is the same old script again and again — you know, fiscal restraint, we'd like to do more, our heart is in the right place but gee, we can't do it because things are so rough and tough — and they're obviously putting people's needs a lower priority than the tax credits or tax cuts to people in the upper incomes; that obviously is their priority. I don't mind if that is their priority, but I wish they'd say so, I wish they wouldn't try to present it in the manner which is being done, of saying, "We have no choice." You have a choice; you had a choice; you chose to adopt certain policies, and that's your privilege. I've never challenged that; I've never questioned it. But that is the choice you've made, and if you say that honestly and clearly you will not find me critical of the way you present it. You may find me critical of the choice you make, the policies you adopt, but I'll never question your right to make those policies in the position you're in, because that is your responsibility.

As I say, I hear the same scenario which has obviously been prepared; Minister after Minister arguing that they just don't have the funds, or capital — "We'd like to undertake programs, but this requires capital and we haven't got capital. We don't want to spend the money; we can't afford it. We're spending \$12.2 million." But on the other, the whole, what was the amount? The five-year capital program? I think the reference was made to something like \$335 million, or something like that. But the downstream operating cost would scare the Minister, \$500 million.

Of course, a great portion of that — and I don't remember the amount — but a great portion of that five-year capital program was the Health Science Centre, which of course is not a new facility. It is a replacement of an old facility, so when you calculate your downstream costs, are you showing this as a new downstream cost, or simply the fact that you are replacing existing costs with new costs, some which may be higher, some which may be lower, because of more efficient operation of a newer facility.

But again, that is your decision and that is a decision that you have to make. You chose to give the doctors a 6.8 percent increase, that's fine with me, but then don't hammer — which I hear from that side constantly — people are being spoiled rotten. And don't hammer us on this side for speaking up when we feel that the government is not treating other individuals in our society with the same equality and fairness as doctors, whether it be nurses, whether it be LPNs, whether it be the person that sweeps the floor in a hospital, that facility — you simply shrug your shoulders and say, "Well, there is no money. If they can't afford to pay more, they can't afford to pay more."

And then he is very critical of the Federal Government. He said, "What did they do? They gave us flexibility." I think he used the phrase, "Flexibility to use future dollars," but there is going to be less future dollars, and he is very sad about that. But that is what this Minister has been saying almost every day in this House. "We gave the hospitals money and they have to live within that money. We have given them autonomy, we have given them flexibility. And the other Ministers — in the same way — dealing with the City of Winnipeg or other municipalities, we want them to operate with the greatest latitude and flexibility. They have to determine the priorities." But, you know, this is what you were saying vis-a-vis your relationship with the Federal Government, if the pie isn't big enough you are not going to be able to get enough slices out of that pie, and that is exactly the position that the hospitals are faced with, the municipalities are faced with, and that is why they had to go to user fees and that is why you have gone to other user fees and a myriad of programs I am not going to list now.

But you have decided that you have to sell to Manitobans the idea that things are in such a bad financial condition that you keep repeating that in order to justify doing what you are actually doing. You are pulling back, you are restraining, you are constraining. If you want to do that, then do it, but by God, don't come here and cry and try to make us believe that you have no choice, because you have a choice. You don't have to do that.

As the Minister pointed out Manitoba probably heads the list on per capita expenditures in the

Tuesday, May 16, 1978

field of Health and Social Services, and I am proud of that. I was hoping that the Minister would be proud of it, but I didn't sense that pride at all. Instead he told us about the dilemma he has, and it is a dilemma, that over a number of years there will be a leveling down of grants from the Federal Government to a national average which I think is about 22, if my memory serves me correctly. Ontario is one of the low ones at 16; we are at about 26, so that we are considerably above the national average. And again the Minister says, "Well, that is going to put us in a terrible dilemma." I don't doubt it is. But instead of deploring the situation, except for the fact that he is not going to get a few more dollars — he didn't say to us, "This is going to put us in an awkward position and is going to make more difficult the delivery of certain services, of needed programs, programs that we are proud of having." He didn't say that. He said, "Because we are faced with this we have to restrain today." Today. You know, the bill is in the House, I suspect that bill is going to be talked on for a long time. We may be having an election before that bill comes through. Until the bill is passed the CAP and VRDP are continued, they are not being cancelled out. So as far as this year is concerned, the likelihood is you are still going to be in the old cost-sharing. But already you are cutting back in anticipation of something, maybe.

So, Mr. Chairman, I just felt I had to make these few comments because I deplore it when the Minister says that those Social Service agencies and people who have been recipients and in need of social services have to accept the realities of cutbacks. They have to accept the realities of cutbacks just like everybody else in our society, and I am saying to the Minister that the cutbacks that he wants to impose are his business, but when he asks people to make sacrifices, I say to him the sacrifice has to be evenly shared. If people in higher incomes are given bonuses, then he shouldn't be surprised when people on lower incomes balk somewhat at making sacrifices, and I wouldn't blame them, particularly when the Minister is sort of clothes his comments in this sort of sanctimonious air of, "Gee, we would like to, but gee, we can't; we really we mean well, and it is all for your own good that all this is taking place." I don't accept it, I don't think the people of Manitoba accept it, and again if the Minister wants to cut back on programs, if he wants to increase where he wants to, whatever he wants to do, let him do so, but let him not hide behind some facade of he really has no choice. The choice was his and his colleagues; they chose not to do it, it's as simple as that.

**MR. CHAIRMAN:** 2.—pass — the Honourable Minister.

**MR. SHERMAN:** Mr. Chairman, I just want to take one minute to make sure that there is no misunderstanding on a specific point here. I respect what the Honourable Member for Seven Oaks has to say and I don't intend to debate his advice to me, but he did make the suggestion that he thought we probably would be all right this year, because he thought CAP and VRDP would continue this year anyway. The fact of the matter is that the new block funding legislation prescribes that it be retroactive to April 1st of this year. —(Interjection)— Well, if it is passed, but, of course, everything is predicated on its being passed. I think that there is very firm intention on the part of the Federal Government to do that, and if it is passed it is retroactive to April 1st of this year.

**MR. CHAIRMAN:** The Honourable Member for St. Boniface.

**MR. DESJARDINS:** Mr. Speaker, while my colleague was speaking I had a look at this list that the Minister has just given me, and I don't understand it at all, because the figures that I have for the staff man years for 1977-78 certainly don't jibe with what we have here at all. Now it is understood that maybe some people will be transferred somewhere. I think that there is a program that has gone to the Manitoba Health Services Commission, but including the Department of Corrections, it should have been \$4,272 and one-half, not 3,505, so I guess we will have to find out as we go along what that means, because I can't understand it at all.

**MR. CHAIRMAN:** The Honourable Minister.

**MR. SHERMAN:** Mr. Chairman, the statistics that I gave the honourable member relate just to the Department of Health and Social Development in-House as such. I have to supply him with the figures for the Commission and for the Ministry of Corrections and Rehabilitation.

**MR. CHAIAN:** 2.—pass; 3.—pass; (b)(1) Salaries—pass; (2)—pass — the Honourable Member for St. Boniface.

**MR. DESJARDINS:** Salaries — you're on the Social Services?

**MR. CHAIAN:** (1) Salaries, Social Services Advisory Committee.

**MR. DESJARDINS:** We went over that pretty fast. What happened to . . .

**MR. CHAIRMAN:** It's still 1.(b)(1).

**MR. DESJARDINS:** 1.(b)(1), yes. Could the Minister tell us if the policy is the same on that with the Social Services Advisory Committee? I understand that there might be a reduction of staff there, of only one, is that it? Is the policy the same? And will this Advisory Committee, who also acts as an Appeal Board according to the Act, will they serve as an Appeal Board if there is an appeal for a health card for the elderly? Will they also serve as an appeal? That's their job according to the Act and I wonder if they're going to do it.

**MR. SHERMAN:** The office staff, the establishment staff attached to the Social Services Advisory Committee function, Mr. Chairman, is reduced by one in total staff man years, from four to three. One position has been abolished; it had been vacant for two years. It hadn't been filled for two years.

The function and terms of reference for the Committee are unchanged although, as the honourable member knows, there has been a change in personnel on the Committee. But the function and the terms of reference are unchanged. The answer to his last question is yes, they serve as an Appeal Board on all welfare questions, social allowance and social allowance appeals, so they would be able to hear appeals relative to the Social Allowance Health Services cards.

**MR. CHAIRMAN:** 1.(b)(1)—pass; (2)—pass; (b)—pass. Clause 2. Resources Division, (a) Financial Services, (1) Salaries—pass; (2)—pass; (a)—pass. (b) External Agencies, (b)(1) Salaries—pass — the Honourable Meer for St. Boniface.

**MR. DESJARDINS:** Mr. Chairman, I wonder if the Minister could give us an idea of a progressive report — as far as I am concerned — for the Office of Residential Care. This was a main priority of our department last year. I think it was felt from all members of the House that this was needed and this was a step in the right direction, and I am interested to know how it's progressing and what it's doing and maybe the Minister could . . .

**MR. SHERMAN:** Mr. Chairman, as the honourable member knows, this particular office, the Office of Residential Care has specific responsibility for ensuring a satisfactory standard of residential care for children and adults — that is non-institutional. It performs that duty, meets that obligation through the licensing and regulation of facilities and the monitoring of physical and program standards, and through the assessing — both at the level of funding and the rates charged — measured against the services provided.

The office is functioning. It is issuing licences and it is maintaining and monitoring standards at a level that, I think, probably is consistent with what the honourable member had in mind when we discussed this particular item last year.

**MR. CHAIRMAN:** (b)(1)—pass — the Honourable Member for St. Boniface.

**MR. DESJARDINS:** Would this be the place to maybe hear the Minister explain a little more about the volunteers. This is something that I agree with the Minister, I think I made it quite clear the past years, that I believe that there is a role for the volunteers. But I certainly didn't like the idea that the Minister stated that we've done everything to discourage the volunteers. I think the Minister would have much more co-operation if every time he makes a statement he didn't try to knock the former government especially in areas such as this which is not the case at all. For instance, you had the volunteers who ran the Meals on Wheels program, and s many others, the hundreds of volunteers in different hospitals; but we felt at the time that it wasn't that easy. There was competition for volunteers; there were so many different agencies.

