

Third Session - Thirty-Eighth Legislature
of the
Legislative Assembly of Manitoba
Standing Committee
on
Public Accounts

Chairperson
Mr. Jack Reimer
Constituency of Southdale

Vol. LVI No. 1 - 6:30 p.m., Thursday, November 25, 2004

ISSN 0713-9543

MANITOBA LEGISLATIVE ASSEMBLY
Thirty-Eighth Legislature

Member	Constituency	Political Affiliation
AGLUGUB, Cris	The Maples	N.D.P.
ALLAN, Nancy, Hon.	St. Vital	N.D.P.
ALTEMEYER, Rob	Wolseley	N.D.P.
ASHTON, Steve, Hon.	Thompson	N.D.P.
BJORNSON, Peter, Hon.	Gimli	N.D.P.
BRICK, Marilyn	St. Norbert	N.D.P.
CALDWELL, Drew	Brandon East	N.D.P.
CHOMIAK, Dave, Hon.	Kildonan	N.D.P.
CULLEN, Cliff	Turtle Mountain	P.C.
CUMMINGS, Glen	Ste. Rose	P.C.
DERKACH, Leonard	Russell	P.C.
DEWAR, Gregory	Selkirk	N.D.P.
DOER, Gary, Hon.	Concordia	N.D.P.
DRIEDGER, Myrna	Charleswood	P.C.
DYCK, Peter	Pembina	P.C.
EICHLER, Ralph	Lakeside	P.C.
FAURSCHOU, David	Portage la Prairie	P.C.
GERRARD, Jon, Hon.	River Heights	Lib.
GOERTZEN, Kelvin	Steinbach	P.C.
HAWRANIK, Gerald	Lac du Bonnet	P.C.
HICKES, George, Hon.	Point Douglas	N.D.P.
IRVIN-ROSS, Kerri	Fort Garry	N.D.P.
JENNISSEN, Gerard	Flin Flon	N.D.P.
JHA, Bidhu	Radisson	N.D.P.
KORZENIOWSKI, Bonnie	St. James	N.D.P.
LAMOUREUX, Kevin	Inkster	Lib.
LATHLIN, Oscar, Hon.	The Pas	N.D.P.
LEMIEUX, Ron, Hon.	La Verendrye	N.D.P.
LOEWEN, John	Fort Whyte	P.C.
MACKINTOSH, Gord, Hon.	St. Johns	N.D.P.
MAGUIRE, Larry	Arthur-Virden	P.C.
MALOWAY, Jim	Elmwood	N.D.P.
MARTINDALE, Doug	Burrows	N.D.P.
McGIFFORD, Diane, Hon.	Lord Roberts	N.D.P.
MELNICK, Christine, Hon.	Riel	N.D.P.
MITCHELSON, Bonnie	River East	P.C.
MURRAY, Stuart	Kirkfield Park	P.C.
NEVAKSHONOFF, Tom	Interlake	N.D.P.
OSWALD, Theresa, Hon.	Seine River	N.D.P.
PENNER, Jack	Emerson	P.C.
REID, Daryl	Transcona	N.D.P.
REIMER, Jack	Southdale	P.C.
ROBINSON, Eric, Hon.	Rupertsland	N.D.P.
ROCAN, Denis	Carman	P.C.
RONDEAU, Jim, Hon.	Assiniboia	N.D.P.
ROWAT, Leanne	Minnedosa	P.C.
SALE, Tim, Hon.	Fort Rouge	N.D.P.
SANTOS, Conrad	Wellington	N.D.P.
SCHELLENBERG, Harry	Rossmere	N.D.P.
SCHULER, Ron	Springfield	P.C.
SELINGER, Greg, Hon.	St. Boniface	N.D.P.
SMITH, Scott, Hon.	Brandon West	N.D.P.
STEFANSON, Heather	Tuxedo	P.C.
STRUTHERS, Stan, Hon.	Dauphin-Roblin	N.D.P.
SWAN, Andrew	Minto	N.D.P.
TAILLIEU, Mavis	Morris	P.C.
WOWCHUK, Rosann, Hon.	Swan River	N.D.P.

LEGISLATIVE ASSEMBLY OF MANITOBA
THE STANDING COMMITTEE ON PUBLIC ACCOUNTS

Thursday, November 25, 2004

TIME – 6:30 p.m.

LOCATION – Winnipeg, Manitoba

CHAIRPERSON – Mr. Jack Reimer (Southdale)

VICE-CHAIRPERSON – Mr. Jim Maloway (Elmwood)

ATTENDANCE – 11 QUORUM – 6

Members of the Committee present:

Hon. Mr. Gerrard

Mr. Aglugub, Ms. Brick, Mr. Cummings, Ms. Irvin-Ross, Messrs. Loewen, Maloway, Martindale, Reimer, Swan, Mrs. Taillieu

APPEARING:

Hon. Mr. Steve Ashton, MLA for Thompson
Mr. Leonard Derkach, MLA for Russell
Mr. Kelvin Goertzen, MLA for Steinbach
Mrs. Bonnie Mitchelson, MLA for River East
Hon. Mr. Tim Sale, MLA for Fort Rouge
Mr. Jon Singleton, Auditor General of Manitoba

MATTERS UNDER CONSIDERATION:

Investigation of Hydra House Ltd. and A Review of the Related Departments of Family Services and Housing Financial Accountability Framework, dated June 2004

* * *

Mr. Chairperson: Good evening. Will the Standing Committee on Public Accounts please come to order. This evening, the committee will be considering the following report: Investigation of Hydra House Ltd. and A Review of the Related Departments of Family Services and Housing Financial Accountability Framework, dated June 2004.

On November 25, 2004, letters were sent to committee members requesting submissions for agenda items for questions regarding detailed answers. No additional agenda items were received.

There have been discussions over the last few days regarding the path and the role of the Chairperson. For this reason, I would like to read into the record from the *Rules, Orders and Forms of the Proceeding of the Legislative Assembly of Manitoba* the role of the Chairperson of the PAC. I am referring to Rule 108 which states, and I quote: "The Chair shall play a lead role in all aspects of the Committee work and shall be the spokesperson for the Committee. The Chair: . . . (b) may propose procedures that will facilitate the operation of the PAC."

For this reason, I gave notice to the Government House Leader (Mr. Mackintosh), and I have invited individuals involved with Hydra House to attend the PAC meeting this evening to be heard.

I will now canvass the room as to who may be present. I will read into the record the persons that were invited: Tannis Mindell, Peter Dubiensi, Martin Billinkoff, Larry Manson, Diane Lau, Jim Small, the Honourable Tim Sale and Bonnie Mitchelson. Are any of those people present this time?

Mrs. Mitchelson is present. I will ask one other time. Tannis Mindell, Peter Dubiensi, Martin Billinkoff, Larry Manson, Diane Lau, Jim Small, the Honourable Tim Sale and Bonnie Mitchelson. Bonnie Mitchelson only?

And for the third time, Tannis Mindell, Peter Dubiensi, Martin Billinkoff, Larry Manson, Diane Lau, Jim Small, the Honourable Tim Sale and Bonnie Mitchelson. Hearing only Mrs. Mitchelson, I believe she is the only person that is present at this time.

Mr. John Loewen (Fort Whyte): With regard to the Public Accounts Committee that we are holding tonight, I want to first state that it is extremely disappointing to those of us who have been part of this committee—

An Honourable Member: Mr. Chairman, point of order.

Mr. Loewen: Mr. Chair, I am in the middle of moving a motion here. I do not believe that there is any reason for a point of order.

Point of Order

Mr. Chairperson: Mr. Maloway, on a point of order.

Mr. Jim Maloway (Elmwood): Mr. Chair, I have had my hand up several times already to be recognized long before the member opposite.

Mr. Chairperson: Mr. Loewen, on the same point of order?

Mr. Loewen: On the same point of order, Mr. Chair, I believe I had my hand up first. I also believe it is the customary practice of this committee to allow for opening statements by the Finance Minister and the critic. The Finance Minister is not here. I, as critic, would obviously have the first opportunity to have a mike and, regardless of that precedent, which is well known by all members of the committee, particularly the Minister of Water Stewardship (Mr. Ashton), who, by the way, is in contravention of the intention of the rules as we know them that excludes ministers from this committee. He is entitled to be here as an MLA, but he should know that the spirit of the operation of this committee is being violated by him at the same time.

Mr. Chairperson: Mr. Ashton, on the same point of order?

Hon. Steve Ashton (Minister of Water Stewardship): On the same point of order. First of all, I do not have to apologize to anyone for being here. I think our committee structures are well established. All members of the Legislature are entitled to attend any committee of the Legislature. The second point, Mr. Chair, I point out that in the comments made by the member of the opposition, I think he pointed to the fact that, first of all, he was moving a motion, and second, he said he was bringing some introductory comments. I point out that the normal procedure of committees is that the Chair will identify if there are any parts of what is normal process in terms of opening comments that have not taken place.

In this particular case, to seek the attention of the floor, I think it would be appropriate for the Chair to clarify if this was on a point of order. I would suggest that, before we get into procedural wrangles, I think we are here for one purpose tonight, and that is the fact that this committee has met, as identified,

the need to hear particularly from a number of people who are present. I would suggest, before we get into the kind of comments that the Member for Fort Whyte (Mr. Loewen) has put forward, that we actually focus on what we would normally do in a committee proceeding, which is canvass the committee in terms of its proceedings tonight, determine how long it will sit and gauge any of those procedural matters.

I have been to a fair number of committees over the years and that is what we normally do. Before a member opposite tries to shut me down in this case, I am a member of the Legislature. I certainly feel it would be appropriate for any member of the Legislature who was interested to be at this committee. That is a standard practice, and I suggest we focus in on the procedural issues tonight, when we will sit, and the agenda for tonight's proceedings.

* (18:40)

Mr. Chairperson: Mr. Derkach, on the same point of order?

Mr. Leonard Derkach (Russell): Yes, Mr. Chair, on the same point of order. I think it is customary that the Chair is the one who is in control of the meeting, and the Chair will recognize individuals as the Chair sees them.

Mr. Chair, you recognized the member from Fort Whyte. The member from Elmwood raised the point of order where he complained about not being recognized. Well, I do not believe that is a point of order. He will be recognized when you catch his eye or you catch his attention, I guess, and then he will be recognized, but I think it is a known practice and an established practice that the Chair is the one who calls upon members as he sees them or as she sees them.

In this case, Mr. Chair, you clearly identified Mr. Loewen as a member you recognized to speak, and he was just in the process of moving a motion when the point was raised. I do not think it is a point of order.

Mr. Chairperson: Yes, I think I have heard the points, and, as pointed out, it was not a point of order. So I will continue with Mr. Loewen.

* * *

Mr. Loewen: Thank you, Mr. Chair, and I will be relatively brief on this, but I do want to indicate to the committee and those other MLAs present that it is unfortunate that we have had to come back to this committee after passing three motions unanimously on our September 7 and September 8 meetings that were to be directed towards, not only the Rules Committee, but also to the Legislature itself in terms of how this committee should function, and how we should proceed with recommendations that have been made to this committee by the Auditor General.

As a matter of fact, the Auditor General was kind enough to bring forward a motion, at the meeting on September 7, which would have solved the problem that the Minister of Health (Mr. Sale) identified in 1999. It seems strange that once again we are in a situation where, in opposition, the members were all on one side of an argument and now they are all on the other side of the argument. So I think it is unfortunate that they have taken this hypocritical stand.

I think it is unfortunate that the Government House Leader (Mr. Mackintosh) has decided that he is not going to call the Rules Committee. He is not going to allow the House to deal with these processes, even though the committee had requested, through unanimous motion, that the Rules Committee report back to this committee by September 30. That has not happened.

But, having said that, Mr. Chair, we do want to get on with the business at hand. I think it is unfortunate that, although the government side obviously concedes the necessity of bringing forward witnesses to this committee, they also, with their heavy hand, have decided that they are the ones that will determine who should come to this committee. They have stifled us time and time again in terms of inviting people to appear before this committee, but let them suffer the consequences of their ill-advised strategy in order to try and suppress the information that this committee is challenged with getting at.

Based on that, and in an effort to proceed with this evening's committee process and to start to try to get to the bottom of this scandal that has been perpetuated by the current government, I would move

THAT the Public Accounts Committee call forward the Minister of Health to respond to questions on the issue of Hydra House.

Mr. Chairperson: I will read into the record the motion then. I move

THAT the Public Accounts Committee call forward the Minister of Health to respond to questions on the issue of Hydra House.

All those in favour of the motion—[interjection] pardon me, on the motion. I am sorry. Yes, I am sorry. Mr. Ashton, on the motion.

Mr. Ashton: I think it is important to note that we are into, I think—[interjection]

An Honourable Member: Point of order, Mr. Chair.

Point of Order

Mr. Chairperson: Mr. Loewen, on a point of order.

Mr. Loewen: I would just like some clarification, because we have rules by which we operate. The government side of the House seems to want to flaunt those rules at every opportunity. I would refer to chapter 10, page 45, of the *Legislative Assembly of Manitoba Rules, Orders and Forms of Proceeding*. Mr. Chairperson, in chapter 10, rule 107 clearly states: "Any MLA may participate in the PAC's deliberations, but such Members may not vote, move motions or be part of any quorum." Rule 103 states: "Cabinet Ministers and Leaders of a Recognized Party in the Legislative Assembly shall be ineligible as Members of the PAC, with the exception of the Minister of Finance."

We have a minister of the Crown who is at the table, who is interjecting himself into motions that are votable and are the deliberations of this committee. Again, I would just indicate that, in my belief, he has now crossed the line quite dramatically. He is not here to ask questions, which he has a right to do as an MLA, but he is here as a member of the government, as a minister of the Crown, to interfere in the process by which this committee is operated. Not only has he now violated the spirit of the rules of the Legislative Assembly of Manitoba, but he has crossed the line and, in my opinion, violated the rules at the same time. I would ask, Mr. Chairperson, that he have the courtesy to step back from the table. If he wishes to come forward again when this committee is questioning witnesses, we will certainly recognize his right and ability to do that, but he should not intentionally try

and interfere with the deliberations of this committee.

Mr. Chairperson: I must point out that all members are eligible to partake in the committee meetings. Only members who are assigned as committee members have the ability to vote and move motions. As a member of the Legislative Assembly, any member has the ability to be at committee to speak, so there is no point of order.

* * *

Mr. Ashton: I appreciate your ruling, Mr. Chairperson, because I have certainly been to many committee hearings over the years, both in government and in opposition. That has always been the basic principle of these committees. I am elected by the people of Thompson. I have been fortunate enough to have been elected seven times, and I am quite aware of the rules.

I have the rules in front of me and I would suggest the member, before he starts raising points of order, may wish to consider the rules. In fact, I think it is appropriate for any member of the Legislature in this case to speak to a motion that is moved before a committee, a motion that is on the floor and to put forward his or her views on that motion. Then, of course, members of the committee will decide according to democratic process. This happens all the time in every committee of the Legislature. I think it is important when we preface our comments to do that because I, certainly, think that is important. What I was going to put forward to members of the committee is that having had some experience in terms of the way we have evolved in terms of our rules, we are into, I think, a very new era in terms of Public Accounts, a very positive era and we are seeing the evolution of the Public Accounts Committee that is unprecedented in this province.