Now, I read the announcement. I heard the Minister make the announcement about volunteers, but what does he have in mind? Where can we find that? How much money is there in the budget? Is it an office that will co-ordinate the volunteers? Or is it just moral support, or what? Or is this the wrong place to discuss the volunteer? We're talking about External Agencies and I thought that this might be the place.

**MR. SHERMAN:** Well, Mr. Chairman, I'm in your hands. I don't mind discussing the subject of volunteers at this point. There's really no place in the Estimates other than on my salary to discuss it. —(Interjection)— No. In response to the honourable member, let me say that my remarks and the attitude of my colleagues with respect to volunteers and the reservoir of energy that we think

is available to various programs in the volunteer sector, were not directed necessarily at the previous government, at the government of the past eight years, in any way, shape or form. They were directed at a kind of attitude, a kind of climate that has developed, I think — it's just my view — in this country for the last 20 to 30 years and I think I said that governments of all stripes — I certainly said it in my statement outside the House — that governments of all stripes in Canada for the last 20 to 30 years have moved into so many sectors of activity that I feel and I know my colleagues feel that there has been a resultant frustration for and a roadblock put in the way of, those many members of the community who normally would like to give of themselves in a voluntary way. I have certainly encountered that kind of frustration in the service club to which I belong in the last 15 to 18 years when there seemed to be fewer and fewer projects that we could get ourselves involved in, because it didn't matter whether it was the federal, provincial, or municipal government or whatever stripe those administrations belonged to, there was less and less appreciation of, it seemed to us, and opportunity for the volunteer spirit.

So, those really were the parameters within which I was making the remarks. My remarks in the public arena were seed remarks in the nature of seed money, I suppose, in that they were intended to implant an idea to create a psychology that would encourage people who have some expertise in the field of recruiting and utilizing volunteers to sit down and work with me and the officials of my department this summer to formulate a program and approach that I would like to take to my Cabinet colleagues for possible implementation next year, in next year's budget and estimates process.

The central component of it would be an appropriation that would permit us to fund volunteer co-ordinators for various social service groups and social service programs in the external agency field.

**MR. DESJARDINS:** I can't quarrel with the Minister when he explains it like that. There is no doubt that, if I'm going to be honest, the more the government is involved in programs, the less volunteers you're going to have. Not only that, but contribution or funds, I think we found that since we have Medicare and Hospitalization, before that, a lot of people would make provision in their Will to leave money to different hospitals, and it doesn't come that easy. Well, certainly not as much.

There are so many times that I've noticed since there was a change of government, that the first announcement, I see myself going along and say, well this is exactly the way we were going, but then, the Minister, as far as I'm concerned, spoils it all by saying, well, the former government didn't do this. The Minister did say in this House, maybe he got carried away, or somebody was nagging him, but he did say, not like this other government who did everything to discourage that. And this is what I don't like. There are certain things, this government, I can see that they've done so little, and then the Minister is strapped. He's got a job, he's a good PR man, and he's going to go ahead and use everything he has. I can't quarrel with that. If he was on my side or if I was on his side, I'd want him to do the same thing. But I'm going to try to keep him honest though.

For instance, the same thing as when he makes a statement about child abuse as if it's something brand new. He's just going on with the recommendations that were made, something that was studied before, and that's going along. That's fine. That's what he's supposed to, and if he changed the policy, fine. But I'm not going to criticize him for any of these things until he forces me to defend my party, or defend my action as a former Minister, and then I have no alternative. This statement was made, because I remember then going out and trying to find some information and so on, and getting ready to debate it at this time, maybe the Minister, as I said, was egged on by somebody, maybe that wasn't what he wanted to say. Maybe he became political like we all do, but nevertheless, he did make the statement in this House that I resent.

Now, what he said today, I concur with him 100 percent. There is no doubt that the more the government is involved, the less support you're going to have, and now more than ever, there is a competition for volunteers, because there are so many different groups, so many community groups in the community and so on, that it's going to be difficult. Is it wishful thinking? Why do we have to have a special statement on that, or a press conference? Again, it's not up to me to decide, but I find that odd that there's not a cent in the Estimates for this at all, is it just a pious statement, because that's cheap. He reminds me of Mr. Lalonde when he was Minister of Health, when I think he lost the battle. I think Lalonde was really serious, and I think he wanted to do all the things that he'd said and he'd made commitments, and we met and met for the last, the Minister said two years, I think it was more like five years, because I think in the days of Toupin, in the days of Miller, this was started.

And I don't know if that was the battle when they lost Turner and so on, but he lost the battle.

But then, all of a sudden it was the same thing. It was all the things that might have been popular and not a cent from the Federal Government. I'm not saying that this shouldn't be done, but all of a sudden, that became the main thing. The seat belts, the fitness, prevention, all those things, but there wasn't a cent in there, and I think the Minister is falling in the same trap. He's got to find something, in his job he's got to do PR because this is the department where the action of a government that wants to preach restraint and wants to cut down on services, on social services, it's tough. It's tough, and you need a hell of a lot of guts to come out and have this policy. You'd be tempted to find excuses, to blame the Federal Government, to blame the former government and so on.

I intend to argue with him and I feel that they are drastic in their cuts and so on, but I don't intend to criticize just for the sake of arguing, or criticizing, but those things, I don't intend to let the Minister get away with that, and use these kinds of things, because I'll bring it up to him. Like the volunteers, that was a big thing. That was a big thing. We were criticized in this House because we asked questions. The Minister wasn't very happy. He felt because you asked questions, and I think my honourable friend will admit that I have asked very few questions, and I didn't take any cheap shots or anything like that at the Minister during the question period. The Minister then said, well, you make a question, anything at all, and then you know you're going to have a lot of publicity and you're out talking to the press and so on. Well, that might be, and I think that we had reason to ask any questions.

But the Minister is not the one that should talk. The Minister knows more than all of us put together about PR. When he made that statement, I went home and I keep some of the clippings and so on, and I saw the picture of the Minister, and I figured, well, what is he talking about, 29 times up to that day, just the things that I was keeping. 29 times in the last six months, that's pretty good. —(Interjection)— Oh, I'm not saying that you're forcing them to do it, but you're quite happy to get that publicity and I don't blame you. I've said that the weakest spot that I had as Minister is that I didn't do that, and I certainly won't criticize him for doing it unless you go all one way and it just becomes a pile of bologna and there's nothing at all.

You made a statement here on Day Care. That was the first one that we had. Not anything about cutting programs, Day Care. And then there was another one — Day Care could have waited here if the others were waiting, but I don't blame you. You're running the department, I'm not. But I want to bring those things up, because all of a sudden there was a big thing of volunteers, now you tell us there's not a cent in the Estimates, that it's something that you want and you believe, and I believe in your sincerity. Mr. Chairman, I'm sorry. I believe in the sincerity of the Minister, and I say to him that I was just as sincere as he was also, and this is something that we should do and try to encourage that, and he'll get my full co-operation on this.

But if there's nothing at all, why make such a big thing and practically call, I think it was a press conference, to announce that we're going on the volunteers or something. I find that odd. I find that the Minister is pretty strapped when he has to do that.

I wonder if my honourable friend can tell us about the per diem rates. Has there been an adjustment on rates of some of those community homes, and then, what is the score with the City of Winnipeg for the licensing? I think we had passed legislation giving us the opportunity or the right to license some of these homes if it wasn't done by the City of Winnipeg. So this is the area that my friend from Wolseley was so concerned the last two years. What is being done so all these community homes are not in the same area, and what kind of co-operation — is the policy the same as what's followed in the past with the agencies as far as our co-operating and monitoring their services and what they're doing and the value of their programs. Has there been any radical policy change on this?

**MR. SHERMAN:** Mr. Chairman, with respect to per diem, the per diems for foster homes and group homes in the fields of child welfare, mental retardation, etc., there are funds provided in the Estimates and we'll be coming to those particular items later on in the Estimates process. There are funds provided to accommodate price increases and cost increases. In terms of overall policy, there is no change with respect to the commitment of the people of the Province of Manitoba through their elected government of whatever persuasion to the essential services and programs required in fields of child welfare, mental retardation, rehabilitation, and social service programming generally.

We have, as I suggested in my initial remarks, had to address the whole commitment and the whole responsibility within the framework of our conviction that restraint is necessary at the present time and that all programs and all sectors of public activity have to share in it, but we have not changed the policy, we have not shifted priorities. The honourable member referred to child abuse;

he knows that I have developed, in the past, some interest in that area and I did discuss it with him on his estimates when he was Minister. I'm very happy that we have been able to move to an expansion of our weaponry for fighting child abuse; it hasn't been possible to do that in every field, but I've put that down as a priority that I want to work toward. There is something of a change I suppose, not in policy but in approach, in that area in that we have determined to do it through the Children's Aid Society of Winnipeg, rather than through a separate free standing central child abuse unit which was a recommendation of an outside committee as the honourable member knows. But the result, the effect, hopefully will be the same in terms of the campaign against child abuse with perhaps a better cost effectiveness; a better result in terms of cost control through utilizing the personnel in the Children's Aid Society rather than setting up a duplicate effort.\$

As for the question of monitoring agencies and programs, I can only tell my honourable friend that I am doing it through my department as best I can. At this juncture I would infer from his remarks that it is the primary responsibility for any Minister of Health and Social Development and something that any person in the ministry should be addressing with ongoing vigilance on a day-to-day or week-by-week basis at this juncture, with the immediate responsibilities that faced me in my first six months, the same as those that faced him in his first six months. I can't say that I have been able to maintain an around-the-clock watch on the effectiveness of those agencies, but I certainly am in constant touch with my officials, my directors, and branch directors, who relate to those functions and to me, and I am satisfied that that kind of monitoring is going on.

On the subject of volunteers, that was a subject that I addressed in a speech outside this House to the annual meeting of the Manitoba division of the Canadian Red Cross Society. It was part of a presentation to the Red Cross, which, as the honourable member knows, has always been a great utilizer of the volunteer and the volunteer spirit; it seemed an appropriate place to talk about volunteers, but it was not presented as a formal position or formal ministerial statement in this House because there is nothing I can do at the moment except simply talk about it, conceive the idea with a view to being able to move on it in a fiscal way next year.