We are seeing, in this case, the fact that we have the willingness not only to call, but to have two ministers, former ministers of the Crown, appear before the committee, both of whom are certainly prepared to do that. That is something that really goes against the entire body of parliamentary democracy in this province going back to our founding as a province in 1870, but it reflects, maybe, some of the evolution of other committees, certainly at the federal level and other public accounts committees. I think that is positive and the fact both those ministers have indicated their

willingness to be involved in these discussions is important. It is a rather unique issue as well. It dates back to the 1990s.

* (18:50)

In fact, Mr. Chairperson, it seems to me the logical thing to do would be to begin with the minister who was responsible at the time many of these difficulties arose. I am just checking my—*[interjection]* It is interesting, we have two former ministers, the Member for River East (Mrs. Mitchelson) and the Minister of Health (Mr. Sale). The member from River East was minister from September 10, 1993, to October 5, 1999, and then the Minister of Health became minister after that. It is clear to my mind if this committee is interested in getting to the bottom of what happened, you start at the beginning. We have all sorts of opportunities for members to ask questions that date back to some of the issues that have come to light through the Auditor's report: the purchase of Cadillacs in 1995, the lease for an Audi in 1996, the 60% bonuses in 1998 to 1999.

I could list through, Mr. Chairperson, but it is obvious if members opposite are really interested in the necessity of getting to the bottom of what is happening, you start with the beginning. I realize that, whenever you engage in these discussions, there is an element of political discourse. I have sat on both sides of the table. It is interesting. The member from Fort—

Mr. Chairperson: Order. The Member for Thompson has the floor.

Mr. Ashton: The Member for Fort Whyte (Mr. Loewen) said, "Not until I came." I heard his comments, something about cover-up, et cetera.

What is interesting in this particular case is the vast majority of the financial difficulties we are dealing with date back to the 1990s. Everything you do in this Chamber should have two tests. One is the rules, and the other one should be a reality check. Does anybody seriously believe that the NDP government, when it was elected in 1999, wanted to cover up all this mismanagement under the Tories?

Essentially, Mr. Chairperson, that is the view that members are putting forth, and I suspect that is the reason why they do not want to call the minister who was responsible in the 1990s for much of what

happened. First, because what they want to do is to try and distract from the fact that in the 1990s these very significant financial issues did occur, and even though in the latter years of their mandate there were problems that our minister identified today in terms of financial reports that were outstanding, now they are standing up and suggesting somehow, what? I said this to somebody earlier that the NDP government did not clean up the mess the Tories created fast enough.

That is really the essence of the facts in this particular political issue. It is a rather unique situation. We acted within a year, with the initial investigation. We acted by referring this to the provincial auditor. The provincial auditor brought in a comprehensive report, I appreciate the fact the provincial auditor's report is before us and has given us the ability now to look at this whole series of questionable expenditures that date back to 1995, 1996, 1997, 1998, 1999.

Mr. Chairperson, if the goal of this committee and this legislature is truly to establish what happened, you start at the beginning. You start with a minister that was responsible from 1993 through to 1999. The minister that was then responsible for cleaning up the mess—and I realize members opposite can say we did not clean up the Tory mess fast enough. We can call that minister afterwards.

I think it points very significantly with this motion to the fact members opposite were desperate to jump in the beginning of this committee. Even at this point, even where we are at the point where we have two former ministers ready to present to this committee and answer questions, that they wanted to do, even at this late point is protect their former minister from having to go forward and outline chronologically why that minister, and I want to be charitable, I think her defence on this has been that she knew nothing for the entire six years that happened.

Point of Order

Mr. Chairperson: Mrs. Mitchelson, on a point of order.

Mrs. Bonnie Mitchelson (River East): I recall very vividly when you called the names of those that had been invited to committee tonight, I was the only one present. The minister that was responsible in 2000

when the allegations came forward, detailed allegations came forward, was hiding out somewhere.

Mr. Chairperson: I do not believe that is a point of order. It is a dispute over the facts.

Mr. Chairperson: Mr. Ashton, to continue.

Mr. Ashton: I think it points to the agenda of the opposition that they had a pre-prepared motion that was going to call the minister. If the minister was here, she makes our point here. I give her credit for being here. I give the current Minister of Health credit for being here. Clearly, if this is about getting to the bottom of this, you start at the beginning. That is why I think a more appropriate motion would be to call the Member for River East (Mrs. Mitchelson), who was Minister of Family Services and Housing—correct me if I am wrong—from September 10, 1993, to October 5, 1999.

Point of Order

Mr. Chairperson: Mr. Loewen, on a point of order.

Mr. Loewen: On a point of order, Mr. Chairperson, I would remind the Minister of Water Stewardship of his role on this committee. He is allowed to come here and ask questions. He is not allowed by rules to move a motion. He is not allowed.

An Honourable Member: Oh. Oh.

Mr. Loewen: You just suggested you were going to move a motion. You are not allowed to move a motion. I would ask you to remind him of that.

Mr. Chairperson: I do not believe there is a point of order, and I do not believe I heard a motion being put forth by the Member for Thompson.

Mr. Ashton: Thank you, Mr. Chairperson. I really do not need any lectures on rules from the member from Fort Whyte. I know the rules. I am not moving a motion. I am speaking to a motion that he put forward, a predrafted motion, that, in this particular case, I think would shield the former Conservative minister from having to start from the beginning and

explain what happened. I would suggest any reasonable disposition of this matter would start, very obviously, by looking chronologically with the former Conservative minister. She can outline why she knew nothing or, indeed, if she knew nothing, and why in 1994 the capacity even to deal with these issues was removed by the government at the time, why delinquent financial reports were coming in late in terms of the audits of this organization. Nothing was done at that point in time.

As I said, Mr. Chairperson, any logical disposition of this, netting out the obvious politics which seem to have crept into some of the discussion already, would be to start at the beginning, and I would suggest to members opposite the appropriate thing to do would be to withdraw this motion. We have the two ministers here currently. Let us start with the minister on whose watch most of these expenditures occurred. Then we can bring in the minister that actually dealt with the problem, started the investigation and then referred the matter to the provincial auditor.

We are quite prepared to see the Minister of Health (Mr. Sale) speak, but I think probably what would be most interesting to the public is how a minister who was in place from 1993 to 1999 knew nothing about Audis, hot tubs, Cadillacs, but now stands up in the Legislature and has all the solutions and all the answers—20-20 hindsight. No one is perfect, and I would suggest that probably when we get into the discussions later on, I am sure the Member for River East may want to perhaps indicate some degree of fault in terms of this. I really suggest let us start at the beginning. Let us call the minister of the day, from September 10, 1993 to October 5, 1999, the Member for River East, then we can bring in the Minister of Health, and then we will have a much clearer picture than we have currently.

Mr. Chairperson: I will then ask the question of Mr. Derkach.

Mr. Derkach: I would like to speak to this motion. First of all, I want to reflect on the words that have just been spoken by the Minister of Water Stewardship. This government has tried to dictate not only how this process is going to work, but they have also adopted a dictatorship approach in who will appear before committees.

For a long time now we have tried to negotiate with the Government House Leader (Mr.

Mackintosh) that witnesses should be called before this committee. The government has chosen to selectively pull out those individuals it chooses to bring forward as witnesses. It is an obvious situation where the government is trying to hide and sweep matters of this serious nature under the carpet. This is a fairly significant scandal in the province perpetrated by individuals responsible on the government side whether willingly or unwillingly. That is what the public needs to know.

*(19:00)

I have asked the Government House Leader that witnesses who are in the employ of this government, who are civil servants, come forward, as has been recommended by the Auditor General, to be able to answer questions of this committee. Those questions can be posed by both sides of the House, but the government has chosen the route whereby civil servants will not be allowed to come and testify before this committee. They cannot tell the committee, in fact, what has gone on. Rather, the government only wants to put up its political ministers and only two of them, to answer these questions.

Mr. Chairperson, in negotiating with the Government House Leader, I very specifically indicated that we would be calling for witnesses. That means witnesses both elected and those who are working for government and those who were involved in the Hydra House issue who were employees of the agency. In an open process there is no reason in this world why anyone would not want people who have information about a significant scandal and misappropriation of funds to come forward and explain how these funds have been expended. The government chooses to hide.

In other jurisdictions there is transparency. There is accountability because a Public Accounts Committee is entitled to question not just elected officials, but indeed it has the power to bring forward people who have any involvement in any kind of an action or any kind of a situation that is being questioned by the Public Accounts Committee.

I recall the present Minister of Health (Mr. Sale) when he was in opposition, who very eloquently, I think, put forward the case that the Public Accounts process needs to be open and there need to be more accountability and more transparency in the Public Accounts process. Today, he is hiding. Oh, he is in our presence, I apologize. He has finally come in. It

is good to have him here too. Someone should have informed him that committee started at 6:30. Maybe he would have been on time.

Let me continue by saying this Minister of Water Stewardship, had he been here in the previous Public Accounts Committee meeting, he would have witnessed that it was the current Minister of Family Services (Ms. Melnick) who was in the chair. Now, he is saying maybe that was wrong, maybe we should have gone back to 2003. I do not know how it matters whether it was the current minister who was answering questions before this committee, or whether it is the former minister, or whether it was the minister who was responsible in 2003.

There is a motion on the floor. If the government wants to shield its minister from coming forward to answer those questions, it will vote against the motion. We have put forward a motion. We want to get on with the task of asking the ministers the questions. We are prepared to vote on that motion. If the government is afraid and wants to shield its minister and wants to keep its minister in the shadows, then it will vote against this motion. Our obligation to the public of Manitoba is to make sure we bring not only the ministers but also other witnesses forward so that we can get to the bottom of this scandal. Thank you.

Mr. Chairperson: Mr. Maloway, on the motion.

Mr. Maloway: I move that we call question.

Mr. Chairperson: Question has been asked.

An Honourable Member: No.

Mr. Chairperson: No. Okay, Mr. Goertzen.

Mr. Kelvin Goertzen (Steinbach): Mr. Chairperson, this discussion is interesting in the context from which it was raised. I think that, when we discuss what is happening here tonight at committee, it is also worth remembering how some of this debate has been framed over the last several weeks.

Certainly, I think the Minister of Water Stewardship (Mr. Ashton) referred to the public's interest in this issue. It is clear in the reports we have seen publicly, and in talking to individuals in Manitoba, they are concerned about a cover-up. They are concerned about, when allegations were brought forward in 2000, they were not acted upon. This government tried to sweep them under the rug and

tried not to deal with those allegations when they were brought forward. For four years, for four cold, long years, nothing was done. Nothing was done after the allegations were brought forward. Who was responsible? Who is the lone individual who clearly had the knowledge in 2000 of alleged misappropriations? Who had that individual knowledge? It was the Minister of Health (Mr. Sale), and that is where the cover-up starts. That is where it begins. That is where the questions are raised in terms of what was not acted upon when knowledge came forward.

Why did the current Minister of Health, the former Minister of Family Services, not do what the public would expect and take reasonable action in a quick manner to ensure that public dollars were being spent properly at the time and not have to wait for four more years? That is where this issue started, and I say to the Minister of Water Stewardship that is the issue that people are looking to find out. That is what they are trying to determine, what happened. Was there a cover-up? Was there information that was not acted upon in a timely fashion, because that is what people expect from government? They do not expect them to run and hide and to have ministers sitting in the third row of a committee. They do not expect them to slink in 10 minutes after it started. They do not expect them to hide, to not have witnesses who come forward who have real information on the issue. That is not what they expect from a government. I say to you, Sir, That is not what they are looking for.

I want to refer back to the words of the Premier (Mr. Doer), and I do not do this often and I do not do it lightly, but he is the one who said on public radio that this is the opposition's committee. This is the opposition's committee, to get to the bottom, to get answers. He comes and he says that on public radio, when he does not have anybody challenging him, and the Premier takes to the airwaves and he says, "Oh, but this is when the opposition has their opportunity to get to the bottom. This is when they have the opportunity, to question government." To question government, Sir, and so here is our opportunity to question government, our first opportunity to question the minister, and what happens to the members opposite? What does government do? The minister responsible sits in the fourth row, sits there hiding, and all of the members of government sit here and say, "Let us try to get somebody who was minister up five, six, ten years ago."

Whose committee is this? Your own boss, the Premier, says this is the opposition's committee, and I say to you, if you want to stand by the words of your Premier, of your boss, you will heed his warnings. You will allow the Minister of Health, the former minister, to come forward and answer questions because that is what people want. We are not fools on this committee. Manitobans are not fools. They know what they want. They want answers. They want answers from the current government, Mr. Chairperson.

Mr. Doug Martindale (Burrows): What we are debating is the amount of accountability that ministers are going to have for these issues, and former ministers. I would contend that we are broadening the accountability. In fact, under the old system, only the Minister of Finance appeared and answered questions at this committee.

For the first time ever, we had a current Minister of Family Services, a minister other than the Minister of Finance, come and answer questions at this committee. We are proposing that another former minister of this government, Mr. Sale, and the former minister, Mrs. Mitchelson, under the previous government, come and answer questions. What the PC caucus is doing is narrowing the accountability to only one minister, and we want to broaden it.

An Honourable Member: No.

Mr. Martindale: Your motion includes only one name.

Point of Order

Mr. Chairperson: Mr. Derkach, on a point of order.

Mr. Derkach: On a point of order, Mr. Chairperson, if Mr. Martindale would have been listening over the past few days, I do not know whether he was asleep at his desk or whether he was alert, but the member from River East, I am having trouble with names.

An Honourable Member: Southwood.

Mr. Derkach: Southwood. The Member for River East (Mrs. Mitchelson) indicated in the House very clearly that she was prepared to answer any questions before this committee or before a public inquiry, which should actually happen, Mr. Chairperson.

Mr. Chairperson, this matter should be before a public inquiry.

Mr. Chairperson: Mr. Ashton, on the same point of order.

Mr. Ashton: Thank you, Mr. Chairperson, and I think if you were to look at the debate here and discussion, I think the Member for Steinbach (Mr. Goertzen) pretty well gave away the agenda tonight, which is, I think, effectively to focus, and, you know, he says opposition time, and their interest is to call government ministers. I think, clearly, by the motion their intent is to shield the former Conservative minister between 1993 and 1999-*[interjection]*

Well, the members may wish to heckle, but I am quoting what the Member for Steinbach (Mr. Goertzen) said. I would suggest that we would be far better off in this particular case, with the unprecedented situation of having the two ministers ready, willing, and able to deal with this matter, and I think the appropriate thing is to call the Member for River East (Mrs. Mitchelson) first, the Minister of Health (Mr. Sale). We can run through chronologically.

* (19:10)

I suspect the real public interest will be served by disposing of this point of order. I do not believe it is a point of order. We can have the debate on the motion. The member that was speaking, I think, was putting forth some important points, not the least of which, Mr. Chairperson, is the fact that members opposite, when they talk even about calling witnesses, know that the rules in this House do not include that provision. The members opposite talk about other jurisdictions. Well, the current rules were brought in, in 2002, by mutual agreement of all parties. So it is disingenuous for members of the opposition to suggest that somehow the government created the set of rules. I have not seen a set of rules in this Legislature, certainly in the last 25-plus years, that has not been brought in through consensus of all members of the House.

Again, I believe they do not have a point of order. Let us get on with hearing the witnesses. Indeed, if this is to be of any use, I think we should dispose of these matters. Let us deal with the matters ahead, and then let us bring up the two ministers. They are here. Let us hear from them.