**MR. CHAIRMAN:** (b)(1)—pass; 2.—pass — The Honourable Member for Fort Rouge.

**MR. AXWORTHY:** Mr. Chairman, I hope that some of the enquiries I have won't be repetitive for the Minister. I was unable to be here at the opening of his remarks, but the way in which the new stewardship of this department in its relation to child agencies intrigues me, because it's something that the present Minister, former critic of the department, used to wax eloquent about concerning the need to decentralize the operations of the department and to put a great responsibility on private agencies for delivery of services, so I would be interested in knowing if the Minister at this stage has initiated any steps both in the way of additional transfers of support for external agencies to deliver services, or conversely has he begun to cut back on those. And I wonder if he would be able to through this department and give us an assessment as to what the respective percentage decreases have been for agencies — Hugh John Macdonald Hostel, the agency supplying alcohol treatment services, Osborne House, the Macdonald House, the YWCA Home on Edmonton Street providing care for single women. Can he indicate whether in fact, living up to his former commitment which was to supply greater responsibility to these agencies, or is he not cutting back on these agencies in that their level of support has either stayed even or has decreased from those of previous years.

**MR. CHAIRMAN:** The Honourable Minister.

**MR. SHERMAN:** Well, Mr. Chairman, I can assure the Honourable Member for Fort Rouge that I am living up to my commitment to them in a moral way from the point of view of principle and conviction. I don't pretend that we have been able to lavish new financial support upon them, but I am aware of the discussion to which the honourable member alludes. I did have some concern in years past that there might have been a tendency towards bureaucratization, centralization, under the aegis of the government of a number of external agency operations in the field, and I felt that that was undesirable, that it was preferable to support the autonomous existence of private external agencies and I have not veered one degree or one fraction of a degree from that conviction.

We have, as I said a few moments before the honourable member was able to join the Committee, that we have made a decision in the field of child abuse that reflects I believe that commitment, by engaging in expansion in that area at the level of the Children's Aid Society of Winnipeg, rather than following the suggestion that had been made by another committee that we might go to a separate free standing central child abuse unit that appeared to us to perhaps imply a duplication

of services that were already available through CAS of Winnipeg.

We are also taking steps in the west end of the city to correct an anomaly that has existed for some time that has created difficulty in terms of division of responsibility between the Children's Aid Society of Winnipeg and the Department of Health and Social Development itself to place under the aegis and the authority of the Children's Aid Society of Winnipeg responsibility for child welfare services in that part of Winnipeg which now is rather illogically served in an unjustifiable way and which should be served, in our view, by the Children's Aid Society of Winnipeg.

So those are two tangible steps that we've taken. I hope that we will be in a position in the future with the strengthening economy to continue to fund the external agencies to the reasonable limits of their responsible budget demands. This year we are asking everybody to practice restraint. I think that if we don't apply that same responsibility to the external agencies, we lay ourselves open to a charge of applying a double standard, because it is certainly being applied within the Department itself, and throughout our regional offices in the programs operated by our regional offices. So there is not anything to cheer about or shout about in terms of budget expansion for those agencies at the present moment. But we are attempting to address their needs in terms of meeting cost increases and price increases, and their autonomy and their existence, and the rationale for them is certainly wholeheartedly endorsed by me, by the present government, and there is no change in that philosophy whatever.

**MR. CHAIRMAN:** The Honourable Member for Fort Rouge.

**MR. AXWORTHY:** Mr. Chairman, I didn't assume that there would ever be anything to cheer about in respect to the present program. What I was more interested in was exactly which programs or external agencies are in fact going to be forced out of business, or forced to stop offering a service because of not just simply a holding of line, but a substantial decrease in the amount of funds that are being given to them. I cited two or three examples of agencies that supplied certain services, which as I understand it are in danger of folding their operation and ceasing to supply that service simply because they cannot get any commitment of future funding or continued funding from the government. I mentioned places like Osborne House, the YWCA Home on Edmonton, the Macdonald House, and places like this. Could he tell us exactly what he intends to do with those kinds of agencies and will he confirm that it is not simply a matter of holding a line but, in fact, actually cutting substantially from the support that they received in the last Estimates?

**MR. CHAIRMAN:** The Honourable Minister.

**MR. SHERMAN:** Well, Mr. Chairman, I can quite honestly tell my honourable friend that I have not had a single indication of any external agency in this field contemplating closing its doors or going out of business as a consequence of the 1978-79 budget constraints which they are facing. I am not denying that the Honourable Member for Fort Rouge may well have, but I have to tell him that I haven't had any such indication in this field. I have had that indication from a particular agency in the field of Alcoholism and Drug Education, but I don't think that we are discussing that at the moment. In this particular field I haven't had any such indication, but the member raises an important question and I will have to investigate and respond to him further.

**MR. AXWORTHY:** Well, Mr. Chairman, just by way of example, where there are different crisis centres, can he indicate to us exactly what is the status of the agencies that operate, Osborne House in particular, where commitments were made to keep it open; Macdonald House, it deals with youth in the central core of the city; and the YWCA agency that deals with young women? Could he tell us exactly what is the status of them and what kind of grants they will be receiving this year, and what kind of monitoring is going on?

**MR. SHERMAN:** I would have to take the question relative to Macdonald House as notice, Mr. Chairman, and ask the honourable member if I can answer that part of his question tomorrow.

As far as Osborne House is concerned, we are funding it at the same level that it was funded at in the previous fiscal year and we have not received any indication, or I have not received any indication from them that that situation confronts them with the threat or danger of having to close their doors.

**MR. AXWORTHY:** Well, Mr. Chairman, I would only leave it by saying that I think it may be useful for the Minister to place a call to the YWCA and start asking some of those questions, because I think that both their agencies are experiencing some difficulty.

I think also it would be useful to look, Mr. Chairman, we may want to deal with it in more detail

later on, but it has become evident to me that in other fields where the government is required to supply funds for external agencies, and I am thinking particularly in the field of alcoholism, that of about some 12 or 15 agencies that are being supplied, out of those 15 agencies about 10 of them have had 20 or 30 percent cutbacks, some of them as high as 50 percent cutbacks in their services, which means that the whole field of treatment of alcoholism in the province — as I understand it, the report done for the Health Sciences Centre indicates that about 50 or 60 percent of the cases going into Health Science Centre are alcohol related. Agencies like X-Kalay have had a 40 percent cut; Salvation Army about a 40 percent cut; the Alcohol Council exactly the same; Kia Zan is about a 25 percent cut; Churchill Health Centre almost a 60 percent cut. Mr. Chairman, those are very astounding dramatic kinds of figures where we are virtually wiping out the whole series of external agencies dealing in the field of alcohol treatment in this province, and if that is any indication of what is taking place across the board, then it gives one real cause for consideration. I would think that it is incumbent upon the Minister to table in this House a statement indicating what the exact grant allotments are or estimates are for the external agencies in the budget year 1978-79 as compared to 1977-78. I would like to take his assurances, I would like to take his moral commitment, but the evidence in one critical field — the field of alcohol treatment — is that that moral commitment isn't worth anything. That is all it is, it is a rhetorical statement and it is not backed up by any support. In fact, where you have got many of the important agencies dealing in these areas being substantially, not just being asked to hold the line, to be restraining, but to be sort of slashed enormous amounts to the point where I think the ability to deliver a service almost becomes a joke.

I am afraid, Mr. Chairman, I can't take the Minister's assurances with any great degree of sobriety, if I may continue the metaphor, because he is cutting back in these fields substantially, not just simply asking them to hold the line. I would ask him now to table or certainly table before these Estimates are through a comparison of supports between the two budget years so we will know exactly what he is doing to the external agencies.

**MR. SHERMAN:** Well, Mr. Chairman, there is no question that the honourable member's request for budgetary information, funding information, with respect to external agencies in the Social Development field, in the Community Operations Division, is valid, is legitimate, and I will respond to it as capably as I can and with as much information as I can give him.

But, I cannot accept his premise with respect to alcohol treatment and the whole field of alcoholism treatment counselling and rehabilitation. In the first place we will have ample opportunity to discuss it and presumably to debate it under Resolution 63, I think it is, under the Alcoholism Foundation of Manitoba. I don't think that we should be dealing with it at this juncture. But in the second place, I have to say that I can't accept his premise that the whole program is being dismantled and seriously jeopardized, and I would hope to have an opportunity to present my side of that contention under the proper resolution.

As for external agencies and funding for external agencies and external agency operations generally, as we come to Child and Family Services and Continuing Care Services, Mental Health, Mental Rehabilitation Services, I will do my best to provide the honourable member with the comparable kind and information that he's seeking.

**MR. CHAIRMAN:** The Member for Fort Rouge.

**MR. AXWORTHY:** Mr. Chairman, I'll take the Minister's reservation for discussion about the Alcohol Treatment Programs for the proper area. I think I may also have a few more things to say about it at that time as well, so we may have an interesting exchange of opinion and facts and figures about what's going on in that field. But let's wait for the ongoing serial episode of that one to ensue.

I would like to simply pursue with the Minister one further area dealing with the Office of Residential Care. It had appeared over the last couple of Estimates discussions that the degree of co-ordination in the operation of group homes and external agencies supplying community type facilities was seriously lacking, and the previous Minister indicated that the Office of Residential Care would undertake to provide that co-ordination. One of the indicators that we have at least — we can't look at all of them — is the fact that there is a multiplicity of group homes being developed, each by separate agencies. The issue has arisen in some cases in the City of Winnipeg level because they were concentrated in one part of the City versus another, and the residents tended to react to that. It was indicated last year that there would be a plan developed for allocation or placement of different kinds of group facilities, community treatment facilities in residential settings on an evenly



distributed basis throughout the City. I understood that that was one of the primary responsibilities that the office would undertake to supply, and there was, in fact, legislation introduced to that effect.

It would seem to me, Mr. Chairman, particularly with the decision by City Council just a couple of weeks back to provide stricter licensing of these group homes, that there is a certain vacuum being created on the provincial level in terms of any plan or program for the allocation and placement, settlement sites of group homes, and particularly to work out some kind of standards by which they would be measured or evaluated in terms of their performance. I would like to know from the Minister if that particular development is taking place, and whether we can assume that we will be hearing something about it very soon?