Mr. Chairperson: On the point of order that was brought forth by Mr. Derkach, it is not a point of order. It is a dispute over the facts.

* * *

Mr. Chairperson: Mr. Martindale, to finish.

Mr. Martindale: Mr. Chairperson, just to quickly finish because we do want to vote on this motion. We on this side want all responsible former ministers to appear and answer questions. I think the official opposition is hiding Mrs. Mitchelson behind procedural debate, and if they are not, then her name should have been in this motion instead of only Mr. Sale's. If you are really serious about having her here, then put her name in the motion as well.

Mr. Chairperson: I have a motion on the floor.

Mr. Loewen: Mr. Chair, I do appreciate the opportunity to speak to my motion. I do think it is unfortunate that the government has had to bring a minister of the Crown in to carry the debate on a committee when her ministers are not supposed to be in the first place. It is unfortunate that they had to resort to that.

But, having said that, it is the minister that has got us in this ridiculous situation. The allegations came forward in the year 2000. Today we learned further in the House that the Minister of Health not only failed to act on the allegations, but he withheld very valuable evidence from the Auditor General.

Mr. Chair, the reason we are here is to get to the bottom of why the minister of the day, the present Minister of Health, did not act immediately on the allegations that came forward. I think it is unfortunate that the government has played such a lead role in stifling this committee, and, quite frankly, I think we should all be somewhat ashamed, but particularly those on the government side, that once again we have asked the Auditor General and his staff to come in, and yet we pay no attention to the recommendations that he has made over and over again. For the information of those committee members that are new to the committee, I will go back to Hansard of September 7, and I am quoting from the Auditor General, Mr. Singleton, and I quote, "I would point out that every other jurisdiction in the country does ask officials to attend their committee and respond to questions."

Every other jurisdiction in the country, and here we have the government of the day who in 1999—and again I want to emphasize that it is the now-Minister of Health who in opposition was pushing for all of the recommendations from the Auditor to be taken by the committee and to be enacted upon. Yet here he is, arguably one of the very senior members of a government, who, through their heavy hand and through their ability to control votes on the committee, unwilling to allow this committee to make progress. So is it any wonder that we read on more than one occasion that this Public Accounts Committee in Manitoba is the least effective in all of Canada? Yet, knowing that, we have members on the government side who are stifling and refusing to allow us to make progress with this committee, time and time again.

We have the Minister of Finance (Mr. Selinger) who is there. We have the Minister of Water Stewardship (Mr. Ashton), who is stifling this committee. All it takes is for them to carry some influence as the Minister of Health (Mr. Sale) has indicated he would like to do, carry some emphasis with the House Leader to get this situation resolved. Every other jurisdiction calls witnesses.

We also heard from the Auditor General during that Public Accounts Committee. He made it very clear to all of us that it is his feeling that, in order to move the process forward on this committee, the Chairperson needs to have the right to organize the meeting and the Chairperson needs to have the right to invite witnesses. He went so far as to bring to us a motion which he felt would solve this issue. That motion was brought forward to the committee. Unfortunately, the government of the day decided that they did not want to have that motion passed, and so they tinkered with it and manipulated it, forced it to go to the Rules Committee, and the Government House Leader (Mr. Mackintosh) will not even call the Rules Committee.

Again, for the information of those members that were not here, the new members of this committee, I will read that motion that was brought to this committee by the Auditor General, and I quote: "That when matters under consideration for a particular Public Accounts Committee meeting have been determined the Chair shall notify by letter the administrative heads of organizations whose mandate relates to the Auditor General's reports under consideration requesting them to attend the meeting with

such other officials from their organization as they deem necessary to respond to questions the committee may wish to ask them." Very clear cut.

We should have, before this committee today, the administrative heads of organizations here to answer the questions so that this committee can get to the bottom of what has happened since the allegations were raised in 2000.

The allegations came forward in 2000. I will reiterate, today we learned that the Minister of Health withheld that information from the Auditor General. We have information that we asked for at the last Public Accounts Committee meeting, we asked for it again in the House, it was delivered in the dead of night, slipped under the door as it was, well after hours, slipped under the door, the minister did not even have the decency to table the information in the House. She did not have the decency to give it to the committee. It was slipped under the door at 6:30, and that is how this government does business.

That information that was given to us she told us today in the House, on the record, was all the information that was given to the Auditor General. Well, how could it be that the most vital piece of information that the government had, and that is a financial issues summary on Hydra House that was presented to the government—

An Honourable Member: Present it to the government.

Mr. Loewen: The member from Burrows asked me to table it. It is too bad he was not paying attention in the House today, because I tabled it there. Perhaps, if he paid a little more attention to the goings-on, he would not find himself in this position.

Mr. Chair, I tabled this information in the House today. It is information that was given to the department, it was information that the minister had access to, it was information that the minister in 2000 set-up what he called an extraordinary review, and what it appears that review is, from the notes we were given last night, that he sent somebody over to Hydra House to ask the officials of Hydra House if these allegations were true. What did they say? Well, they said that, no, they are not true. The minister said, "Okay, then, that is fine. There cannot be any problem.

"I have conducted an extraordinary review, quite an extraordinary review," he tells the House in July.

He has been asked to apologize for his statements in the House. I believe he should not only apologize to the House, he should apologize to this committee, and he should apologize to the people of Manitoba, because that is what he owes to all of us. This is a very detailed account of transgressions that were later proved true through the Auditor General's report. *[interjection]*

The member from Fort Garry asks when he had this. He had this November 14, 2000. It was November 14, 2000, the minister had this information. Yet a year and a half later when they sent information over to the Auditor General, they did not even have the courage or the decency or the honesty to send along the memo that initially brought the allegations to their attention.

So it is for that reason that we believe the starting point is where the allegations first came forward to government, which is in 2000. My motion in no way, in no way wants to limit. It is simply a motion that the first person we should talk to try to get to the bottom of this is the Minister of Health, and then we can move on to others.

* (19:20)

I have also presented motions to this committee, which we passed unanimously, that the House should let us sit at least 20 times a year. Yet we are being limited; we are being limited to four meetings a year. It is obviously the intention of the government members of this committee to drag this out and drag this out so that not only will we not get the opportunity to talk to the Minister of Health (Mr. Sale), but we will not get the opportunity to talk to the administrative heads of the various departments that are involved in this cover-up since the allegations came forward.

Look at the history we have had. We had the Minister of Family Services (Ms. Melnick) tell this committee over and over again that the information she delivered us last night was privileged information and that she would not release it. She did not even tell us that. She told us she had to take everything under advisement. Within five minutes of the Public Accounts Committee ending their deliberations on the 8th of September, she walked

into the hall and told the media we were not going to get any of the information. She tells us, as a committee, she is going to take it under advisement. Not more than five minutes later she goes in the hall, and she tells the media she is not going to give it to us because of Cabinet confidentiality.

How can we as committee members expect to believe anything this government, these members, any member of the government brings to this committee? History has shown that we just do not get answers. We do not get openness and honesty at the committee, and that is why we have asked time and time again that the government allow the right thing to be done, to bring forward rule changes to this committee which would allow us to follow through with the Auditor General's recommendations. I will just reiterate for members opposite that these are recommendations that, when in opposition, led by the Minister of Health, they argued vehemently for and agreed with the government of the day to set up a subcommittee to determine how these rule changes could be made.

Then they got in government in 1999 and, all of a sudden, no, we do not want that, we do not want that. There can be no witnesses.

Well, I am sorry, the Government House Leader (Mr. Mackintosh) says there can be witnesses, but there can only be the witnesses that I want. There can only be the witnesses I dictate to the committee you can talk to.

An Honourable Member: He dictates.

Mr. Loewen: That is not democracy at work. We have seen around the world what happens when democracy is stifled, so I would urge the members opposite to vote for this motion, to let democracy take its course, to do as their Premier (Mr. Doer) has asked, to let the truth set them free, to let this committee function as it is intended to function. We have the Premier going out time and time again and saying that this is the opposition's committee, yet he forgets to tell the public there is not much we can do when the only person who can call the committee is the Government House Leader, and he will not call it, just as he will not call the Rules Committee, just as he will not allow the issues we put forward as we recommend to the House unanimously. *[interjection]*

The Minister for Water Stewardship (Mr. Ashton) says that the Rules Committee sits next

week. If he had taken the time to read the unanimous motion or to talk to his Minister of Finance (Mr. Selinger), he would have understood that, as a committee, we wanted that Rules Committee to meet before September 30 and report back to this committee. His own Minister of Finance, arguably one of the most important ministers in this government, voted with the committee on that motion. Yet we see now that he was insincere as well.

We are just asking, in terms of process, to do the right thing, to start with the minister who was in charge of this situation when the allegations came forward in the year 2000. That is all the motion is. It is just a starting point. We will sit here tonight. We will sit here tomorrow night. We will sit here the night after. We will go through every witness we can. We are not trying to limit anything. We are trying to open it up. It is the government side that is trying to limit the discussion and bring closure to this committee.

It is obvious that the intention of this government is to mastermind and control this committee to cover up what has happened and to cover up why the Minister of Health stood up in the House and told us he had done an extensive and quite extraordinary review when in fact, as we see now, he did nothing but pose a few questions and then walk away from the issue.

On that basis, Mr. Chair, I would urge the members opposite to come forward and vote with us on this motion.

Mr. Maloway: I would like to amend the member's motion by adding the words "Bonnie Mitchelson" followed by and before the words "Minister of Health". So the intention would be to have both members before the committee tonight with Bonnie Mitchelson first and Mr. Sale second.

Mr. Chairperson: Order, please. There has been an amendment to the motion. It has been moved by Mr. Maloway

THAT the motion be amended by adding the words "Bonnie Mitchelson, Member for River East, followed by the Minister of Health, to respond to the questions on the issue of Hydra House."

The amendment is in order. I am advised that the amendment is in order.

Mr. Loewen: First of all, Mr. Chair, can I ask you to once again read the amendment? There was quite a bit of noise at the table, and I was not able to hear everything that was said.

Mr. Chairperson: I will read into the record the amended motion that was presented as amended by Mr. Maloway

THAT the Public Accounts Committee call forward Bonnie Mitchelson, Member for River East, followed by the Minister of Health, to respond to the questions on the issue of Hydra House.

The amendment is in order.

Mr Maloway: Thank you, Mr. Chairman. I think this might satisfy the concerns of the members opposite. They want both members to be appearing before the committee, and that is what we are trying to accommodate them in doing.

Mr. Loewen: With regard to the amendment, the member from Elmwood has it totally wrong. We want the ministers here, and we want, as the Auditor has suggested, the administrative heads of the departments to be here, because we are interested in getting to the bottom of this. The problem we have, Mr. Chair, is that, in trying to get to the bottom of this, we are continually stifled by the government and by the members on this committee and by the ministers of the Crown.

* (19:30)

Mr. Chair, we did hear today in the House, I tabled a document that was given to government officials November 14, 2000, and it lays out in very detailed fashion the allegations that led to the investigation—eventually led because the government sat on these for a year and a half to two years—that eventually led to the Auditor conducting an investigation at Hydra House. It is unfortunate that the government minister of the day, the Minister of Health (Mr. Sale), chose not to forward this very valuable piece of information along to the Auditor General at the start.

I think what is even more unfortunate for the people of Manitoba is that the Minister of Health did not do the right thing at the first indication that there were possible problems at Hydra House. By the details listed on this financial summary, and I will just run through a few of them, the allegations were

regarding the non-arm's-length sale of residences between individuals and Hydra House, an organization that was funded by the government, it speaks specifically of addresses. It speaks of renovations that were done to these homes. It speaks of purchases that were done under Hydra House's expense accounts that went directly to benefit individuals that may, in fact, be in contravention of the rules of Revenue Canada. It speaks of how personal mortgages on personal property were paid for through Hydra House. It talks about vehicles.

Yes, some of these issues did take place in the 1990s, but the allegations came forward in the year 2000. The Minister of Health at that time said he was going to conduct, and had conducted, in fact, quite an extraordinary investigation to satisfy himself. Yet anybody, anybody with any common sense at all—I am sure any member opposite could look at this sheet of paper and know where to go and look with regard to Hydra House. It details cheque numbers. It details the dates on those cheques. It details how an employee was paid bonuses, even though that person was a full-time—I should not say employee because while he was on the records, he actually did not have a job description there, but that individual was paid bonuses at the same time that he was a full-time employee at the Manitoba Telephone System.

This minister and his so-called investigative team could not even find, could not even verify any of this information. In fact, worse, they went to Hydra House and said, "Well, is this true?" Hydra House said, "Well, no." "Well, is the second point true?" Hydra House said no. In fact, as it turns out, virtually all of it was true. The minister of the day, the Minister of Family Services and Housing, talks about how they did not have the staff within her department, did not have the resources to fully investigate this. The minister could have investigated, himself, very easily. All it would have taken was to pick up the phone, find out what these cheque numbers and the dates were and look at what the payments were for. It would have become very, very evident.

Now, I guess the new Minister of Housing (Ms. Melnick) has at least learned from this because we see in the case of Aiyawin that at least, when information came forward, she had the intelligence to turn it over to the Auditor General immediately, even though he had already had it. But the issue here, the issue that this committee really needs to get to

the bottom of is who knew what when? What action did they take or did they not take?

That, Mr. Chairman, is clearly the purview of the then-Minister of Family Services and Housing who is now the Minister of Health (Mr. Sale).

The question is not whether these events took place. We know they took place. The Auditor General has confirmed they took place. The question is that, when the allegations first came forward, which is in the year 2000, why so little action was taken on the allegations. Further to that, as we find out today, why did the minister not even forward these allegations to the Auditor General? That is the issue. That is the issue at hand. That is the issue we are trying to get to the bottom of at the Public Accounts Meeting. That is the issue that I believe we are going to have to finally have a public inquiry on before we can get to the bottom of this situation because this government continues to stifle us by not allowing the administrative heads of departments, as the Auditor General has suggested, to come forward to this committee to provide us with the information they know.

As we saw last night when the information was finally given to us by the Minister of Family Services, we see that there are, indeed, some very, very serious questions that need to be asked of the officials within the department. For example, why did senior bureaucrats in the Department of Family Services, having learned about these allegations, go to Hydra House and simply ask questions, such as do you own property in Florida? Well, that is a question that needed to be asked. The question that needs to be asked here is why did they accept the answer "no" from Hydra House officials when they had details, they had addresses. This document indicates, and maybe you want to come forward and read it, Mr. Minister of Health (Mr. Sale). You know, you obviously ignored it back then. You seem to take a little interest now.

Why did those department officials completely ignore information that was placed before them that, I might add, after they had produced their report which cleared Hydra House, was actually proven to be true by the Auditor General when he and his staff went in and did the audit that is in question before this Public Accounts Committee?

Mr. Chairperson, as I said before, it is beyond me how the Minister of Health could claim in any

way, shape or form that he took an extraordinary step to try and prove or disprove the allegations. In fact, he did worse. Not only did he not take any extraordinary steps, he, I believe, actually suppressed information. He swept it under the carpet as quick as he could. Then, when finally, through the efforts of the media it became evident that there were some problems at Hydra House, he stood up and said, "Well, no, we investigated it; we conducted an extraordinary study." He said this in the House in answer to a question, that he had conducted an extraordinary study, and the allegations were false. They were just accusations made by a employee who had been fired. That is how he tried to sweep it under the carpet. It has obviously been proven since then that that is not right.