**MR. CHAIRMAN:** The Honourable Minister.

**MR. SHERMAN:** Mr. Chairman, there are no new group homes coming on stream at the moment. Those that are in existence have been, as the honourable member suggests, congregated to a substantial degree in one particular section of the City, and as the honourable member knows, the City has not been very happy or satisfied with that situation, and my department officials and I have met in the past six months with the City on that subject. The decision taken by City Council to which the Member for Fort Rouge refers did not have to do with licensing of those group homes, it's this department that is responsible for licensing and the decision taken by City Council had to do with zoning. The result is that any new group homes being added, being brought on stream, will have to meet with those zoning requirements. The ones that are already in existence are going to be protected, grandfathered, I believe, under existing legislation, but no new ones will be permitted to come on stream until they have met those zoning requirements. This was a decision that was taken by City Council as a result of their concern over the concentration of those homes with which the honourable member is familiar, and that's where the situation stands at the present.

**MR. CHAIRMAN:** (b)(1)—pass — the Honourable Member for Seven Oaks.

**MR. MILLER:** Mr. Chairman, I would like to follow up on the last comments by the Minister. Is the Minister saying that the City Council passed a by-law or a resolution, or what have you, whereby they indicated that no group homes, foster or otherwise, could be established unless they met existing zoning requirements, or is it that the Community Committee would have to decide whether or not they would permit a group home to be constructed in an area where the zoning might not, at this time, be allowed, except on a conditional use, and therefore the conditional use would be sought from the Community Committee? Is that what the Minister is saying?

**MR. CHAIRMAN:** The Honourable Minister.

**MR. SHERMAN:** No, Mr. Chairman, if that was the implication, then I wish to correct it. The final decision will, of course, rest with the community committees, but what the City did, was they moved in the area of zoning to standardize the conditional useage conditions applying to group homes generally throughout the City, with the provision that all applications would have to be cleared through the relevant community committees. There's a right of appeal, I believe, to a body of council itself, but the basic decision rests with the community committee. The decision that the City made was something of a watershed decision, in that there had never been that kind of cohesive organized action taken up to this point in time. We had met with a delegation from the City in my department on the problem, as I say, during the winter, and as I understand it — and I wasn't present at that meeting of council, but from the media accounts, I understand that this is the course of action that they have agreed upon.

**MR. MILLER:** As I understand it then, the Minister is saying that the basic decision is the Community Committee. I think what he means is that the first step to be taken is clearance to the Community Committee with the final determination, insofar as whether Council will support the Community Committee decision or not support it, is a final decision by City Council itself. The Community Committee doesn't have the last say, and I think the Minister will agree.

I want to remind the Minister that last year in the City of Winnipeg Act, there were amendments brought in whereby the province, if it felt that the City wasn't being co-operative, or that the provincial objective was being thwarted, that the province could undertake to hold hearings and in the final analysis make a determination of whether or not group homes could be placed in certain various parts of the City irrespective of what a Community Committee or even City Council would do. That

was in order that the goals of the department and the Provincial Government would not be frustrated by people who all were in favour of group homes, but not in my neighbourhood. It's an old story — you may want a bus line, but not on my street. You feel very sorry for children and others, and they should be in group homes, but not near me. And so in order to meet that problem, the City of Winnipeg Act was amended to give the Minister the kind of leverage that I didn't get the impression that he feels he has, because I think he said that that's where it stands now, as if to say, "It's in the hands of City Council, and we await their decision, and we are in their hands." I just want to remind him that he isn't entirely in their hands, and that he can act if he really wants to.

**MR. SHERMAN:** Well, the honourable member's point is well taken, Mr. Chairman. At this juncture I'm not in a position to disclose or even to suggest that there is anything to disclose about this government's possible handling of the City of Winnipeg Act, and the amendments that were passed by this Legislature last year. The Act itself, and the amendments to it at the time, were the subject of considerable dispute. I know the honourable member recalls that we, when we were on the opposition side, were critical of some of the powers vested in the province through particular clauses and sections of the Act. The present government is addressing itself to that piece of legislation through my colleague, the Minister of Urban Affairs, but there is nothing I am in a position to indicate to the honourable member as being contemplated or moving forward at the present time. At the present time the Act remains as is. Certainly there is a final authority that reposes in the hands of the province, but I would just remind the honourable member that that provision wasn't specifically or exclusively limited to decisions having to do with location of group homes and foster homes — that would have been included under the umbrella, but it wasn't just group homes.

**MR. CHAIRMAN:** (1)—pass — the Honourable Member for St. Boniface.

**MR. DESJARDINS:** Mr. Chairman, I think the Minister is absolutely right. This is not the place or time to discuss the change, if there is going to be any change, to the City of Winnipeg Act, but I think we are entitled to know the intent of the Minister. Legislation was brought in last year as a last resort. It certainly wasn't, as explained at the time, the intention of the government to start fighting with the City of Winnipeg, in fact the City of Winnipeg understood that, in fact they welcomed it, because anything in that area, they were getting the pressure and it was a very difficult thing for the Minister to make a decision. But the point is that we could not see any Municipal Government interfere with programs of the Department of Health. For instance, there is Family Day Care. Well now, my honourable friend stated that the final word is up to the Community Committee — that's not right. Now, does my honourable friend mean by that that he doesn't intend to use that, because nobody can force him to do it? Is he going to take the City of Winnipeg as the final authority? Our intention was to discuss, and that was made clear, we met with the City of Winnipeg to discuss with them if there was anything, first of all, and if there was something after that that we felt that we definitely needed to licence a certain area that they didn't want to, then we had the authority. And as they so candidly said, "Well that will be good, because then we can say it's the province's fault." And we weren't trying to get more headaches, but it was felt that certain programs were being scuttled by the City, and I'll tell you one and that's the Family Day Care, and that might be the answer to the Day Care problem. If you had Family Day Care, it would be a lot cheaper and it would be a lot easier because it would be the people around the area, so this is why, it was mostly for the Family Day Care that I had requested this legislation because the Family Day Care Program never got off the ground. I think it's too bad; I think it would save a lot of money.

Now, I had not intended to discuss the question of the Child Abuse Centre at this time, I was giving you an example, but the Minister brought it up. I want to make it quite clear. If the Minister is not going to do it, I'd like to take this opportunity to thank the committee that worked so hard between sessions at that, I never saw the final recommendation, or I don't remember seeing the final recommendation. I had initially stated, in this House, that we were the government that was going to take over, that's true. But then, I did back down at the request of the Children's Aid Society, and I said in this House it was no ideology . . . we weren't going to base this on ideology, as long as the work is being done. And I don't really care that much who runs it. At the time, it was the Children's Aid Society of Winnipeg, and it wasn't done across all Manitoba, we felt that we had to have something in Manitoba but we didn't want any duplication, and we felt that they weren't doing a good job.

Now, there is no doubt that they probably didn't have the staff, and I personally don't care who does it, as long as the same type of people as recommended by that committee, the committee

that worked so hard with the Children's Aid Society, the Winnipeg Police and the specialists in this field, I think there was a Doctor MacRae and others, and as long as these people are involved. If the Minister will remember, we had sponsored a seminar during that time and it was a very successful seminar so I would like to thank that committee who worked hard. Now, if the Minister says, "After discussions we feel ' that the Children's Aid Society should handle it," I don't care, as long, as I say, the work is done. I wouldn't criticize him for that.

Now, I don't really understand what the Minister means by these community homes. Is the Minister saying — I know that he's going to say there's restraint — in other words, I don't just want an excuse — well you know we can't do it, because of the City of Winnipeg, because that is not there. If the Minister is going to change the Act, that's his prerogative; or if he's not going to use the Act, that's his prerogative also, but I don't want this to be an excuse — we can't do anything because we're stymied — the legislation is there.

Now, there's another question that I asked the Minister. We're working on increasing the rate of the foster homes — and talking about volunteers, those people, as far as I am concerned, are many times the best kind of volunteers, and they are qualified volunteers, and although they get a few dollars they certainly don't get what it's worth. We're fortunate to have these people that are ready to take kids; they might not be able to afford it but they're doing their best; they're giving the love and understanding and I think that is the important thing. We had announced that we were going to try to increase the rate because it was pitiful and it was bad; we were certainly way behind on that and I hope that this is being done.

The annual report has a page compiled on the Office of Residential Care and it talks about a registry of children's residential facilities throughout the province. I wonder if the Minister could see that one of those is distributed to the members of this House; I think it would be appreciated if we can have an idea of what it has to offer. Thank you.

**MR. CHAIRMAN:** (b)(1)—pass; (2)—pass; (b)—pass; (c)(1)—pass; (2)—pass — The Honourable Member for Seven Oaks.

**MR. MILLER:** I wonder if the Minister could explain the drop in Other Expenditures from \$122,000 to \$80,000.00.

**MR. CHAIRMAN:** The Honourable Minister.

**MR. SHERMAN:** There are five service branches in this particular branch, Mr. Chairman, and the appropriation that we are looking at for Other Expenditures provides for the general operating costs of those five branches: Paramedical Services and Support Staff; Special Studies and Systems Staff; Data Processing Unit and Programming Staff; Space Vehicles and Communications and Support Staff, and the Statistics Branch and the Analytical Staff. The reduction results from a reduction in statistical computer analytical programs, reduced amount of travel for field trips, limited upgrading of educational costs, reduced activity for the drug standards and therapeutics committee. Is the honourable member copying these down because I'll go over them again? And a consolidation of office expenses with centralization of three branches. That accounts for the reduction in these expenditures, Sir.

**MR. CHAIRMAN:** (2)—pass; (c)—pass; (d)(1)Salaries—pass — The Honourable Member for St. Boniface.

**MR. DESJARDINS:** Program Review: This is a place I think the list that the Minister gave us has 12 staff man years, and as far as I am concerned it was only nine, so I don't know where the difference is; nevertheless the Minister now is asking for 12. It's not that important, it might be that there was. . . But the main question on that is that there's no cut in there at all, and I wonder what made the Minister change his mind because last year, and if he wants to look at Page 82 of Hansard, he talked about that he felt although he recognized that we were trying our best in restraint, that this is an idea, I think he called it "empire building" and felt that we should cut down quite a bit on this. So I wonder what made the Minister change his mind, and I would like the Minister to really tell me how his department operates if there is such a thing as program review. Because so far, and I said that in the past, I felt that the Minister has been flying balloons, flying kites, because he has been saying that there have been rumours, ogia tatement that maybe we're considering that, to try it on, and then something else happened.