So the issue before this committee, and the reason why I brought the motion to this committee is because the information on how this issue was missed, on how the financial mismanagement of Hydra House was allowed to continue and to continue and to continue lays at the feet of the minister who was responsible for the department when the allegations were brought forward. It is he that has done a great disservice, not only to this Legislature, not only to this committee, but to the people of Manitoba by not bringing that forward directly at the first opportunity to the Auditor General so that the Auditor General could look into it.

I might remind members opposite that not only did he try and sweep this under the carpet but, at the same time, he was increasing funding to Hydra House to the tune of some, I believe, \$1.4 million. He was at the same time covering off deficits. He was providing deficit funding. He was increasing dramatically the funds being allocated to Hydra House. He was shifting money from government to cover a deficit when, at the same time, another operation in Hydra House was actually profitable, all the while telling this Legislature that he had conducted an extraordinary investigation.

So it is quite clear that he is the one that we need to bring forward to start the process in terms of answering the questions that need to be asked. After him, it is his department heads that need to come forward to answer questions.

The Member for Fort Garry (Ms. Irvin-Ross) says we do not want the Member for River East

(Mrs. Mitchelson) to testify, and, in fact, we have no problem. We have said that openly, honestly and publicly. We have said that on more than one occasion. But we want to start, and we believe this committee owes it to the people of Manitoba to start at the time when the allegations were first made. We need to start with that minister. We need to get that information on the table because that is what this committee is all about.

* (19:40)

This committee is not here to look into whether or not money was misspent; that was the Auditor's responsibility and the Auditor's job. I am sorry, the Auditor General. The Auditor General did a very worthy and exemplary job of it. He came back with his report to tell this committee where money had been misspent, how, in spite of the fact that money was being misspent, the government was continuing to increase the funding to Hydra House.

Now, our issue as a Public Accounts Committee is to look at this situation and say how could this have happened. How could the minister of the day stand up in the House and assure us?

I will remind the members opposite, as a little sidebar, that the responsibility of this committee is to review the actions of the government. They owe that responsibility to the people of Manitoba and to this Legislature to review the actions of their own government. If they are not willing to do that, at least they should have the courtesy to get out of the way and let members who are interested in questioning the government get at it. The way to get at that question, the way to get to the bottom of this is to proceed and to call the Minister of Health forward, because he is the one that was in power when the allegations were made. We need to know what happened from the first day those allegations were made. That is the start. That is the process.

We then need to bring forward administrative department heads so that we can question them on what information they had supplied to the Minister of Health, who was the minister responsible at the time that led him to stand up in the House and tell all of us that he had conducted an investigation that was, and I quote, "quite extraordinary."

I think what is quite extraordinary about it was its simplicity, an investigation where you go and ask

the accused if it actually happened and they say no, and you walk away and say, "Well, it is okay; it is just a disagreement between two staff." When you have before you a document that gives you dates, gives you cheque numbers, well, it has been tabled. If you want to read it, take it. It gives you all the information.

An Honourable Member: There is no date written on it, really.

Mr. Loewen: That is very detailed. Well, the Member for Fort Garry (Ms. Irvin-Ross) says there are no dates written on it. If she would be kind enough to give it back to me, I would be glad to read the dates to her. It was tabled in the House today. It is unfortunate that she did not take the opportunity to read it. The date here is cheque No. 10273, dated April 8, 1999, cheque No. 10299. The dates are all here. It is too bad that members opposite did not take the opportunity to read the document when it was tabled in the House today.

I would remind the members that, out of courtesy, we tabled it in the House. We did not wait until 6:30 and slide it under their doors. The real question is what happened between the time the allegations were made and the time the Auditor General's report was issued. That is what we need to find out.

Having said that and reiterated it once again, we should do the right thing. We should call the Minister of Health (Mr. Sale) forward. We should then call the administrative heads of the departments forward until we get to the bottom of this.

I would just like to say in closing, Mr. Chair, that I have no faith in this government that they will allow us to proceed in a reasonable process. They have already proven today that they have been hiding information, not only from the House, but from the Auditor General. The only way to get to the bottom of this is a public inquiry where people, including ministers of the Crown, will be called under oath. Hopefully, under those stringent conditions, the minister of the day would actually deem to tell this committee the truth.

Mr. Martindale: I am speaking in favour of the amendment by the Member for Elmwood (Mr. Maloway). The opposition members are saying that they want Mrs. Mitchelson to answer questions. She is at the table. The chair at the head of the table is

waiting for Mrs. Mitchelson. That empty chair is waiting for Mrs. Mitchelson. It has her name on it.

Meanwhile, her caucus is filibustering their own motion because they do not want her to take that chair and answer questions. They are hiding behind their own motion and filibustering their own motion. If Mrs. Mitchelson believes in accountability, if your party believes in accountability, then support our amendment, and we will have Mrs. Mitchelson answering questions, as well as Mr. Sale. You should stop filibustering your own motion.

The Member for Fort Whyte (Mr. Loewen) said he wants to ask questions like who knew what and when. I think that is fair game for our minister. Our minister is prepared to answer questions. But it is also fair game for us to ask Mrs. Mitchelson what did she know, and when did she know it.

I think we should get on with this. I would encourage the members opposite to support our amendment so that we have more accountability. We have both ministers. We know that this spans two governments. I think the only reasonable and fair thing to do since Mrs. Mitchelson has been saying over and over again across the table and in the House that she is prepared to answer questions. It is really strange that her name was not in her own party's motion. We have corrected that. We have amended it to include Mrs. Mitchelson. We want both former ministers to answer questions on the Hydra House audit.

Mrs. Mavis Taillieu (Morris): I think we have to focus on when the allegations were brought forward in the year 2000 and look at what a responsible and accountable government minister would do. If there were problems within a minister's department, would a minister not go to look through the department and have a look at what was wrong? Why, if there was not anything to hide, would they not get out in front of this and say, "We have discovered something and we are going to fix it?" But, instead, this government chose to hide it, bury it, even when allegations like this were brought forward which could have easily been investigated. Yet there was a claim that there was an extraordinary investigation, which was really just a cursory look at the allegations and then a simple, "Well, no, I guess that did not happen."

Now no responsible, accountable person would do that unless there was something to hide. No responsible, accountable minister would not provide documentation when asked unless there was

something to hide. No responsible, accountable minister would not table reports in the Legislature if there was not something to hide. The only reason that I can imagine why a minister would not follow, after allegations were brought forward to them—and four years later, the minister has not undertaken a review that was comprehensive, I would have to ask the question why. The only reason that can come to my mind why a person would not do this is because they are protecting other people; there are people within the department or within the Hydra House association; there are personal relationships that are being protected.

The only way that we can find out what the relationships were between the now Minister of Health (Mr. Sale), the Minister of Family Services when the allegations were brought forward, is if we can call him to testify here or answer questions here as to what his personal relationships were and are at Hydra House and to call officials from Hydra House and people within the department. Now, this committee does not allow for us to do that. The only way that we will get answers to these questions is to call a public inquiry, which we have been calling for.

Mr. Chairperson, that being said, I would like to move

THAT the amendment be amended by adding the word "simultaneously" prior to the words "Bonnie Mitchelson".

* (19:50)

Mr. Chairperson: It has been moved by Mrs. Taillieu

THAT the amendment be amended by adding the word "simultaneously" prior to the words "Bonnie Mitchelson".

The subamendment is in order.

Mr. Ashton: Mr. Chairperson, speaking to the subamendment, now I know that probably my best training for politics at times is reading *Alice in Wonderland*, because this is, indeed, Alice-in-Wonderland, "curiouser and curiouser."

Mr. Chairperson: Order.

Mr. Ashton: But I would point to the fact that what we have seen tonight, I think, is really what the real agenda is. If I was to be charitable, I would say that

really if you were to listen to Conservative members of the committee, you would treat the 1990s as if they did not happen. The lost decade.

Now, I can understand why members of the Conservatives would not want to think back to those years. But I notice that, in all the comments—and I have sat here listening patiently to members speak, and obviously I have contributed to some of the discussions, other members have as well—there is not one reference to the 1990s: the Cadillac Seville purchased in 1995; the Cadillac Eldorado, also purchased in 1995; the 1996 Audi Quattro; the bonuses that were paid in 1998 and 1999; the Christmas bonuses paid to administration and staff.

By the way, I should point out that in this case the car at least was for somebody who was not working for the organization: a personal assistant to the owner who commenced full-time employment in 1996.

Appliances were purchased. Furniture was purchased for the personal residence of the owner. A donation to a private school. The installation of a toilet and an awning and a trailer owned by the personal assistant to the owner. These were all, by the way, in the 1990s, the lost decade.

Mr. Chairperson, \$580 paid for the owner's cable television charges in 1997 and 1999. In 1998 there was a cheque for the purchase of a television stand and two office chairs, which were delivered to the personal residence of the owner.

Mr. Chairperson, \$9,039, again for appliances and furniture. Meals and entertainment charges of \$27,900 in 1997. An executive member paid \$16,500 through petty cash. That was in the same year. Also, \$126,800 to credit cards, including charges for meals, entertainment, vehicles and residences in 1998-1999.

Now, I noticed all the members of the Conservative Party who have spoken to us thus far, not one referenced or wanted to ask a single question about any of those particular issues.

I think that any member of this committee, any member of the Legislature, would want to know of the minister of the day if she knew absolutely nothing, and if she claims she knows nothing, she was ignorant of what was happening, in that case, I

would assume that other questions would then be asked and will be asked when we are able to call that member, why not only did this occur, but there was also an act of, not just an omission, but of commission actually taking out the ability of the government of the day to have that kind of accountability and other questions from the 1990s. Why the 1997-98 statement was received 11 months late? Why the '98-99 statements were outstanding, even up until the time when the government changed?

So, Mr. Chairperson, the logical thing here, to my mind, is not to accept the premise that some of the Conservative members would like to have us accept, which is basically the 1990s did not happen. There are a lot of people in Manitoba who wished it did not happen, but let us have a reality check here. These things did happen. Do you not think that someone, a member of the public, watching these proceedings tonight might think it was reasonable, yes, to ask about the Minister of Health, who when he became aware of these put this in place.

In fact, members talk about four years. The Auditor General started the investigation in 2002. It is because of the Auditor General's report that we have this information.

I think the Member for Morris (Mrs. Taillieu) referred to any responsible, accountable minister. Do you not think a responsible, accountable minister might have known something about what happened in the 1990s, might have understood that if you took out the ability for your own department to audit this that, indeed, in fact, there might be the potential for this kind of abuse?

Mr. Chairperson, I notice the Leader of the Opposition (Mr. Murray) here, as well, because I notice he asks questions about hot tubs and Sea-Doos. It is interesting because I know he was not a member of the Legislature at the time. He was active in the Conservative Party. I do not know if someone has explained yet, but in the 1990s this is what happened. These were the expenditures that happened. This was the government of the day, the responsible, accountable minister.

So I would say here, rather than this Alice-in-Wonderlandish amendment; to tell you the truth, this probably might also fit into a Monty Python skit, having two ministers called simultaneously. Are they

supposed to sing in two-part harmony? Mr. Chairperson, before we get into the theatre of the absurd here, the bottom line is you have a choice. You either call the minister that was responsible when the vast majority of these expenditures took place. First, get to the bottom of why nothing happened in the 1990s to deal with this, and then call the minister that came in.

I appreciate the argument of Conservatives because let us be careful to restate what they have said all the way along through this. The bottom line is that they are saying the big fault of the Minister of Health, and the NDP government of the day, was not cleaning up the mess that was created under the Conservative government's watch fast enough.

Mr. Chairperson, now that we have, thanks to the Auditor General's report, a clearer picture of what did happen, let us get on with calling in order, first, the Member for River East (Mrs. Mitchelson), who was minister responsible when this happened, the responsible, accountable minister. Then we can call on the Minister of Health.

I suggest, by the way, it might be slightly less confusing if they were not called simultaneously here, either one or the other. We have got an amendment. We have got an original motion it is pretty easy to vote on here. I think we are maybe getting a little bit carried away with ourselves, so let us get on with voting on this. I think members of this committee will have no problem voting on this absurd amendment.

Mr. Goertzen: Mr. Chairperson, I want to commend the member from Morris for bringing forward an amendment in the spirit of co-operation. I am very disappointed that the Minister of Water Stewardship—I guess his agenda was laid clear here for us. It is as though the curtains were pulled back, and now we can truly see that there is nothing bipartisan about what is happening here tonight.

I think the member from Morris very clearly wanted to bring something forward that would be agreeable to both parties so that we could get on with this, and do what the public of Manitoba wants us to do, and get answers into this scandal that has plagued the Doer government now for the last number of months, that began four months ago.

I actually was shocked and disappointed in the Minister of Water Stewardship's comments and that

he would not look at this as something that would move forward and that was done as a compromise, a compromise position. I think that individuals who are watching this committee would applaud the Member for Morris (Mrs. Taillieu) and say, yes, she brought forward something that is logical, and we were at an impasse where there was a dispute about who would come first. So why not? Why not have the former minister and the current minister go forward and answer questions of the committee? Let us finally get some answers to the questions that so many Manitobans are looking for.

But that is not the response we get from the government. No, they still have their heavy hand on the control. They think they have still got their hand on the rudder of this committee, and there is absolutely no compromise. There is no budging, and there is no light in that wall that they have set up because they want to divide. They do not want to get to the bottom of this. I do not think there is anything that speaks more clearly, more clearly as to why.

The Member for Burrows (Mr. Martindale) says he wants accountability. Well, then call for a public inquiry. If you want accountability, sir, I say call for the public inquiry. If you want to stand up and speak to this and say that you are opposed to the public inquiry because you do not want to have accountability, then I will offer you the mike to do that; but I say to you, sir, it is time that we get on with this. There was an amendment brought forward that would allow this to come forward, that would allow for the questioning to begin that people are waiting for, that Manitobans are waiting for.

* (20:00)

But what does the Minister of Water Stewardship (Mr. Ashton) do? He throws up the wall and says that, no, we are not going to allow for some kind of a compromise. We are not going to allow it to go forward. We are going to put the heavy hand of government down. We will put the heavy hand of government down; we will give no quarter and give no compromise.

Does anything speak more as to why we need a public inquiry than that attitude of that minister and of the attitude of the entire government?

You know, the new Member for Minto (Mr. Swan), not too long ago, said that he still thought

extraordinary measures had been taken after he saw that they asked questions of the individual who was accused. He still said that there were extraordinary measures taking place.

It is as though if somebody was running out of a bank and the alarms were going off. They had two bags of money in their hands, and the police officer went up to them and said, "Did you rob the bank?" and the person said, "No, I did not rob the bank." "Oh, okay, then, go on your way." That is essentially what happened here. The question was asked of the person holding the money bags: "Did you do this?" "No, I did not do that." "Oh, all right then. Go on your way." I wonder why you have problems with your justice system if that is how it is run.

I say to you, to members of this government that this is your opportunity. The Premier stood in the House, your Premier, your boss, stood in the House, stood in the Legislature not two days ago and said, "Look at the record because your votes will haunt you forever. Look at your record. When you vote, they stay there forever."

Now I say, your votes on this issue will haunt you. If you do not want compromise to move forward, to get answers, we will find out. I will ask each one of you members, each one of the government: Who does not want this to come forward? Who does not want the transparency? Who does not want the accountability? Manitobans will know that you stalled this process, that you did not want the answers, you did not want to get to the bottom of it. I say shame on you if that is how you are going to vote on this amendment.

Mrs. Mitchelson: Mr. Chairperson, sometimes it is hard to sit at a table and be the subject of the kind of controversy that we are experiencing today. I know from time to time the present Minister of Health must feel sometimes that he has been on the hot seat and would like to be able to have an opportunity to state his case in, I would say, a non-partisan way.

I would hope that, in the spirit of co-operation, the committee would seriously look at this subamendment to the amendment. I think that I am prepared to co-operate. I am not sure that the kind of partisan activity that has been ongoing tonight serves much of a useful purpose. If, in fact, this is the way the Public Accounts Committee is to work, I would venture to guess that this is not the proper forum to

be discussing this kind of an issue. I would certainly welcome a full public inquiry.

I am wondering if maybe once we get this motion dealt with, and I am hoping in the spirit of co-operation that members of the government side will support this. I am quite prepared to sit at the table with the Minister of Health, the former Minister of Family Services, and I will attempt to answer any questions that are put to me, and I would hope that he would be prepared to do the same thing.

I have no problem with trying to find a compromise that will get on with the workings of this committee. If, in fact, Mr. Chair, members of the government choose to vote this compromise position down, I think they are doing a disservice to the process that should be able to be accomplished through this committee. So I would hope that we could now get on with the vote on the sub-amendment, and I would encourage all members of government to support that. I would encourage the Minister of Health today to come up and sit beside me, and let us get on with the questions around the issues in Hydra House, and see where that takes this committee and this process.

Hon. Jon Gerrard (River Heights): The purpose of this committee tonight is to hear from the former ministers and have a chance to ask them questions. We have, in this partisan effort, already used up an hour and a half, and I think we need to get on with a vote, a decision about how we are going to do this.

This is an unusual compromise, but it is not an unreasonable compromise, provided the Chair is fair in allocating questions. Even if they are alternated back and forth, then at least it is one that is potentially workable. Let us get on with the vote and have a decision and then go from there.

Mr. Chairperson: Is the committee ready for the question?

Some Honourable Members: Question.

Mr. Chairperson: I will go slowly through this for the committee.

The question before the committee is the subamendment moved by Mrs. Taillieu. The subamendment reads as follows:

THAT the amendment be amended by adding the word "simultaneously" prior to the word "Bonnie Mitchelson".

Shall the subamendment pass?

Some Honourable Members: No.

Some Honourable Members: Yes.

Voice Vote

Mr. Chairperson: All those in favour, say yea.

Some Honourable Members: Yea.

Mr. Chairperson: All opposed, say nay.

Some Honourable Members: Nay.

Mr. Chairperson: In my opinion, the Nays have it.

Formal Vote

An Honourable Member: Recorded vote.

Mr. Chairperson: A recorded vote has been asked for.

A COUNT-OUT VOTE was taken, the result being as follows: Yeas 4, Nays 6.

Mr. Chairperson: I declare the Nays. The subamendment is defeated.

* * *

Mr. Chairperson: The question now before the committee is the amendment moved by Mr. Maloway:

THAT the motion be amended by adding the words "Bonnie Mitchelson, Member for River East" before the words "Minister of Health."

Shall the amendment pass?

An Honourable Member: No.

Voice Vote

Mr. Chairperson: All those in favour, say yea.

Some Honourable Members: Yea.

Mr. Chairperson: All opposed, say nay.

In my opinion, the Yeas have it.

The motion is accordingly carried.

* * *

Mr. Chairperson: Order. The question now before the committee is the motion moved by Mr. Loewen and amended by Mr. Maloway:

THAT the Public Accounts Committee call forward the Minister of Health who is to respond to the question on the issue of Hydra House.

Is it the pleasure of the committee to adopt the motion?

Some Honourable Members: No.

Mr. Chairperson: The question now before the committee is:

THAT the Public Accounts Committee call forward Bonnie Mitchelson, Member for River East, and the Minister of Health to respond to questions on the issue of Hydra House.

Voice Vote

Mr. Chairperson: All those in favour of the motion, please signify by saying yea.

Some Honourable Members: Yea.

Mr. Chairperson: All opposed?

In my opinion, the Yeas have it.

The motion, as amended, is accordingly carried.

* * *

Mr. Chairperson: Order. The motion then, and I will read it again:

THAT the Public Accounts Committee call forward Bonnie Mitchelson, Member for River East, and the Minister of Health to respond to questions on the issue of Hydra House.

In regard to the operation of the committee, I will now ask is there any suggestion from the committee as to how long—[interjection]

Order. Are there any suggestions from the committee as to how long we should sit this evening?

* (20:10)

Mr. Maloway: Mr. Chairperson, I would recommend that we sit till ten o'clock, and we will take a look at it at that time.

Mr. Chairperson: Okay. The suggestion is we will sit until ten o'clock and then look at it at that time.

The floor is now open for questions.

Point of Order

Mr. Chairperson: Mr. Sale, on a point of order?

Hon. Tim Sale (Minister of Health): Just on a brief point of order, if I may. I have always, since we had this question raised to us, been very happy to come to this committee.

Some Honourable Members: Oh, oh.

Mr. Chairperson: Order.

Mr. Sale: I just want to say to the committee that I have always been willing to come before the committee from the point I was asked. I want to clarify that, until the committee moved the motion to ask Mrs. Mitchelson and me to be here to respond to questions, we had not been properly called. So I sat and waited until the motion passed, and as soon as it was passed I am delighted to be here. I am delighted to have my former colleague as a former minister here, and I am looking forward to the evening very much.

An Honourable Member: It would read nice in Hansard, but you do not fool anybody.

Mr. Sale: I think that we should look very carefully at parliamentary language, and just kind of tone things down so that we can actually get some answers to some questions, which I think the members will find helpful.

Mr. Chairperson: The member did not have a point of order.

Mr. Chairperson: We will now continue with the floor. I believe Mrs. Mitchelson has an opening statement.

Mrs. Mitchelson: It is an unfortunate situation where we have spent close to two hours with political wrangling over what the process of this committee should be.

Quite frankly, Mr. Chairperson, I am not sure it serves the interests of the taxpayers of Manitoba when we have a committee that does not have the proper rules in place that have been recommended by the Auditor General that would make this committee a functional committee. He has made a very strong case. I know he has made that case for many years now.

I know that both parties, both the Conservative and the New Democratic parties, in years past, specifically when the members that are presently in government were in opposition, called very strongly for proper rules in this committee so that we could get to the bottom of issues and have the ability to question those that are part of a government process, no matter who the governing party is.

Those are people within the bureaucracy, committed, long-term civil servants who have jobs and duties to perform. From time to time, I think it is important to get their views and their opinions on the activities that have been undertaken regardless of what party is in power. It is important that those people have the opportunity to speak up and ensure that politics does not get in the way of the facts and the information that need to be presented in order to ensure transparency and accountability.

That is what this Public Accounts Committee should be doing. The Auditor has strongly recommended that. Every other province across the country has a stronger process in place, and it is unfortunate that the kind of wrangling that went on here tonight is still a part of the backward process that we see right here in our province of Manitoba. It is the present government that appears to be stifling the kind of debate and the kind of answers that need to be provided at this committee.

It is important that members of the committee and members of the public know that ministers are to be held accountable, and should be held accountable, for activities that they have responsibility for when they are a minister of a department of government. I certainly took those responsibilities very seriously when I was a minister under the former administration.

Manitobans should know that, when governments get defeated—we do know, many of us, I know the Minister of Water Stewardship (Mr. Ashton) has sat in opposition and in government, as have I, and he knows full well, or maybe he does not know what the process is, because I do not think he was a minister when they were in opposition before—*[interjection]*

No. When they were in opposition, or when they were in government—I am sorry—in the late 1980s, when a government changes, all of the documentation and all of the records that are available to a minister when they are in government, are put into boxes and shipped off to the archives. The member who is no longer in government, the minister who is no longer a minister does not have access to those records and to those documents. There are briefing notes within the department that are provided to the new government. There are transition documents, but, in fact, the outgoing minister does not pack up his or her files and move on with those files. They remain permanent records of the Province.

Therefore, I do not, at this point in time, have access to the briefing notes and to the archival boxes that I believe have, over the last few months or few weeks, seen a lot of activity in the Minister of Family Services' office, because I know the government today, rather than looking forward to trying to fix the problems at Hydra House, has been spending hours and hours searching through archival documents to try to dig up something to embarrass the former government, rather than dealing with the very significant issues that face the residents of Hydra House who need to have the assurance from this government that they are going to have a safe and secure place to live out the rest of their lives.

It is rather unfortunate, Mr. Chairperson, we are in the situation where this government would rather live in the past than look to the future and be held accountable for information that was presented to them in the year 2000. In the year 2000, information came forward to the then-Minister of Family Services, pretty damning information, with very detailed information around receipts and cheque stubs that indicated there had been inappropriate expenditures at Hydra House by Hydra House officials.

The question becomes then, when information comes to a minister in a government department,

what does that minister or that government department do. The first thing is to take a serious look at the documentation that has been provided and then ask some very serious questions and try to get to the bottom of the issue. I do not believe that happened in the year 2000. We have certainly found out today those serious allegations that were brought forward to the department at the time were hidden from the Auditor General. As late as today the Auditor General has indicated to us that information of those serious allegations was never provided to him by the department. That is absolutely unacceptable. It is unacceptable that a minister or a government would try to cover up that kind of information. I have no idea or understanding why any minister would want to cover that kind of information up.

* (20:20)

This was the government in the year 2000 that had only been in power for a year. Mr. Chairperson, they did not have to accept responsibility for those allegations that came forward. They could have asked the serious questions, and if they were not satisfied with the answers, they had the ability, at that very time, to go to the Auditor General of this government and say to him, "Will you do a forensic audit? Will you look into these allegations? Here are the cheque stubs; here is the information. Please take this, on our behalf, and on behalf of the taxpayers of Manitoba, and look into them."

I believe that our Auditor General, at that time, would have looked at that document and would have said, "I will make this a priority." I have every confidence in the impartial activity that takes place in the Auditor General's office. That would have provided justice and good service to the taxpayers of the province of Manitoba.

But, Mr. Chair, what did the minister do when he got that information? Well, those are questions that need to be answered by this minister. He needs to be held accountable for those decisions. And to date, four years later, we have not heard an explanation from that minister as to why he would have covered up that information, why he would not have shared that information with the proper people.

Mr. Chair, we also found out that a few short months later those allegations were made to the Premier of the Province of Manitoba. In the spring of

2001, the Premier (Mr. Doer) received two letters alleging the inappropriate activities and the inappropriate expenditures.

I know that the Premier must have gone to the Department of Family Services and to the minister at the time because I know that is what my premier would have done when we were in government. He would have come to me as the minister, he would have asked for briefing notes, he would have asked for documentation, and he would have wanted to be satisfied that due diligence was done and that financial accountability was there.

Well, Mr. Chair, we find out that the Premier, and I guess the Premier must have been going on the briefing notes that were presented to us by the now-Minister of Family Services (Ms. Melnick) just last night at 6:30, briefing notes that beg more questions than have answers, their briefing notes, that they have alleged for four years, that did due diligence to the allegations that came forward. That due diligence and that extraordinary financial investigation, as stated by the former Minister of Family Services, was going over to those that the allegations were made against and that the cheque stubs were provided to the department for, and asked some very basic, simple questions: Is this allegation true, or is it not true?

Of course, those that the allegations were made against said, "No, they are not true." So that was the extraordinary investigation that was undertaken by this government. That was the extraordinary investigation that the now-Minister of Health (Mr. Sale) has stood by for four years. I find it absolutely astounding. The buck does stop. When he or she has allegations provided with documentation and that is not followed up by that minister in any other way, and I guess the question to me is did he share that information and that document with his Premier. Did his Premier know that that document existed? If he did, was he satisfied with the briefing note that went to him? I am sure he would have asked for a briefing note or for some information. Was he satisfied with the information that came forward?

Mr. Chair, there are many, many unanswered questions. I believe that not only does this committee need to hear from me, and from the Minister of Family Services that was there at the time the allegations were made, this committee needs to hear from the Minister of Family Services that was

appointed after the now-Minister of Health, and that would be Mr. Drew Caldwell, to find out whether he had a role in any way. He certainly was the minister that was responsible when the Auditor was undertaking, or when the information became public and through the transition.

Mr. Chair, I believe this committee, if it is doing its job, also needs to hear from the Premier (Mr. Doer) of the Province of Manitoba. The Premier should be here to indicate to Manitobans how he, as the lead steward of the taxpayers' dollars in the province of Manitoba, dealt with the allegations that came directly to him from a resident in the province of Manitoba that felt that taxpayers' dollars were being abused. He has indicated in the past that he is the ethics officer of the Province of Manitoba for his party. Where are the ethics in this whole scenario, in this whole scandal?

I think it is incumbent upon us to get to the bottom of this issue to find out what the minister did, more than what we are seeing in the briefing notes. I just have to find those briefing notes that were provided yesterday. I have had an opportunity to look through them and review them, and just want to indicate that they say very clearly that on November 14 of the year 2000, two former staff of Hydra House and two associates of a newly-formed social service provider agency met with two of the minister's senior staff: Peter Dubiński, the Assistant Deputy Minister, who, by the way, was a direct appointment and had the 100% confidence of the Minister of Family Services at the time; and Ben Van Haute, the team leader of Managed Care, who had been a long-time civil servant and had been part of the Department of Family Services when I was the minister.

Those were the two people that met with the external organization. Those complainants at the time when they came forward presented a brief. Now, the brief that was presented to the minister had the serious allegations with the cheque stubs, and with the documentation of inappropriate expenditure.

What happened, Mr. Chair? The department consulted legal counsel, and legal counsel in their wisdom decided that the review should focus on the quality of services being provided to Hydra House, not the financial issues. How on earth could legal counsel make the determination that the financial issues should not be looked into? It is a fundamental

question that needs to be answered by the minister in charge at the time.

* (20:30)

Mr. Chair, that was the genesis of the first briefing note. I do have some questions at the end of my comments for the Auditor. I think we need to clarify. I know the Auditor, the department and the present minister indicated there was information, briefing notes and documentation sent to the provincial auditor. I guess we need some clarification at the end of this on whether these were the documents and this was the financial piece of the investigation that was done or whether there were other documents that might have been provided that were not shared with members of the committee. That will be a question that will be forthcoming.

Well, we go on to January, after the December issue and the recommendation that the finances did not need to be looked into, even though we had cheque stubs that had issues around financial accountability presented. We go on to see what the direction from the minister was to his departmental staff.

Mr. Chairperson, the two people that were singled out for inappropriate expenditures at Hydra House were interviewed on December 7, 2000, and provided with an opportunity to respond to allegations. It was alleged, first of all—it sounds like there were maybe five basic questions that were asked when there was a list of 32 allegations made of inappropriate expenditures. There were five questions asked in the interview. It was alleged that Mr. Manson had personal acquaintances who were being paid out of corporate funds, even though they had no visible connection or function within the organization. That was the statement that was made. The question, I guess, was asked, is it true? What was the response?

An Honourable Member: What was the response?

Mrs. Mitchelson: Well, the response by Mr. Manson indicated that one individual was hired as an executive co-ordinator—

Point of Order

Mr. Chairperson: Excuse me, point of order. Mr. Martindale, on a point of order.