And the Minister has been pretty well on every side of every issue so far. I think we've had that when we've talked about increasing the per diem in the personal care home, and I know there's the Manitoba Health Services Commission, but who is looking at this review, who is monitoring these,

Tuesday, May 16, 1978

because it seems to me now that the Minister made up his mind that he had a certain mandate and then his colleague and his leader said, this is what you're going to do, and nobody looked at the program.

Certainly I can't see where all these decisions came so fast if these programs were really looked at. There is no longer any policy committee, and certainly it's up to the Minister, different people, different staff, but where is that work being done? Where is the planning being done? Is there such a thing as long range planning, or are we just saying there is restraint, there's no money from Ottawa, like the Minister said before the dinner hour, and everything is going to be blamed — that he's setting it up for the agencies, that there's no more money because of this block funding, and we don't know if that is the case.

Now further, I would like to know why we can't get a copy of the O'Sullivan Report on nurse education. This report was tabled with the Minister last year sometime in December, and we were told that copies would be made available; this is four or five months ago; I'd like to see what's going on. I'm going to resist the temptation to talk about saying, well maybe he doesn't care because all the nurses are leaving; I don't know. But I think we'll have a chance to discuss that later on. And there was also a report that was being prepared on family planning. Now, can the Minister tell us where that was — I think it was with the chairmanship of Judge Saunders — I don't know if that's been issued, or what's going on.

And in this area of Program Review, are they the people that looked at home care? Are they the ones that are telling the Minister, well, go easy on the home care; reduce it by 10 percent, cut it by 10 percent; I want to know if this is the area because I am tempted to say, throw them all out. And on the day care program, and on the dental program for children, is this where the Minister is getting his advice that maybe he should do away with these programs or cut them? Does he seem to feel that everything is blamed on restraint? I think this is false economy. For instance, home care is going to cost you — if you cut the program, which is the best in Canada by far — if this goes to ruin, well I think it won't take long before you'll see that this is not saving money at all, quite the opposite, you'll be wasting an awful lot of money. And also on the day care program, I'd like to know if this is where we can discuss the policy of it. I know that we're going to come up with day care, and there's another item for home care, dental, and so on, but this is the review team. Is this where the advice comes? This is where the Minister — well' he was the critic for the opposition last year — said that this is empire building, we don't need nine people there. I was asking for nine, now the Minister is asking for twelve; I'd like to know if there is any change because there seem to be less programs; there's going to be less planning if everything is brought to a stop.

I think this is the group that prepared the hearing conservation program — this is in prevention — I understand that this will be cut also, so I am quite anxious to hear the Minister tell us if this is the group advising him to drop or curtail or freeze these programs.

**MR. CHAIRMAN:** The Honourable Minister.

**MR. SHERMAN:** Mr. Chairman, the honourable member may have to repeat a couple of those questions because I didn't get them all down.

First off, no, this is not the group. Well, first off, let me say, Sir, that we haven't cut home care, we haven't cut day care, and we haven't cut the children's dental health program. —(Interjection)— Yes, we'll come to that but I want to state that we haven't cut those programs.

Secondly, that any advice relative to limiting expansion or maintaining those programs where they are for the current year, any advice bearing on those particular programs that is now implemented as part of government policy, did not come from the Program Review branch. They are not responsible for the restraint program being exercised in this field generally. As far as the committees, the ministerial committees that the honourable member refers to, the medical manpower nursing education and family planning, those were all committees that were established with work and responsibilities that were charged to them under the aegis of this particular branch. I have tabled the report of the medical manpower committee; the family planning committee is still to come, and I agree one thousand percent with the honourable member's frustrations with respect to the Task Force report on nursing education. I am waiting for it myself; I can only tell him that unfortunately due to some human error and substantial technical error, the printing job was not adequate and it's had to be redone and we have encountered a number of frustrating and rather distracting delays. I expect to have that report available momentarily, daily, but I can't but agree with the honourable

member that it's been a long and what seems to be a pretty illogical wait. We should have had that Task Force report two months ago.

As far as the Program Review branch itself, I know that I'm not telling the honourable member anything new but just for the record I would like to point out, Mr. Chairman, that there are a number of projects that have been recently completed by this branch including a study on the use of volunteers, the subject of public health nursing, a program review, and a study on standards for social work. There are three other projects in process on family planning, Manitoba School for the Retarded, a program review, and on the general subject of services to the elderly. The branch essentially provides evaluation and analytic services for management of the department's programs and supports program development and implementation activities.

The honourable member refers to my particular role vis-a-vis this department when I was in opposition and I'm not attempting to disclaim any responsibility for anything that I said or for any participation that I played in the Estimates review process of this department, but I was not my Party's official critic for this department. I would remind my honourable friend that I was the labour critic and I certainly participated in the health and social development Estimates but I did not function as the official critic in this area. I have had a great deal to learn; I've learned a fractional amount I hope in the last six months. I appreciate the fact that I have a great deal more to learn. The honourable member asked me why would I be critical of the Program Review branch in its function while we were in opposition. I would prefer to say that my approach was a questioning approach; I was in opposition, I have since had time to work with the Program Review branch and its director, Mr. Kuropatwa. I appreciate what the branch and its director do, and the manner in which they support the requirements of government and meet government responsibilities in this area, and I am fully prepared to defend their existence and their operations. I can say that a year ago I didn't know as much about it as I do now. A year from now I may hopefully know even more about it.

With respect to the number of personnel involved, there always were 12 positions I am advised; 12 staff man years in this particular branch, there were nine that were filled, but apparently there were three that were vacant, and there were three persons transferred in, including two of a clerical category and two of the three have since resigned and left.

My advice is that it was a matter of transferring in personnel to existing positions that presumably were not filled at the time that my honourable friend was —(Interjection)— Oh, it had nine and they were transferred in with their positions which brought it up to 12. They were transferred in with their positions and two of them I understand have left, from other areas of the government, from the personal office of my immediate predecessor in the ministry.

**MR. CHAIRMAN:** (d)(1)—pass — the Honourable Member for St. Boniface.

**MR. DESJARDINS:** Mr. Speaker, I would like to find out why the Estimates as prepared this year have for Program Review — \$218,200.00. Actually the figure was 138,900 and that is something I don't understand. Why was there \$80,000 added to what we requested last year, what was voted for last year? I am talking about the Salaries in Program Review now.

**MR. SHERMAN:** The difference is explained by the three positions that were transferred in, Mr. Chairman, there were three that were transferred in plus this particular branch and this particular department's share of the allocation of the General Salary increase, which applies to every department.

**MR. DESJARDINS:** Yes, the Other Expenditure was 47,800, now it is only 14,200, on (d) Program and (2) Other Expenditures. We have 14,200 and it was 47,800 last year.

While the Minister is looking, does the Minister care to tell us — I would imagine this is the area where we should deal with the Task Force, if anything. I think this is the group that work with the Task Force. These are the people that have reviewed the programs for the —(Interjection)— No, no. I am interested in this department and I don't care what the Minister without Portfolio decides. I don't think he is going to have much to say in this department. I hope that he won't; I hope that it will be the Minister. The Minister was candid enough to say, "Well, we take the responsibility for the restraint, it is not this group." It would appear now that this is exactly what I was saying, this government came in with predetermined ideas and this was done even before the programs were reviewed or before the Minister really understood and had a chance — because he is only human and it is a big department — had a chance to discuss with these people where these programs are. I don't think this is the time to have an argument about Day Care and so on. We will have

an argument later on if the Minister keeps on saying that this was not cut. It is a cut and I don't think you can stand still, and if you don't progress and if you say this is frozen, not any more space, as far as I am concerned that is a cut, because that isn't what we were trying to do. This isn't what we were advised to do by the then Conservative Opposition.

But I wonder if the Minister would like to say anything about the Task Force at this time.

**MR. SHERMAN:** Well, Mr. Chairman, I am not sure of the direction of the honourable member's question really. If he is referring to the make-up of the Task Force, and the fact that. . .

**MR. DESJARDINS:** My question was: Does the Minister have any ideas at this time what he would like to recommend, either dividing this department in two — is this the place to discuss the recommendation of the Task Force — or does he say, "Well that's their recommendation, not necessarily mine, and I am not ready to discuss this at this time. It is too early." I don't know.. I leave that up to the Minister.

**MR. SHERMAN:** Mr. Chairman, I would certainly be prepared to discuss it with my honourable friend if there were anything tangible to discuss. The fact of the matter is that the Task Force Report and Recommendations have been placed before the government; the government is preoccupied as the Opposition is preoccupied at the present with the current session of the House, and will not be dealing definitively with those specific recommendations for a little while yet.

My own view is that there certainly are some interesting recommendations pertaining to Health and Social Development, and some that I might have subscribed to eight months ago before I was associated with the Department, and would not subscribe to today and vice-versa, some that I would not have subscribed to then and would now. I am discussing them and sort of assessing them with different officials in my department who have the experience in the field or directing those in the field, to try to come to a determination as to just precisely what ones are practical and workable, and that I would be prepared to defend in discussions with my colleagues. But that is a process that is ongoing at the moment and is nowhere near conclusion. I am not trying to duck the question. I just really don't have the answer.

**MR. CHAIRMAN:** The Honourable Member for Seven Oaks.

**MR. MILLER:** Mr. Chairman, I was pleased to hear the Minister's comments and his conversion, apparently, of the last few months. There is nothing like being on the firing line to become converted.

**MR. McKENZIE:** He will always be a Tory.

**MR. MILLER:** Oh, yes, he will always be a Tory. There is no question. But you know the realities of a situation can even overcome Tories.

**MR. DESJARDINS:** There is a reasonable Tory and then the other kind. He seems to be a reasonable kind.

**MR. MILLER:** I take from his comments that, although he is not in a position to indicate what the government will do, and I am not asking for that, but I am curious about his own personal view with regard to the suggestion that the Department be split and that we go back to the days when there was a Department of Health, a Department of Welfare or Social Services. Does he give that any credence whatsoever? Does he feel that that is a direction it should go? Or does he accept the concept which was put forward by the World Health Organization that it is the well-being of people that is involved and you can't separate it. You can't deal with one facet of a person's problem, you have to attack the whole problem in order to deal with people. There is a fine line between so-called Social Services and Health Services, unless you are dealing with acutely ill. But in fact Social Services and Health Services are just two sides to the same coin. Does he accept that view, which means that he doesn't favour, he personally does not favour a separation into two distinct departments, and in that way do away with what is now something that has become accepted everywhere, a continuum of care to people? So that whether it be a problem requiring social services or a problem requiring health services of various levels and types, that in fact you are zeroing in on the basic problems facing people. And that to divide the one department into two would simply fragment the service and go back to the days when we tried to categorize people into whether it should be a social service that deals with it or a health service, rather than they require resources and the resources should be delivered through one agency so that they can be working together and you then can deal with the problems of the whole person, rather than the one facet of the problems.