Mr. Martindale: The former minister agreed to take the chair in order to answer questions. She has been making a speech for 15 minutes, has not answered any questions, shows no signs of slowing down and has not referenced the 1990s once. We asked for the minister to answer questions. We want her to answer questions, not to filibuster her own time in the chair there until midnight or whenever. I would recommend that you entertain questions.

Mr. Chairperson: The member did not have a point of order, and I should point out that when the present Minister of Family Services (Ms. Melnick) came on, she had an opening statement. There was no timing of that statement. There is no timing of statements on committees for answers or for replies, so the Member for Burrows (Mr. Martindale) did not have a point of order.

* * *

Mrs. Mitchelson: Thank you, Mr. Chairperson. I know you did indicate that the Member for Burrows (Mr. Martindale) did not have a point of order, but, you know, again, it just shows this government is hellbent on trying to manipulate this committee to their political advantage when what taxpayers really want is to get to the bottom of the issue and find out what happened in the year 2000 when the allegations came forward to the minister that was there. I supported a motion that would have both the former Minister of Family Services and myself here at the table to answer questions at the same time. That was a motion that was defeated by the government members in the House. Now the government members are saying, Why do we not get the former Family Services Minister up here to answer the questions. They cannot have it all ways, Mr. Chairperson.

We know that the answer provided by Mr. Manson at the time indicated that one individual was hired as executive co-ordinator and the other as a personal assistant. But no reference to the fact that they were being paid out of corporate funds, even though they had no visible connection or function. We do know that the Auditor did comment on that significantly in his report. In fact, one of the individuals that were hired really did not have any function within the operations of Hydra House, and therefore should not have been paid with tax dollars that were provided to Hydra House to give services to mentally disabled individuals. That money was

being taken off the top and provided to someone that did not have any visible connection to the operations of Hydra House.

So that allegation, obviously, was founded. The Auditor commented on it, and the government, when they were given that information in the year 2000, chose to ignore it and chose to take Mr. Manson's word over the allegations that were made. That was part of the extraordinary investigation that was done.

The second question that was asked of the individuals that had been accused of misappropriation of funds was there were allegations related to the purchase of cars for employees and the owner. The owner at the time indicated that the corporation no longer owns the vehicles but does reimburse senior managers for a portion of vehicle expenses or repairs. These benefits are declared as income by the employee.

Well, that is a great answer and, obviously, the minister accepted that answer at face value. We found out, much later on, when the Auditor General did his report, that there were extraordinary activities ongoing at Hydra House that were only uncovered by the Auditor's report. But the minister of the day accepted that answer at face value.

Mr. Chair, the complainants alleged certain individuals were provided with large, unmonitored expense accounts. The answer by the owner of Hydra House was he acknowledged that managers were provided with expense accounts which allowed them to conduct the day-to-day business of the corporation. Well, the minister of the day accepted that statement at face value without asking any further questions.

The fourth question that was asked was that it was alleged that corporate funds were being used to purchase personal property in Fort Myers, Florida, and the owner indicated that this was not the case. So, instead of taking a look at the cheque stubs and the receipts that had been provided to the minister, they said, "Oh, well, he has been accused. He said it is not true. We will accept that. That is fine, that is fair ball."

* (20:40)

The fifth question that was asked was is it true that office space was developed in Ms. Lau's

residence as a result of ongoing negative relationship with the complainant, Mr. Small. Information provided by the two that had been accused of inappropriate expenditures seriously questioned Mr. Small's fiscal and personnel management capabilities. Basically, their answer was, "He is the problem; we are not."

Mr. Chair, the then-minister accepted those comments at face value. That is the extent of the extraordinary financial investigation that was done when the allegations came forward. There was no need to call the Auditor General in. The minister had information. He had cheque stubs; he had invoices. But why would I look into it any further? I will just indicate publicly that I have done my job, I have reviewed the file. Everything is fine at Hydra House. There is no need to worry about anything more.

What did he do as a result of that? He turned a blind eye, quite frankly, but no. He turned a blind eye but he rewarded Hydra House. He rewarded Hydra House. It only gets worse; it does not get better, Mr. Chairman. Hydra House came forward and asked for deficit financing and the minister signed the Treasury Board submission and sent it off to Treasury Board of which he was a member.

Now the question becomes this: Was due diligence done by the Treasury Board analysts that represent the department and review the requests for additional funding because organizations are running a deficit? I know that the Treasury Board analysts usually do their job, and they will make a recommendation one way or the other on whether deficit financing should be provided. My question is—and it is an unanswered question; I think we need some answers from the minister—did the Treasury Board analyst recommend deficit financing.

I want members of the committee and members of the Manitoba public to know that this was after the allegations became public around Hydra House. The red flags were already up, and this minister had responded saying, "Hydra House is not doing anything out of the ordinary. Financially, we have reviewed the statements, and all is well and good at Hydra House, and they need deficit financing."

Mr. Chair, the question becomes this: The Minister of Finance (Mr. Selinger) had red flags raised; the CBC had done an exposé saying there were problems at Hydra House, did the Minister of

Finance not ask any questions? Did the Minister of Finance not say, "Well, have you done your homework, Mr. Minister of Family Services, and are you sure that everything is well and good at Hydra House and do they need this deficit funding in order to continue operations?" Did he ask those questions? Did he satisfy himself that all of the information had been provided? These are questions that we need answers to because the deficit financing was approved.

Now, was that deficit financing approved? It may have been based on the recommendation of the Treasury Board analysts, or was it approved based on a political decision of the minister? I guess that is a question that we need to be asking the minister and we need to be getting some answers to.

Well, Mr. Chair, after the deficit financing we had a significant announcement of increased funding and expansion of mandate at Hydra House, despite the concerns that had been raised publicly and despite the minister's assurances that he had taken extraordinary measures to review Hydra House and all was well and good. He put his stamp of approval on absolutely everything that happened during the 1990s at Hydra House because he had documentation in his hand. He reviewed it in an extraordinary fashion, and he said, "Everything was well and good. Those allegations that came forward while we were in opposition obviously had no merit because I believe that Hydra House is operating in a fiscally responsible way."

So he tossed the allegations aside that were made, allegations that were even made while we were government when he was in opposition and he said, "They are unfounded. Hydra House is an exemplary organization, and we need to expand their mandate and we are going to give them another \$1.4 million of taxpayers' money."

Well, Mr. Chair, I guess I have to question what due diligence, what extraordinary measures, or what this minister considers extraordinary financial measures. Well, I guess the questions remain and the public will be the ultimate determinant. The taxpayers of Manitoba will ultimately determine whether, in fact, the minister who received the allegations dealt with them in an appropriate fashion.

Mr. Chair, we do know that we went on to see an Auditor's report released in the year 2004. The Auditor did report that the allegations that had come

forward to the Minister of Family Services in the year 2000, in fact, were allegations that were founded. There was significant, inappropriate expenditure at Hydra House, even though the minister in the year 2000 chose to ignore the information. He could have, at the time, if he had taken action, called the Auditor in. The inappropriate expenditures could have stopped at that very minute. He could have had a legitimate reason for saying, "The former government did not have the right checks and balances in place. I came in, the allegations were made, I took immediate action and we stopped that inappropriate activity. Those Conservatives were a terrible government; they had nothing in place."

He could have been a hero, and the residents at Hydra House could have benefited significantly from that activity, vulnerable people who, from the year 2000 until today, some four years later, still have no guarantee that the money that is being provided by government is going towards their care.

* (20:50)

Now let us look at what the Auditor found in his report, and we only need to look at page 27, Figure 8, to see what happened. The Auditor indicated that, in the year 1998—and I have to admit that was when I was the Minister of Family Services, and in part of the 1999 fiscal year there were inappropriate expenditures at Hydra House. The Auditor's report points that out, the 2004 report. But I do want to indicate that the minister in the year 2000 had information that he could have put forward that would have stopped the expenditures from continuing to rise.

Now, these expenditures in Figure 8, in the Auditor's report, are a summary of the Hydra House credit card transactions incurred by executives and senior managers. In the year 1998, they were \$65,000, and that is a significant sum. In the year 1999, they were \$61,000, and I am rounding off. In the year 2000, the year the allegations were made, those credit card transactions rose from \$61,000 to \$92,000 under the former Minister of Family Services Tim Sale's watch. He knew there were allegations of inappropriate expenditures, but he did not ask any questions, and he did not get to the bottom of the issue.

Well, what happened in the year 2001? Those credit card transactions went from \$92,000 in 2000

to \$128,000 in 2001. This was after the allegations were made. This was when, if the minister had taken action, these expenditures could have been controlled, but what did he do? He sat on the information. He did not provide it to the provincial auditor. What did we see? We saw continuing, escalating expenditures on credit cards by executives at Hydra House.

Let us go on to 2002, the last year this minister was still in charge of this. We look at the credit card transactions incurred by the executives and senior managers in 2002, and what do we see? They went from \$128,000 in 2001 to \$173,000 in 2002, three times as high as they were in 1998. What did this minister do? He sat on information he received in the year 2000, and as a result, \$173,000 that should have been going to vulnerable individuals who needed care and services, went to VISA card expenditures by executives at Hydra House.

We look at meals. We look at entertainment. We look at vehicles. We look at residences. We look at office administration, office administration that went from \$8,000 in 1998 to \$50,000 in 2002. We look at residences that went from \$33,000 to \$56,000. We look at vehicles, and there were, in that document that the minister received in the year 2000, allegations of improper vehicle purchase and expenditures. In 1998, the expenses were \$8,000. In the year 2002, there were vehicle expenditures of \$33,000. They continued to climb, year after year after year.

I know that in the Auditor's report he was able to find some supporting documentation for some of the activity that was undertaken by senior executives, but there were a lot of receipts missing, and there was documentation that the Auditor could not comment on because he did not have enough information. He knew the expenditures had taken place, but there was no detail supporting those documents.

I hear the member from Thompson making comments from his chair. There was financial documentation in the year 2002, and we saw a 3% increase in executive expenditures on personal VISA cards under their watch, under his watch, under his colleague's watch. He, obviously, is sitting at the table condoning that kind of activity.

Point of Order

Mr. Chairperson: Mr. Ashton, on a point of order.

Mr. Ashton: Mr. Chairperson, on a point of order. The member, the former minister, I had assumed was before this committee to answer some questions and provide some light on her time as minister for the 1990s. I notice there has not been any reference to the 1990s thus far, no admission of any responsibility from the minister, nothing in terms of that.

I just want to put on the record that the comments I was making to other members of the committee were very much directed to the fact that we have been sitting here listening to this much-awaited presentation, and we have a former minister who has accepted no responsibility whatsoever for what happened in the 1990s. It was almost as if we were talking about another Bonnie Mitchelson.

I have a lot of respect for the member having been a member of this House for many years, but I thought the reason we had such a heated discussion early on is that we were going to have discussion about questions such as what she knew, and if she is saying she did not know anything, why she did not know anything in the 1990s. In fact, even something that might express some degree of responsibility for the fact that numerous expenses took place in the 1990s when she was the minister and when she, as a minister, took out the capacity of the department to determine if these kinds of expenditures were taking place.

If this was a debate in the Legislature, I would say the member could continue at length, but I want to put on the record, Mr. Chairperson, the comments I was making at the table to other members of the committee were that I thought it would be appropriate if this former minister actually accepted some responsibility for when she was a minister and actually started to make a presentation to this committee about what happened in the 1990s. When I said earlier the 1990s is almost like a lost decade, that was what I was referring to, to other members of this committee.

On a point of order, I want to put on the record, those were the comments the member was reacting to, comments that very specifically were made at the table, but informally. I look forward to asking these questions formally in a moment that will really ask the minister, who has been speaking for the last 25 minutes or so, what she knew, and if she knew nothing as she claims, why she knew nothing and why there has been no reference whatsoever to any

degree of responsibility. As I said, I have a lot of respect for the member as a long-standing member of this House, but the bottom line, Mr. Chairperson, and I know you know this, is that when you are a minister, you have to accept some degree of responsibility for the time you are a minister.

* (21:00)

Those are my comments, Mr. Chairperson. I am sure if you were to call the presenter to order we would be able to get to the bottom of this. What we really want in this committee today is the ability to find out what happened in the lost decade of the 1990s, what the minister of the day knew, why she took out the capacity of the department at that time, and why we had so many of these inappropriate expenditures take place in the 1990s. Here, today, in the year 2004, when the member has a chance to, at least, accept some responsibility, I am not suggesting even an apology; that would be asking too much.

That was the comment I made, Mr. Chairperson and I would appreciate if you would ask the presenter to stick to what I thought the purpose of this committee was, which is to find out what she knew and what she did not know, and what she did and did not do as a minister.

Mr. Chairperson: Mr. Derkach, on the same point of order.

Mr. Derkach: Well, I do not even know if it is a point of order, Mr. Chair, but I will respond to it.

First of all, we are seeing a demonstration of what this government really wants to do. First of all, it would not allow witnesses to come forward other than the individuals that it chose. Secondly, we agreed that Mrs. Mitchelson would come forward, and, as the Minister of Family Services, she should be entitled to an opening statement.

Now, for the second time, Mr. Chair, during her opening statement, we have had an interruption by members of the government stating that she should be shut down. So we see the autocratic approach of this government, in terms of only having to deal with issues that they want to deal with rather than having the former minister explain in her opening statement exactly what the situation is. Now they are trying to close down the debate.

Mr. Chair, in my view, Mrs. Mitchelson does have the chair. She has the right to make an opening statement, and I do not think—*[interjection]*

If the minister of water services would just listen to the opening statement, he might even learn something. So I suggest that we continue, allow Mrs. Mitchelson to put her remarks on the record, as she is entitled to, and perhaps a little bit of attention by the minister of water services could allow him to learn a thing or two. Thank you.

Mr. Chairperson: The members, I thank them, but they did not have a point of order.

Mr. Chairperson: Mrs. Mitchelson, to continue.

Mrs. Mitchelson: I, for a moment, thought you might rule that there was a point of order. But I would just like to clarify, because I know that the Minister of Water Stewardship (Mr. Ashton) has indicated that he wants to get to the nineties. Well, I know that in the year 2000 when allegations, 31 allegations, came forward, and they do go all the way back, that his colleague, the Minister of Family Services, did an extraordinary financial investigation and ruled these out as frivolous. So his colleague is the one that has to bear the responsibility for these allegations and his investigation of these allegations.

Mr. Chair, I just want to continue, and I was interrupted so I hope I am not repetitive, but I think it is important that we point out the incompetence of a government that receives allegations of this magnitude, writes them off as frivolous allegations, and continues to fund, and allows personal expenditures at the expense of vulnerable individuals to continue under their watch. We have no idea what has happened since the Auditor completed his review in the year 2002. What were the expenditures in 2003? What were the expenditures in 2004? Will we continue to see tripling of expenditures under this government's watch?

We have asked the present minister for information. We have asked and written to the minister, and I just have to take a minute to try to find the minister's response, because it is incredible. It is absolutely incredible. The now-Minister of Family Services (Ms. Melnick), when asked whether we could see detailed financial accounting of the

year 2003, has written back to us and said, "That is confidential third-party information. We cannot release it." Well, just trust us. Everything else has been confidential and third party, and just trust us.

Well, does the track record show that we can trust this government to manage the finances of external agencies? They can talk the talk, but can they walk the walk? That is a significant question I think that we, and this committee, need answers to.