**MR. SHERMAN:** Mr. Chairman, any view I gave would be certainly personal, tentative and informal

and unofficial. I think that the Task Force recommendation for a so-called division of the Department is probably the most practical way to divide, if one is going to divide it. They talk about a division into a Department of Health Institutions, and a Department of Community Services, which would essentially be a division of the Department as it exists in-House at the present time, and the function and program of the Manitoba Health Services Commission, as I see it. Perhaps the Honourable Member for Seven Oaks doesn't agree with that definition, but that is the way basically I interpret that recommendation. If one is going to split the Department I would think that that, in my limited knowledge of the Department to this juncture, would be probably the most practical way to do it. But I agree very very emphatically with the philosophy expressed by the Honourable Member for Seven Oaks with respect to treatment of and service for the whole person, and I am not convinced in my own mind that division of the Department on any lines is that desirable. However, I am a member of a fifteen-member Executive Council and I intend to seek the professional perspectives that I can. I would certainly welcome the perspectives of the Honourable Member for Seven Oaks, who has toiled in these vineyards in the past, and I will then try to make a contribution to the ultimate Cabinet decision. But I am not sold on the concept of dividing the Department.

**MR. CHAIRMAN:** (d)(1)—pass — the Honourable Member for St. Boniface.

**MR. DESJARDINS:** The Honourable Minister said that he wasn't trying to evade the question. Well, I have to say at the risk of surprising him I don't intend to accuse of that at all. I would like to congratulate him, and I hope that he is going to wait and not rush into anything, and really look at the situation because I suspect that many of these people, that Sub-Committee that worked on it — I am not talking about the staff — I think they were given very little time and I think that they had very little time to look at all these programs and I certainly agree that the Minister should take his time. We probably will discuss this a little more, depending on what happens in the other room tonight, when we review the Minister's Salary. This is something that I took a few notes on.

We had the Hearing Conservation Program that was developed by this Division, the Program Review Team, and it was recommended that this is something that we were going into. I thought that this is an area where we would support the Minister because he has talked about prevention so much and it seems to me that there will be a cut on that, that not too much will move this year. Can the Minister tell me if I am correct, or if there has been a slow-down in that area?

**MR. SHERMAN:** No, the honourable member is correct. There has been, as he puts it, a slow-down in that area insofar as any expansion is concerned. The Program as it exists in Brandon and Thompson is being maintained at existing and ongoing levels, but there has been no expansion of the Program. I don't have any money in my appropriations for the current fiscal year to expand it. That is not intended to suggest, Mr. Chairman, that we have made a decision not to expand it in any definitive way. But there are no funds for expanding it this year.

**MR. DESJARDINS:** Well the Minister will have to explain it a little better than that. I read somewhere an announcement that the former government had made, or the department had made, and this has been curtailed, so it is not just a freezing or stay at this level. I announced in this House last year that there would be two more centres and apparently this is not going to be done. So has there been a reduction? This was announced and this was government policy and we had money in the Estimates at the time to go ahead, to start, and it was announced.

So am I right in saying that those two new centres that we were going to have, have been postponed or reduced or something? So it is not just staying at this level, it is a reduction of service in this area. If that is the case, I am very disappointed and I know that the Minister, although he might not admit it, must be very disappointed also, because he always talked about prevention. This is an area when you are talking about children and how many children are slow of learning because they are deaf or because their eyes are bad, and this is the best place, and this is where we were going with this Dental Program. In fact this, as far as I am concerned, was more of a priority than the Dental Program, because you can have bad teeth and you can still be a pretty good student, but if you're deaf and don't know what's going on, you won't learn too much. And I think that this is not in the right direction; I think this should be a priority and I hope that the Minister — and I promise right now that if he comes during the year and asks for more money even if it's not voted, I won't criticize him at all because I think this is an area where we should move ahead, not move backward.

**MR. CHAIRMAN:** The Honourable Minister.

**MR. SHERMAN:** Well, Mr. Chairman, I guess one could get into the area of semantics and language on a question like this. The Honourable Member for St. Boniface says that because we did not go ahead with the two new sites, the two new locations that were intended to be proceeded with by the previous Minister, approved by the previous government, that that represents a cutback and I can understand that interpretation, but I don't subscribe to it; I don't view that as a cutback. The program is in place with sound booths that I have visited myself in both Brandon and Thompson — that is what is in place and it continues to be in place. There are many things that were approved in principle and otherwise by the previous government that have not been picked up and pursued by the present government, and that happens with every changeover of government, so that it doesn't represent in my terms a cutback, it may do in the mind of the Honourable Member for St. Boniface, but what it represents is a holding pattern or a freezing of the program in the two sites, the two locations in which it's presently operating.

Now, when the honourable member talks about the value, the desirability of this kind of service for children, there's no disagreement between us; we're in total agreement. I endorse what he says about the value of proper hearing assessment, hearing evaluation, in general health evaluations for our young Manitobans, and I know that properly assessed and properly diagnosed at an early enough age, ailments of that kind which can become such severe handicaps to people can be corrected and their total capacity can be protected and assured. There will be no argument on that point. Unfortunately, I have to go back to the original position that I laid out earlier that we're attempting to do everything we can do with the resources that we feel we have available at the present time. We start from the perspective that unless we meet the budget problem, the financial problem, of the province, there will not be money in the future to maintain and expand these necessary programs. I know my honourable friend doesn't agree with that —(Interjection)— Well, I simply have to suggest to my honourable friend that that is the perspective that we start from. If you make the decision that there is one central fundamental job that needs to be done and that is essential to the performance of all the other jobs and the meeting of all the other challenges, then you'd better get busy on that job that you see as the central one. And that is what has been done; that doesn't suggest that is all we're interested in, by any means it's not, but it's because we're interested in the other things that can be supported by a proper funding base that we have prioritized the financial challenge as number one.m\$

**MR. DESJARDINS:** Mr. Chairman, I wish the Minister would stand on his own two feet. He can't have it both ways. I am not going to argue here the value of this program or the importance of this; the Minister and I agree. Now, this might be embarrassing to the Minister who might want to go ahead on this because he's been preaching this kind of thing and he's got a job to do to try to minimize this and say again that it's a question of priorities and it's not cutting back — it is cutting back. Last year, this House, not just the government, this House approved the funds necessary to go ahead to proceed with this. This was something that was announced; this was something that was going through and then that was held back and then we start backing up. And I think that this is backing up, and it's a question of priorities. Now the Minister made an announcement that it's a priority and I'm not going to — it's not my responsibility now to decide where the money necessarily should be spent if they've determined the policies and the priorities.

Now the Minister stated that the abuse centre was important and he found the money, and in fact, well, wait till we get to that, but it's possible that he found other money, not only what we had announced what we were doing last year, but even more. At least the announcement made it look as if it was some new discovery of the Conservative Party. But this is an area that the Minister will have to stand on his own two feet. Now, if he feels, and I made a mistake in the short session of saying it's not his fault, but he didn't like that. So now I'm going to say it's your fault because you're responsible collectively, individually, you sort it out with your people. I was criticized for trying to say that you weren't the culprit in that, so I won't make that mistake again. I'm saying that you have a priority that you say we're going to do away with less revenue, we're going to cut down certain things and you've tried to take the credit on that; you must take the responsibility for that. You're going to spend more on roads which is an important thing; that's the priority. I don't happen to think that it is as high a priority as this, and if you're going to cut down, if you're going to give \$13.00 back to somebody getting a revenue of \$10,000 on lowering the taxes, I wouldn't do that, I think this is more important.

So therefore, I say, you can't have it both ways, you can't say this is all wonderful, we were



left with a mess, there's no money from the federal government. Come on, you accepted a mandate, you have a responsibility, you're the Minister, I know you would like to have that. And I know that individually, you probably, and I am not going to try to embarrass you, it's not up to me to find out what you want to do on your own and why you don't agree with your Cabinet colleagues. But nevertheless, I think that this is an important program; this is something that you have been preaching since you were the Minister, this is something — excuse me, Mr. Chairman — something that the Minister has been preaching since he's a Minister and when he was in opposition, that he wants this prevention which was the most important thing. And if we started immediately, we would not have to spend that kind of money. Now there are some people, it is a known fact that some of these kids are supposed to be — they think they are retarded and so on, they don't learn very well — until they find out that the poor kid was deaf. I don't want to prolong this anymore, I think we agree it's very important and at least I won't fight with my friend on this, but I certainly don't think that he's going to go on and finish these estimates and I intend to be very responsible and not just to criticize as I said for the sake of criticism, but this is something that the Minister has to take the responsibility for. And if these centres are not done, fine, it will be done later on as my friend said, but I think it's too bad because I think it's something that should be going now, I think it should be high on the list of priorities. .

**MR. SHERMAN:** Well, Mr. Chairman, I do take the responsibility for it, and I also take the responsibility for having contributed in some small way among 33 members of the government caucus to a determination as to what is the essential job we have to do in the immediate months directly in front of us. I take full responsibility for having played a small role in arriving at that decision and I take responsibility for this. But I don't accept the honourable member's suggestion that we have cut something back, because the honourable member talks about having approved expansion and increases in this area and my information is that we inherited a program in place in Brandon and Thompson which we reaffirm and which I reaffirm and endorse, and that's all there was. The Honourable Member for St. Boniface may have talked about expansion but he's sitting with last year's House Book in front of him and he's probably got Page 21 in front of him, and the appropriation reads Improved Hearing Screening Program, this is \$96.5 thousand, Provision of Funds for Technical Staff Operating Costs and Equipment for two regional hearing centres located in Brandon and Thompson. That's the item. Now I'm not suggesting —(Interjection)— pardon? Yes, yes, that's the item. I'm not saying that the honourable member did not want more, but I'm not aware of the fact that a decision was made by this House to vote money for more than that and therefore we're maintaining an existing program. And just like the honourable member, the former Minister, presumably wanted more and was not successful in getting it in that particular year, I'm not able to engage in expansion in this area at the moment but I agree with him that it's an important program and I assure him that it's certainly in my list of priorities; as soon as I can move on it, I will.

**MR. DESJARDINS:** Wasn't there a statement made just a while ago that some of the things that were going on would be stopped and if that's not the case, I read that somewhere, I don't remember where, that it was an announcement by you somewhere that this would not be done this year, and this is what I am talking about, this is what I'm referring to, but I'll have to find that and if I'm mistaken, I'll apologize to the Minister.

**MR. SHERMAN:** Mr. Chairman, I've got a hazy recollection myself of what the honourable member is referring to and I seem to recall some newspaper reports relative to the Hearing Screening Program, the children hearing program, and I'd have to check my files to see whether I clipped them or not, but I think the honourable member is probably correct in that respect. I'm not sure that the reports were correct though. There certainly was, and it was instituted no doubt by the Honourable Member for St. Boniface, there certainly was talk about expansion of the program into two new areas, and I think those two new areas, I may be wrong, but I think one of them was Dauphin, but I think that those two new areas had sort of raised their expectations, and at some juncture through the estimates process at the government level, when asked by the press about it, I would have to conclude that I probably said no, we won't be going into those areas, and that's what touched off those newspaper reports. But that has nothing to do with the centres that are located and operating in Brandon and Thompson.

**MR. CHAIRMAN:** The Honourable Member for Fort Rouge.

**MR. AXWORTHY:** Mr. Chairman, I'd be interested in knowing about how this particular division is going to operate under our new regime of cutback and perhaps the Minister could explain whether this division was assigned the responsibility of reviewing each of the department programs before

decisions were made on which cuts would be made in each of these divisions. In other words, was a proper assessment made of the goals of each of the operating programs, an assessment made of who benefits or who uses the service, what the cost for the service is, and could he tell us that in fact as we went through the particular cutback, there was a very detailed examination and analysis of the effectiveness of each of these programs in relation of the service that was supposed to be delivered?

**MR. CHAIRMAN:** The Honourable Minister.

**MR. SHERMAN:** Well, there was a very intensive review and examination of the whole appropriation package, the whole estimates package, Mr. Chairman, which began at the department level in about early December, in the ministerial level by mid-December, in which certainly the directors of the various directorates and branches, such as the Director of the Program Review Branch, participated with my department officials and with me. That procedure then distilled a certain number of decisions which were worked through Management Committee and subsequently through the whole estimates review process in Cabinet. The Director of the Program Review Branch is not responsible for any stringencies that the Honourable Member for Fort Rouge or other honourable members may feel are being applied. The Executive Council is responsible for those final requested appropriations.

**MR. CHAIRMAN:** The Honourable Member for Fort Rouge.

**MR. AXWORTHY:** Well, Mr. Chairman, I wonder if the Minister would be able to tell us then, as we go through his Estimates, go through each of the items, whether as a result of this intensive analysis that he said was conducted, that he will be able to give us a detailed statement of the number of people being served by a particular service; that he will be able to break that down into unit costs, so that we can break out, sort of, cost per client and know exactly what the comparisons are between that service and perhaps some other comparable service in other provinces or other jurisdictions, so that we can have some form of measurement?

I assume that that kind of information would have been made available to him before he would have started these kind of specific cuts that he did. Otherwise he would be able to give us a rationale as to why and how each of the decisions were made on specific cutbacks or pieces of surgery that were done on individual programs.

In other words, what I am trying to determine is — did he instruct his Program Review Division to undertake that kind of evaluation that would be able to measure both the efficiency of each of the services as well as its effectiveness and its impact upon different clients and different parts of the population? If he says — and I assume that that would have to be done, otherwise I would question the validity of many of the cutbacks — so I presume that he will now be in a position to supply that kind of analysis for us as we go through each of the departmental areas.

**MR. CHAIRMAN:** The Honourable Minister.

**MR. SHERMAN:** Well, Mr. Chairman, I certainly don't want to be unco-operative and I would like to co-operate with the honourable member as fully as possible, but I think that is an impossible request to meet. We don't have inter-provincial comparisons. What we have done is assessed at the Department Ministerial Management Committee and Cabinet level the various programs and services of a public nature funded by the taxpayers of Manitoba; determined on the expertise of persons working for the Department and in external agencies in the field, the value of those programs; tried to measure the cost effectiveness in terms to which the knowledgeable personnel in the respective departments — in this case the Department of Health and Social Development — with which those personnel are associated and come to a governmental and essentially a political conclusion, which is presented to the people of Manitoba and to their representatives in this House for, hopefully, ultimate approval.

The Honourable Member for Fort Rouge will legitimately quarrel with many of the requested appropriation levels, but the decisions are made by the government of the day and they are made with all the knowledge and input of departmental officials that it is possible to assemble during a long, and I can assure him, a very heavy examination throughout several months. The result is a judgment position by the government. The honourable member is certainly free to challenge that judgment and quarrel with it, but I don't think that it is possible for me to offer him the, provide the kind of breakdown and the inter-provincial comparison that he is requesting.

**MR. AXWORTHY:** Well, Mr. Chairman, it still leaves a certain gray area as to how this particular

government once it launched itself on a course of austerity, how it started making decisions between respective programs. How did it begin deciding what was to be cut and what wasn't to be cut? How did it decide that as you go through the list we are going to cut back on Public Health Services; we are going to cut back on Health and Education and Library Services; and how we are going to cut back on Continuing Care Services — now there seems to me to be one that is very essential in terms of prevention and detailing and why do we cut back on that and add somewhere else?

I want to find out. We are told this is the new management style of the government. I want to find how they went about making these decisions. Let's say that there was a universal amount that we could both accept as being the budget for the Department of Health and Social Development. We have seen in the different kinds of questions and enquiries over the past couple of months that in many instances there was no rationale as to the cuts. The famous lifeguard case of the Department of Tourism and Recreation, where it was simply cut back because, I guess, it seemed logical to lop off lifeguards until someone pointed out that there was a connection between lifeguards and life safety.

Well, Mr. Chairman, I would be interested in knowing if the same kind, sort of blind-eyed approach was taken to the cut-off of these programs or whether in fact, through program review, there was any effort made to make some very specific evaluations so that priorities could be evaluated and the Director of Program Review could tell the Minister saying, "Look. We have got a couple of lousy programs here in the Department and these are the ones that should go. We have got a couple of very good ones and these are the ones that should stay." Or was it just a matter of sort of saying, "Everyone gets, we got 2.9 percent increase, everyone has to take their cut, so everyone sort of takes a little bit of edge or a little bit of knick where you go."

I am much more concerned, Mr. Chairman, finally to find out how this government makes its decisions as to who gets cut and who doesn't, and what criteria they use to determine what is a good service or what is a bad service, and how they went about arriving at those decisions?

**MR. SHERMAN:** Well, Mr. Chairman, I will attempt to justify our positions item by item as we go along as best I can, but as I have said, Sir, there are some areas where we can provide inter-provincial comparisons for example. Probably in the field of Day Care we can provide some inter-provincial comparisons, certainly we can inform the honourable member what the relative ranking is in terms of Day Care spaces on a per capita basis in Manitoba as compared to other provinces. But generally speaking, the decisions that he is asking the rationale for are decisions that, as I suggested, have been worked through people in the Department who have been instrumental in delivering these programs and services for some time, who have offered their advice. Certainly the Director of the Program Review Branch offered his advice on programs as we went through the process. I think that the Honourable Member for Fort Rouge and perhaps other members start from the mistaken premise that a great many programs have been cut. In fact, Sir, I have to quarrel once again with that terminology. What the government did essentially was attempt to determine what our revenues would be, what capacity the taxpayers of Manitoba would have in 1978-79 to meet public services, and we worked from there.

Now I don't accept that we have cut programs. We have certainly frozen programs. We have certainly rejected any possibility of expansion in this year in a number of programs, but most of the programs that are in place are programs that have proved their merit and their worth. There certainly are some structures that are still under review and the Alcoholism Foundation of Manitoba is one of them and I quite candidly admit that. But generally speaking the programs and services that are in place have my endorsement, and we are seeking as large an appropriation for each one of them as we can, while approaching the overall vote for Health and Social Development with as much equity as we can bring to it.

The Honourable Member well knows that there are scores of areas of services and programs and need, and one has to try to compromise and adjust and juggle so that they all get their fair share. There is a limit at the present time to the total share that has to be divided up and that really is essentially the exercise that took place. I think he'll find that programs as such have not been cut or eliminated.

**MR. AXWORTHY:** Mr. Chairman, I think the Minister is jesting with us because as I did a cursory reading of the Estimates of the Department of Health and Social Development, in fact even on the same page that we're looking at, on Page 37, as we read down the Estimates line, you can see actual reductions in the amount of money being spent and the number of programs not in relation

to an inflationary index of six or eight percent, but an actual virtual cutback. Medical Supplies and Home Care Equipment from \$911,000 to \$827,000. That is a cut, Mr. Chairman, of substantial amount of money, close to \$80,000.00. Well, that is a cut to me. Now if you add another index on, now I presume, the Minister has to either justify it on the basis of saying there is no longer the same demand for medical equipment or distribution of wheelchairs, and other things, or that there was a cutback in demand or that we're simply not providing the same amount of service that we were before. That's a cutback.

You can go back through Public Health Nursing Services, from \$185,000 to \$186,000, a one thousand dollar increase. I presume, Mr. Chairman, there is four or five staff in this department, their salary increases would cut into that, so all of a sudden there's a cutback. If you're adding say, a minimum six percent increase or five percent increase in salaries or some other operating costs if they've gone up over a year, that is a virtual cutback when you are in fact increasing the allotment. And so I can't accept the premise of the Minister's remarks that there hasn't been cutbacks, of course there has been, what's he trying to tell us? There have been cutbacks, substantial ones, every page of this book illustrates them. What I am trying to determine from him is, what the rationale for some substantial cutbacks in some areas and not in others, because I am trying to determine if there is any criteria in the minds of the Minister or of the government to make choices, or was it simply and I suppose explanation was really inherent in his remarks that he said there was just one pot of money that was given in comparison to what was given to Highways or something else. And they were told that they had to then round programs in to meet that criteria, which is one way of doing it. It's a fairly crude way of doing it, I think it doesn't relate to any assessment of effectiveness of programs, it is simply saying that there is a budget cut overall and that you are going to have to prune away those that you think you can most legitimately get away with.