Well, I guess the question is, and I would be interested, I do not think we have asked maybe the question of the minister today, whether there is a service purchase agreement in place with Hydra House today. Has that service purchase agreement been signed with Hydra House? You know, we hear the government bragging about the number of agreements that are in place. But we have yet to hear whether Hydra House has that service purchase agreement in place, or have they continued to be able to spend?

You know, we have seen reports through the media just in the last little while that Hydra House has divested much of its capital property, you know, the personal assistance home and the cottage and I do not know what has happened to the estate in Florida. Money, public dollars that were spent on upgrades and renovations and activities have now been divested by executives at Hydra House.

So that begs the question: What has happened to those dollars? Were there public dollars that were supposed to be going to serve the most vulnerable people in our society?

Have those properties that escalated in value as a result of the public purse investment been divested by the owners? Has that money been pocketed, never to be seen again by those that were supposed to benefit from those dollars, vulnerable Manitobans that were cheated out of that money and now may be doubly disadvantaged because those dollars will never be seen again by the public and by the people that deserved to have those dollars provide support to their care and to their service?

So there are still a lot of unanswered questions. It would be really interesting to know what has happened since the year 2002, what kind of accountability is in place.

You know, we heard of immediate action that the government was taking in dealing with the issues around Hydra House. They put a third-party manager in to make sure that the accountability was there and that expenditures were appropriate. Well, the third-party manager has come and gone. There is no longer a third-party manager in place. Who now is representing the interests of the clients that are being served by Hydra House?

* (21:10)

Questions with no answers. We have not been able to get straight answers from this government. It appears to me that, unless we have the ability to ask questions of those within the department that are responsible for the day-to-day activities of that external organization that we are not going to get the kind of answers that we need, because the only answers we get from the minister and the government is that it is third-party confidentiality. We cannot share it. You, as taxpayers, can fund it, but we cannot share that information with you. Trust us. Trust us. We know best.

Well, I do not believe that Manitobans' best interests are served, either the taxpayers or the vulnerable individuals that depend on the support and the services that are to be provided by the dollars—

Point of Order

Mr. Chairperson: Mr. Swan, on a point of order.

Mr. Andrew Swan (Minto): Yes, I am concerned that this witness has, perhaps, inadvertently misspoken herself because there is, indeed, a third-party manager in place at the Hydra House facility. It is PricewaterhouseCoopers. I am presuming she did not know that when she made the comments just a moment ago.

Mr. Chairperson: The member did not have a point of order. It is a dispute over the facts.

* * *

Mr. Chairperson: Mrs. Mitchelson, continue.

Mrs. Mitchelson: I am glad that a member of the government side of the House has clarified that because, quite frankly, the only information that we

had or that we were able to get from this government was that, I believe, it was a Mr. Hall or something that was put in place—

An Honourable Member: LeVan Hall.

Mrs. Mitchelson: LeVan Hall was put in place as the third-party manager and mysteriously left very quickly without completing the tasks that he was asked to undertake. So we need some answers to some very serious questions around that.

Mr. Chairperson, I just want to go back to the Auditor's report and indicate what was said. "For the year ended March 31, 2002"—this is on page 29 for anyone who might like to follow because I know that members of the government side may not have read the full report or may not just recall exactly what page information is on that has been provided by the Auditor General—"For the year ended March 31, 2002, approximately \$32,900 or 11.5 percent of public monies disclosed as 'program care costs' on Hydra's audited financial statements were spent on meals and entertainment expenses incurred by executive and senior managers of Hydra and was not directly related to the care and maintenance of the children, foster children and adults."

Well, that is a significant amount of money that was provided to an organization in good faith to provide care and services to vulnerable children and adults. So where was the financial accountability after the allegations were made? This is two years after the allegations were made and still no financial control in place. Then, we have a government that says, "We acted immediately; we acted immediately to fix the problem." Well, two years after the fact is certainly not immediately.

Another comment on page 30 in the report indicates that, "After the departure of the previously noted executive member, the meal and entertainment charges, incurred by Hydra executives through their corporate credit cards increased over the next two fiscal years, as indicated in Figure 8."

Well, there was an individual who was let go from Hydra House. There were inappropriate expenditures by that individual at the time. He was the individual that came forward and indicated there was trouble at Hydra House. He was, indeed, the whistle-blower. What happened after he left, after he came to the Minister of Family Services and said,

"There are inappropriate expenditures there. Will you look into them?" He, obviously, turned a blind eye because the expenditures incurred by executives after he left increased significantly. I think the comments explain themselves. The Auditor goes on to say there was limited documentation provided, so he was unable to definitely quantify the extent of the expenditures. Shameful.

When you look at page 34 of the Auditor's Report, and we look at the year ending March 31, 2002, I believe this was an unprecedented move, an unsecured, non-interest-bearing loan due on demand of \$67,000 was advanced by Hydra to an arm's-length company. In effect, public monies were advanced as a loan. Unprecedented. Never reported. Never alleged to have happened before this. This was under this government's watch, this minister's watch, two years after allegations came forward that there were inappropriate expenditures at Hydra House, which the minister investigated and did extraordinary investigations into and determined that everything was well and good at Hydra House.

What else happened in 2002? If we turn to page 36 in the Auditor's report, the salary paid to the personal assistant—*[interjection]* You know, I see members of the government side of the House laughing.

Point of Order

Mr. Chairperson: Mr. Martindale, on a point of order.

Mr. Martindale: Mr. Chairperson, I was just wondering if the former Minister of Family Services was about to conclude. If not, I was going to take the opportunity to take a washroom break, and my colleagues across the way here were kind of making light of my predicament. It seems the minister is nowhere near finishing, nowhere near ready to answer questions and, therefore, I probably am free to go, but I would be very happy to stay if I thought the former minister was going to be finished soon and prepared to answer questions, which was why we have her in the chair tonight and why Mr. Sale is prepared to answer questions.

We are here to hold the former government as well as the current government accountable, but we have not had a chance to answer any questions. We would really appreciate it if the minister would wind

up her opening statements so that we could get to questions.

* (21:20)

Mr. Chairperson: Pardon me. The member did not have a point of order, but far be it from me to prohibit him from going to the washroom.

* * *

Mr. Chairperson: Mrs. Mitchelson, to continue. *[interjection]*

I heard a request for a recess. Is there a request for a recess?

Some Honourable Members: Oh, oh.

Mr. Chairperson: I had a request for a recess. Is there a request for a five-minute recess? No? We will continue.

Mrs. Mitchelson: I am glad that we have the opportunity to continue, because there certainly is a significant amount of information that still needs to be put on the record regarding the Auditor's report. It was a thorough review, and the information that has been provided for the taxpayers of Manitoba is certainly significant.

Mr. Chairperson, one of the first—

An Honourable Member: You were dealing with the personal assistant.

Mrs. Mitchelson: I was just starting to deal with the personal assistant. That was one of the serious allegations that was made in the document that was given to the Minister of Family Services in the year 2000 was that there was no job description and no connection to the ongoing operations of Hydra House by the personal assistant.

Yet the personal assistant was receiving taxpayers' dollars, public money. The Auditor went into a significant amount of detail around the personal assistant. Pages 35 and 36 spell out, fairly clearly, the allegations that were made, that the minister investigated and found irrelevant, at the time, were indeed dealt with by the Auditor, looked into, investigated by the Auditor and found to be very valid allegations.

The job title, one of the individuals that was in question had a visible function with Hydra and it was determined that was, I believe, all right. The former Minister of Family Services has just made a good suggestion, I think. He has indicated that I should probably read this part of the report into the record because it is quite important. So I will.

Based on the discussions with the second individual involved, discussions with current and former Hydra staff, and through a review of records and other documentation, we have summarized our findings as follows: "The current job title for this individual is personal assistant to the owner. This individual indicated to us that he began working for Hydra on a part-time basis in 1982"—I am not sure who was in government at that time; that was quite a while ago; I think maybe the member for Water Stewardship was a part of the government at that time—"working some night shifts at one of Hydra's group homes. During this time, he was also a full-time employee of a Manitoba crown corporation.

"Subsequent to his retirement from the Crown corporation in the spring of 1996, he commenced full-time employment with Hydra as the personal assistant. There was no formal job competition for this position, and there was no contract or agreement signed between the two parties.

"There is no formal job description for this position, performance appraisals are not completed, and the personal assistant does not have a Hydra business card. This position is not included on Hydra's current organization chart, or on any previous organization charts we examined.

"The main duties of this position, according to the owner and the personal assistant, were to attend to the duties of the owner's office, which included survey work and research on policies and procedures. There were no regular or routine ongoing duties assigned to the personal assistant.

"The personal assistant indicated the research duties he performed for the owner were confidential in nature and that most"—"confidential in nature" seems to be a line that this government uses very often; most things are confidential and cannot be shared with the taxpaying public—and that "most Hydra staff would not be aware of the work he did, and that he had no contact with Hydra staff other

than some of the executive and on occasion a senior manager.

"We were advised by former Hydra staff that a committee, made up of executive and senior management, was set up in 1996 to overhaul Hydra's policies and procedures. However, the personal assistant was not part of this committee.

"The personal assistant indicated he worked out of his home when in Winnipeg and that he worked out of another location for the four to five months he spends each year in Florida.

"The personal assistant was not sure how many weeks vacation he earned each year and that he does not usually schedule vacation time or take vacation time. He referred to his time in Florida each year as a 'working vacation.'

"Hydra has supplied the personal assistant with a computer, office furniture and equipment, and office supplies for both of his work locations.

"We requested that the personal assistant provide us with some examples of the reports he has prepared related to the survey and research work he has performed during the five year period of our review. We subsequently received some documentation, from the personal assistant, most of which were financial related documents such as budgets and staffing schedules and budget summary forms.

"When asked about the duties of the personal assistant, one Hydra executive only knew that work was done by the personal assistant on behalf of the owner, and that on one occasion some typing was done by the personal assistant for this executive member.

"The personal assistant, when asked about certain expenditures incurred on his corporate credit card"—now, he did not have a business card, but he had a corporate credit card—"indicated he also takes his, the owner's, and company vehicles for maintenance and washing on occasion, and that he does some minor maintenance work on some of Hydra's residences."

The salary that he was paid in the year 2002, two years after the allegations were made, and two years after the minister said there was no substance to the allegations, he was earning \$74,900. Not bad taking

his owner's and the company vehicles for maintenance and washing on occasion, and some minor maintenance work on some of Hydra's residences.

Mr. Chair, that was an allegation that the minister received. It was an allegation that he did some extraordinary investigation into, and an allegation that he ignored. He indicated that Hydra House was doing an excellent job.

It is interesting to note that, from "1997 to 2002 the total salary and bonus payments to the personal assistant amounted to \$379,300; an average of \$63,200 annually," but in 2002 his salary was \$74,900. So there were significant increases along the way, significant increases after an employee of Hydra House was fired in the year 2000, significant increases in the salary paid to the personal assistant.

* (21:30)

What conclusions did the Auditor come to as a result of this? The conclusion was that, in the opinion, "the salary amounts paid to the personal assistant were not reasonable in relation to the duties performed."

That is what you get when you get a thorough investigation, not the kind of investigation, extraordinary investigation that was done in the year 2000 when the minister received the allegations and, apparently, did that extraordinary investigation.

I will just go on to talk about some findings on page 37 related to party transactions. "The spouse of another Hydra House executive received a payment of \$6,000 in November 1999 and then received monthly payments of \$5,000 made to his company beginning in January 2000 up to March 31, 2002," for two years after the allegations were made, "totalling approximately \$141,000."

The Auditor's findings in his conclusions were that, "It is unusual for a company to enter into an understanding with another company, for the provision—"

Point of Order

Mr. Chairperson: Mr. Martindale, on a point of order.

Mr. Martindale: Yes, I am wondering if Mrs. Mitchelson would answer a question. I am wondering why she left out one of the findings, which was that "the spouse of a former Hydra executive received payments as employment income totalling approximately \$55,400 for the calendar years 1997 to 2000. As well," plus-1998 to 1999. Why did you leave out that information, Mrs. Mitchelson?

Mr. Chairperson: The member did not have a point of order.

* * *

Mrs. Mitchelson: Mr. Chair, although the member did not have a point of order, he had a point, so I recognize that.

I have highlighted certain things because I wanted to ensure that Manitoba taxpayers, who should have been served well when allegations came forward to this government, did not receive the kind of due diligence to ensure that there was accountability. I am afraid that much time has been spent by the current government trying to damage-control this issue, and deflect responsibility away from where the responsibility lies. The responsibility lies with this government and this minister who in 2000 received allegations, investigated them, and said there was no substance to them.

I want to conclude my remarks by just taking a few excerpts from the Global interview with Tim Sale dated September 20, 2004, when he finally came out of hiding and talked publicly about the issue of Hydra House. The interviewer asked the question: Can you go into detail about what those extraordinary checks were that your department did at that time? And what was the answer? "Well, we reviewed the audited statements, spoke with the Auditor, spoke with the staff of the agency, interviewed parents, interviewed possible residents. Some residents are non-verbal so we are not able to interview them. But we took some of the paper evidence that Mr. Small passed on to our staff, and my understanding is that we confronted the agency with these allegations and asked for explanations, face-to-face, eyeball-to-eyeball, and that those explanations were reasonably given. So all of the allegations that came forward that date back into the nineties were investigated, eyeball to eyeball, and reasonable explanations were given. But two years later, for certainty, we passed this on to the Auditor."

Well, let me tell you. Two years between the time the eyeball-to-eyeball, face-to-face explanations were asked for and given, after this became a public issue and after we had called for the Auditor to go in and do an investigation, they passed it on to the Auditor and agreed to fully co-operate. But what they did not do was give the Auditor the information that they received in the year 2000. They neglected to pass that on to the Auditor.

Now, the question is quite simple. Why, after only a year of being in power in government, would they not want to share all of the information with the Auditor? What were they hiding? Were they trying to cover up for someone or something? Were there any personal relationships with anyone at Hydra House that would have caused the minister or his staff to be motivated to knowingly keep information that should have been provided to the Auditor? Significant, serious allegations with documentation. Why would this minister do that?

These are questions that need to be answered. These are questions that warrant information that could be provided by senior officials within the Department of Family Services. This is information that needs to come forward.

The final comment I want to read into the record is the comment that, when asked the question, who is to blame for the years of mismanagement at Hydra House, the answer is: "Well, I think that the staff of Hydra House and the owners of Hydra House are morally accountable for what they did. The worst years of profit were done under the previous administration's ministry, Mrs. Mitchelson."

I might beg to differ based on some of the things I have read into the record about the expenditures and the increase in expenditures from the year 2000 to the year 2002. Based on the fact that we are not getting information from the government on what happened in 2003 and 2004, we have no way of knowing, based on their secrecy around the expenditures, on whether, in fact, the executive expenditures are under control.

* (21:40)

But the minister went on to say at that time, "I do not believe she knew about it." The cars were purchased when she was minister. Those were the cars that Tim Sale had information about in the year

2000. Those were the cars and the allegations that he investigated and said there was no problem. He went on to say, "I do not think she knew about that. Frankly, I am not sure how she would know about it, given the degree that Hydra House is a private corporation. It kept its financial cards very close to its chest." The interviewer said, "Why did the government not demand that those financial cards come forward? This is taxpayers' money," The answer was, "Absolutely, it is taxpayers' money."