And it strikes me, Mr. Chairman, there hasn't been any serious program assessment being done in this area to determine who gets cut or who doesn't, and that is what does disturb me a little bit because I am afraid as we have seen in other departments, that the good are being thrown out with the bad. The old cliché about the baby and the bath water is beginning to happen. There isn't really any rhyme or reason to the cuts other than that they're accounting reasons, more than revenue reasons as opposed to program evaluation reasons. And I would suggest, Mr. Chairman, that's not a particularly a good management technique. I can see that maybe within the first hectic months of the government, maybe that's all they could try to do. But it would strike me that it may show to a certain weakness in the way we undertake program reviews and if there isn't that kind of evaluation assessment available to be able to measure the effectiveness of different kinds of programs, and the relative value, then there is something missing in the kind of overall management techniques that may be available to this department and the very large budget it operates.

And I expect, Mr. Chairman, what the Minister is going to find, he's going to get himself caught in a conundrum and that is that this government is basing its existence, its philosophy, on the idea that it can eliminate waste and can be a better manager and can be the sort of incisive analyst of inefficiencies in government. However, in order to make that claim stick, you need somebody or something actually looking at what the programs do. You can't simply start using a rusty knife and hacking away sort of every year on a series of impressions or intuitions or subjective judgments made in a smoky room when the Minister walks in and says, "Okay guys, we've only got \$300 million to work with, and you'd better start deciding who gets hacked." That's not a particularly a good management technique, or very sophisticated, so the conundrum he is going to be caught in is that if he's going to try to do any serious program analysis or evaluation, then he's going to have to start upgrading and improving his means of doing it, and yet in these cases we find they are being cut back. The very ability to employ more effective management techniques of analysis, are the very things that are being cut back in his budget, and to copy the statement made by the Member for St. Boniface, "You can't have it both ways." You can't make the claim and then reduce the tools at your disposal for making those judgments, and I think, Mr. Chairman, my own particular indignation at times about the way the government is operating, would be appeased, in part, if I felt that there was some rationale or some rationality being applied to the way in which restraint was being imposed, that we were doing a proper program analysis, and we were getting rid of bad programs or programs of out-lived usefulness or inefficiencies that were no longer there, but that we simply weren't doing across the board cuts coming out with some figure that the Minister of Finance could then sort of bang around in his next Budget here, that we were really doing a serious job of evaluation in these areas.

It seems to me the only way to do that is to be prepared to spend some serious time and effort

in doing it, and frankly, Mr. Chairman, those things don't come cheap. If the Minister is interested, it seems that I am in a charitable mood these days I guess, about three weeks ago I attended a conference down in the United States, where a number of papers were presented on different forms of evaluation by American and Canadian public officials and academics, who are working in the field. The American Department of Health and Welfare, or Health Education and Welfare, presented more material than I would ever want to read, but maybe he has officials who can wade through it. But, they did present the forms of evaluation techniques that are now being employed in that department, and well, they have an awful lot more money to spend on that kind of stuff, wastefully. It does indicate that they are starting to be able to make some very clear judgments about alternative programs, and which ones really achieve the objectives they are aiming at, and as a result they are being able to make some substantial eliminations of programs in those areas — you know, they can cut out a \$200 million program because it simply isn't doing the job any more, but they have means of testing it and evaluating it, which I don't think we have right now. That's what concerns me, we are really kind of flying blind in this province, when we get down to restraint.

So I want to make it clear to the Minister, I'm not arguing against his restraint policy per se, I'm certainly arguing with the way it's been conducted and carried out, because I don't think it's been done with the kind of precision or the kind of assessment that's required in order to make the judgments, that are obviously being made, and therefore we are ending up with a lot of bad judgments.

**MR. CHAIRMAN:** The Honourable Minister.

**MR. SHERMAN:** Well, Mr. Chairman, I want to assure the Honourable Member for Fort Rouge that a most careful and a most intensive assessment and evaluation was conducted throughout the Estimates process, and particularly throughout the process of arriving at and determining the final requested appropriations — item by item, program by program, service by service — in this department.

I would invite the Honourable Member for Fort Rouge to — I would hope that he would take it as a sincere invitation, if he finds himself in a position some time to run as a Conservative, I will suggest upon his election that he be considered — he wouldn't need my endorsement, he has the qualifications anyway — to serve in the Cabinet, and he will go through the process that many of us went through from the 15th of December until about the 15th of March, which was a pretty much a seven day a week process and pretty much into midnight, 1:00 a.m., and 2:00 a.m., in the small hours of the morning, to arrive at the final determinations on appropriations. We were presented with a range of options by a very diligent Civil Service staff in the department relative to every program relative to every line that he sees in front of him in the Estimates, and we worked through them pretty religiously and pretty conscientiously, without regard for time or flagging energy. And I know that the Honourable Member for St. Boniface and the Honourable Member for Seven Oaks went through the same exercise when they had the responsibility, and there was very intensive and careful evaluation and assessment brought based on the expertise of the persons related to the particular programs, for example, there were no decisions made in the area of Day Care that did not involve the direct input and the direct perspective of our Day Care programming people, starting with the Director, herself. And that was the process that we went through, and then it went into the additional processes that I have alluded to, the final process being the Cabinet process, when other members of Cabinet brought their perspectives to bear on their colleagues' departmental decisions. So it was very carefully worked through and very carefully evaluated and assessed.

The only other thing I would say, Mr. Chairman, is that the Honourable Member for Fort Rouge, in looking at the appropriations requested for 1978-79 and comparing them to 1977-78, is drawing a conclusion that is not valid, when he suggests that he sees the figures in front of him which prove that programs are being cut. There certainly are reduced appropriations being requested, but they do not reflect cuts in programs. In some cases, in fact, they represent actual expansion, because of seed money that had to go into the program to get it started, and is not necessary in the second year of the program. In other cases, they represent administrative cuts; administrative head office reductions; and that is why the figures are down. If we were going to try to limit public expenditure, and try to rationalize the condition of the Budget, we had to try to zero in on administration. I am not saying that administration was a great area of duplication and redundancy and fat that presented us with all kinds of opportunities to make enormous savings — it didn't — but it did, and it does in most operations of any magnitude, represent an area where you can, perhaps, bring some rationalization and cost effectiveness to bear. That's where it was done. It was not done in the program areas.

**MR. CHAIRMAN:** (d)(1)—pass; (2)—pass; (d)—pass;

**MR. MILLER:** On (d)(2). I notice here, Recoveries from Canada, \$99,000 this year, last year \$74,500

so there's a decrease in spending of about \$15,000 in total, but an increase in Revenue of about close to \$25,000.00. More Revenue is coming in for less Expenditures.

**MR. SHERMAN:** Mr. Chairman, I am advised that there were areas in Program Review that the Federal Government had assumed the fiscal responsibility for, which will not be equivalent this year to what it was last year. Some of this is CAP, Canada Assistance Plan, and now with block funding coming in, we are not sure of what the actual recovery will be.

**MR. MILLER:** Well, is the Minister saying that, because of block funding, this is just a stab in the dark, and that in fact they don't know if they'll get \$99,000.00? Is the Minister saying that he doesn't really know whether this \$99,000 Recovery is valid, and that this is just a guess, because of block funding?

**MR. SHERMAN:** This sum is a minimum base, Mr. Chairman, and it depends on the nature of the work that is being funded by the Federal Government, whether it's in the Health Review field or in the Social Services field. These appropriations, these Estimates, were printed before, obviously, before the recent news having to do with block funding. Depending on what the Federal Government, what kind or category of work in this area the Federal Government is funding, whether it's Health or Social Services, there is always the potential for that discrepancy. This is a minimum base, and I don't think at this juncture that I can give the Honourable Member for Seven Oaks a firm figure or a firm answer on that question, but I will take it as notice.

**MR. MILLER:** Mr. Chairman, all I was trying to get clear was that there's a decrease in this particular Program Review of about \$15,000, on the other hand there is an increase in Revenue from Federal Recoveries of \$24,500, so the swing is considerable — you are getting more money from the Federal Government that are picking up part of the Reviews and Studies and Evaluations, which aren't affected necessarily by block funding, because these programs and evaluations are usually selected and approved by the Federal Government before they will fund them. So the swing is considerable, it's not just the decrease as far as the Treasury is concerned of \$15,000, because Revenues are increasing by \$24,500, so you are getting more money from Federal Recovery but you're spending less.

**MR. SHERMAN:** Well, Mr. Chairman, as I say, I am advised that this particular sum is based on the nature of their activities, year by year, that if the funding available were maintained under the same system this year as it has been in the past, the sum would be \$99,000 Recoverable. Now that we're likely going to block funding, it will probably be less than that, but it varies year by year depending on the activity that's being funded, whether it's cost shareable or not, and to the extent that it's cost shareable. I don't know whether that answers the honourable member's question.

**MR. CHAIRMAN:** (2)—pass; (d)—pass.

**MR. JORGENSON:** Committee rise.

**MR. put this motion. It is understood, then, / DESJARDINS:** Mr. Chairman, before you/ that the Minister will try to give us a more complete list of staff man years and also the contract people, as well the vacancy, a little more up to date. Thank you.

**MR. SHERMAN:** Yes, Mr. Chairman .

**MR. JORGENSON:** Committee rise. Call in the Speaker.

*The Chairman reported upon the Committee's deliberations to Mr. Speaker, and requested leave to sit again.*

### IN SESSION

**MR. DEPUTY SPEAKER:** The Honourable Member for Transcona.

**MR. KOVNATS:** As soon as he gets in, but if the Honourable Member for Radisson may speak, I would beg to move seconded by the Honourable Member for Dauphin, that the report of the Committee be received.

MOTION presented and carried.

**MR. SPEAKER:** The Honourable Government House Leader.

**MR. JORGENSON:** I move, seconded by the Minister of Labour, that the House do now adjourn.

MOTION presented and carried and the House adjourned until 2:30 Wednesday afternoon.