But you see, when you are dealing with any corporation, it does not matter whether it is private or non-profit, generally speaking you do not do a forensic audit every year on the company's books. My very simple question is this: When there are serious, severe allegations that come to a minister's attention, would a forensic audit not be warranted? Thank you very much, Mr. Chair.

Mr. Chairperson: I took note, when Mrs. Mitchelson first started to speak, of individuals that wanted to question her, and what I have done is gone back and forth across the table with the individuals' names, so the first is Mr. John Loewen.

Mr. Loewen: I actually have a couple of questions. I think, while we have the Auditor General and his staff here, I would like to clear up a couple of things with them just on process. So I just have a few questions

In our meeting of September 8, the Auditor General had indicated that he had information provided to his office by the department. At that meeting the Minister of Family Services (Ms. Melnick) had left us with the report that was entitled "Hydra House Review, December 2000," and at that time indicated that she would take any other questions under advisement. At the same time the Auditor General indicated that he was not able to and it was not appropriate for him to release the government documents to the committee.

The minister refused. She refused in the House, but finally delivered them to us last night. I would just ask the Auditor General if these in fact are all of the documents that were given to his department when they were first brought in to look at the situation with Hydra House, or if in fact there is anything else that they were given that is not in the package that was received from the Minister of Family Services last night.

Mr. Jon Singleton (Auditor General of Manitoba): I am going to have to take that question as notice. We just received the information from the department this morning. As I guess most members of the committee will be aware, we just started another investigation that used up more than all the resources in our forensic investigating group overnight and this morning, so we have not had time to compare this package to the original package that we received. But I will do that and report back to the committee.

Mr. Loewen: Thank you for that information. We did talk this morning. I also indicated in the House today that late last evening we received a copy of this report, or I guess this brief financial issue summary, Hydra House Ltd. As I mentioned, I spoke to the Auditor General this morning because I was interested to know if this had been forwarded to the Auditor General's department by the minister at the time that the investigation was initiated by the Department of Family Services. I just want to confirm, I know you indicated to me earlier this afternoon that you had a similar copy to the one that I had because I did fax you the one I had received. But, in fact, you said at that point that, although you had a copy of it, that copy did not come from government. I just wanted to make sure that I had the facts right, that you did have something very similar to what we have been talking about, but, in fact, it did not come from the government department.

Mr. Singleton: Just before answering the question directly, I want to clarify something so that there is not an assumption on my part about that answer, and that is that I have no knowledge, at this point in time, as to whether the department actually had that document or not. Having said that, we do have a document on our files that was provided from another source that is virtually identical to the document that you faxed to me this afternoon. There are, I think, two minor differences between the two documents, and I guess that is the answer.

Mr. Loewen: I thank you, again, for that information, sir. Hopefully we will find out from Minister Sale when he, hopefully, comes forward and answers questions, what his department did with it.

Now I would just ask briefly if there is anything in this report entitled the "Financial Issues Summary, Hydra House Ltd.," that would indicate to you or

your department that there were issues regarding levels of service that Hydra House was providing to its clients.

Mr. Singleton: In the copy that we have in our files—*[interjection]* Well, again, let me answer. The copy that was provided to us this afternoon, it looks to us as though only perhaps one of the issues relates to quality of service.

Mr. Loewen: I thank the Auditor General for that. I just wanted to get that information on the record, because it seems what came out of this was a big focus on quality of service and no focus at all on the financial mismanagement that is alleged in this document.

I want to preface this by saying it is one of our rules that names of individuals do not appear in the report of this committee that goes back to the Legislature unless this committee moves that they should. I would ask the Auditor if he is free to tell us whom he received this document from.

Mr. Singleton: I do not think it would be appropriate for me to disclose that without the permission of the person who provided the information to me.

Mr. Loewen: I wonder if I could ask the Auditor General if his department would consult with the individual who provided this to him to see if, in fact, it was permissible to release the individual's name.

Mr. Singleton: Yes, I would be prepared to do that.

Mr. Loewen: I thank the Auditor General for that.

Just one last question. If the Auditor General could advise this committee, and I think it is a standard process when an audit is done and the report is basically ready, that it is given to the department for their comments or their response, and at that point I understand it would still be a draft report, but I wonder if the Auditor General could indicate to the committee when the first version of his draft was submitted to the department for their review and response.

* (21:50)

Mr. Singleton: I will have to take that question as notice as well and bring the information back to the committee.

Mr. Loewen: I thank the Auditor General for that. I guess just to clarify. I would hope that we could get this information back in the near future, and should the Government House Leader (Mr. Mackintosh) decide not to call this committee back, if we could have that information delivered to all the committee members even though maybe we are not sitting as a committee, it would be appreciated. I thank you for your time and look forward to receiving the information from you.

Mr. Singleton: Mr. Chair, we should be able to get that information on the latter question tomorrow, and I will provide it to the Chair of the committee. It may take us a little bit longer to contact the individual, and for that person to think about whether they wish to give us permission to disclose that they gave us the document in question.

Mr. Loewen: Mr. Chair, that is it, for now.

Mr. Ashton: Mr. Chairperson, I would like to ask the Member for River East (Mrs. Mitchelson) a very basic question. I appreciate the opening statement, the very lengthy opening statement that was made, but there seemed to be a real gap. I assume the intent of the member offering to appear before this committee, which is quite a significant departure in terms of precedent, as is the pending appearance of the former minister, was to provide information to the committee. It would have struck me that the member might have attempted to address some of the obvious questions that arise over what she knew when she was the minister because she was the minister from 1993 through to 1999, what she did not know, why, when she was minister, she spearheaded the elimination of the Agency Relations branch which could have provided information on this.

Dare I say this, because one of the reasons I wanted to be at this committee as a member of the Legislature is I really do believe in ministerial responsibility, and what struck me about the member's comments all the way through was not only was there no acceptance of any responsibility for the period of 1993 through to 1999 when she was the minister, but, in fact, there was almost no reference to that period. It was almost as if it did not happen.

I really would like to ask the Member for River East, who had an opportunity and a very extensive

statement: Does she not accept any degree of responsibility for some of the items that I think were already part of the public record, the inappropriate purchases, the Cadillac Seville, the Cadillac Eldorado? This was in 1995.

The Audi Quattro was leased in 1996. The bonuses to Hydra executives in consulting fees in 1998 and 1999, the Christmas bonus payments that were again in 1998 and 1999, the personal assistant hired as full-time employment with Hydra House in 1996, the appliances that were purchased.

The furniture in 1997 was purchased for the personal residence of the owner, the donations to a private school, the installation of a toilet and an awning in a trailer owned by the personal assistant to the owner, the personal phone bills, the owner's cable television charges, the purchase of a television stand, two office chairs, the purchases of appliances and furniture, the meal and entertainment charges beginning in April 1997, the petty cash fund at \$16,500 in additional charges, and the \$126,800 that was charged to credit cards in 1998 and 1999, including charges for meals, entertainment, vehicles, and residences.

These are all periods in which the minister was responsible for the department, the minister responsible for Hydra House, and I listened, and I know there are members of the committee listening very carefully. There was no reference to any sense of responsibility. I think we have to remember here that the real concern is money that was here inappropriately being spent that clearly should have gone to the clients, does the former minister not accept any degree of responsibility when, and I hate to say this again, it is not just a question of a mission here, failing to detect this, but where the minister herself spearheaded the elimination—I assume she took it forward as a budget item, and that is the normal way you have budget processes—of the Agency Relations branch in 1994?

Would it not have been more appropriate to come before this committee as a former minister and admit some degree of responsibility, some degree of failure, some degree of accountability? I am just amazed. I mean, Mr. Chairperson, I found it amazing that the member would come before the committee and, in more than an hour in an opening statement, barely even reference the six years in which she was the minister.

Mr. Chairperson, will the minister, the former minister, accept at least some degree of responsibility for what happened under her watch between 1993 and 1999 when she was Minister responsible for Family Services, minister responsible for Hydra House?

Mrs. Mitchelson: Mr. Chair, I thank the member from Thompson for that question.

I do want to indicate that I accept absolute responsibility for the Auditor's report that was done in 1999 that pointed out that throughout the department there needed to be service and purchase agreements put in place so that there was some, I do not know exactly what—I do not have the whole Auditor's report in front of me—but the Auditor did recommend that the branch "negotiate, within a reasonable period of time, service and purchase agreements, with all remaining agencies and that an implementation plan be developed."

He recommended also at that time that the branch "conduct, on at least a bi-annual basis, detailed comparative analyses of agency expenditures against the approved funding models. When these analyses indicate significant variances, the Branch should determine whether funds are being appropriately spent on approved programs or update the input elements of its funding models to reflect the significant or permanent changes to agency circumstance."

The Auditor in that 1999 review also recommended that the branch "review agency budgets, in the absence of service purchase agreements, to determine whether they are consistent with the approved funding levels. We also recommend that the Branch develop a process to ensure agency budgets are received in a timely manner."

We recommend that the branch "initiate timely actions to obtain the information it needs from agencies when they have not complied with their reporting obligations."

We recommend that the branch "ensure an appropriate degree of analytical effort is conducted for various levels of financial commitment and amend its policies and procedures, including documentation requirements, accordingly."

The Auditor also recommended that the branch "expand the nature of information provided to the

Legislative Assembly to include, as it becomes available, information on the planned and actual performance of the Branch."

At that point in time, when the audit came forward, my department indicated that we would comply with the Auditor's recommendations. There were some things that were already in process and other things that needed to be implemented.

* (22:00)

The indication that the branch gave to the Auditor at that time indicated that the plan would be fully implemented and service-purchase agreements would be negotiated. I take full responsibility for that report, that checks and balances needed to be put in place. There was a commitment to implement the recommendations from the Auditor's report and have things up to speed in the year 2002. We all know what happened in 1999, and we were no longer government by the end of 1999.

I would presume that staff within the department, regardless of what government was in power, would have continued to move forward on the recommendations that the Auditor made.

Now did they slip through the cracks? Did, with the change of government, anything change in the bureaucracy? Did the commitment lessen? Was there any direction to change focus or change priorities with a new government? I have no way of knowing that.

All I can say again is that I provided to the House and to the Legislature, tabled a document today that had allegations of inappropriate funding during the 1990s. That document was provided to the Minister of Family Services in the year 2000. He investigated those allegations and came forward and indicated that all was well and fine. The opportunity was there when the allegations came forward for them to be investigated fully and reported back. Quite frankly, the minister of the day, probably if he had taken—

Mr. Chairperson: Excuse me, if I could just interrupt for one moment. There was an agreement that we revisit the time schedule at ten o'clock.

What is the will of the committee at this time?

Mr. Maloway: Mr. Chairman, I suggest we revisit the issue at eleven o'clock.

Mr. Derkach: Mr. Chair, I do not think we have a problem with that, but I think it would be appropriate for us to take a five- or ten-minute break and then to reconvene, and then continue until 11 if that is the will of the government, because they seem to want to dictate this.

Mr. Chairperson: Is it the will of the committee to have a 10-minute break at this time? *[Agreed]*

Recess for 10 minutes.

The committee recessed at 10:03 p.m.

The committee resumed at 10:16 p.m.

Mr. Chairperson: Will the meeting now come back to order.

Mrs. Mitchelson, you were finishing up your answer at the time.

Mrs. Mitchelson: I think I finished.

Mr. Chairperson: Finished? Okay.

Mrs. Mitchelson: I cannot remember, but I think I did.

Mr. Ashton: I realize that in this committee, like in any other committee, the member does not have to answer the question, but the question that was asked was, in terms of responsibility of the minister from 1993 to 1999 when a significant number of these expenditures took place, the only time frame the minister referenced was 1999 in the Auditor's report. What is interesting and what is important to put on the record, Mr. Chairperson, is the fact that there are various references in Auditor's reports throughout the nineties to the issue of the accountability of external agency financial statements, going back to 1990, and I realize the minister was not the minister at that time, a reference in 1991 to, again, in the Auditor's report dealing with an external agency, in terms of the whole situation, in terms of accountability, 1992, by the way, which the Auditor's report in 1992 specifically referenced the Agency Relations Bureau, which, in 1994, the minister took out, cut,

eliminated, and in 1995, and by the way 1994, 1995 when the minister was responsible for this department, where the Auditor's report indicated, that our initial findings indicated, that not all agencies are complying with the agency reporting requirements, let alone the 1997-1998 statements and the 1998-1999 statements that were outstanding, again, when the minister was responsible.

But, you know, I am sure there will be many detailed questions on these important elements from the 1990s. But pretty well everything that I have learned about the parliamentary system, in terms of ministerial accountability, is that you accept responsibility for the actions of your department. I have not heard the minister yet acknowledge any responsibility for 1993 to 1999. As soon as I mentioned 1993 to 1999, Mr. Chair, the minister immediately moved to 1999, 2000, 2001, 2002. Again, it was an hour and fifteen minutes of presentations where the minister came before this committee, and I assume most members of the committee and other members of the Legislature who were here, myself included, were expecting the minister to talk about when she was responsible for Hydra House, when she was responsible for this department, when, under her watch, these expenditures that I referenced earlier took place, when there were clear flags in Auditor's reports, when this minister cut the Agency Relations Bureau.

Now, what did I hear, Mr. Chairperson? Did I hear the minister say, "I accept responsibility for I am a minister for that period of time?" She, then, attempted to go and deal with one Auditor General's report in 1999, ignoring all the reports that were issued in the 1990s, did not once say, on the public record, when she had the opportunity, that she regretted what happened under her watch.

* (22:20)

Did she have any degree of responsibility for it? Specifically, and this is why I really want to focus in on in the question because, again, I realize that the member does not necessarily feel an obligation to answer the questions, but I will ask this very, very, very succinctly: Does the minister not recognize that because of her actions as a minister in cutting the Agency Relations Bureau, that as a result, one of the only mechanisms that was in place in the department to insure the kind of accountability that was

identified throughout the nineties in auditors' reports, was eliminated?

If she will not, I assume by her previous comments, accept any responsibility for what happened when she was minister in terms of the expenditures; at least, on the public record, admit responsibility and indicate to this committee that it was a mistake to cut the Agency Relations Bureau in 1994, because that was a direct act of this minister when she was the minister in the government.

Will she at least accept responsibility and, on the public record, indicate that she was responsible for that and it was a mistake that, indeed, led to the kind of situations, the kind of abuses that we saw that also occurred when she was minister? Will she at least admit that it was a mistake to cut the Agency Relations Bureau?

Mrs. Mitchelson: Well, thanks very much, Mr. Chair. We have not heard from the minister that was in charge of the Department of Family Services when the allegations came forward. I might just want to ask the Auditor, if I could, for some clarification around whether, in fact, the kinds of allegations that came forward in 2000 were allegations that came forward during the 1990s that might have been brought to his attention. I just thought maybe he might clarify.

Point of Order

Mr. Chairperson: Mr. Ashton, on a point of order.

Mr. Ashton: On a point of order, Mr. Chairperson. I had assumed that when the member agreed to come before this committee that the member was here to answer questions. She had a lengthy opening statement. The members opposite may wish to filibuster the committee. That is fine, but the member has ample opportunity to ask questions to the Auditor General as a member of the committee, as a member of the Legislature, at any point in time.

I just asked a very direct question about the decision in 1994 that was made by this minister to cut the Agency Relations Bureau. I would say that any normal process in any committee would start with that member answering the question, and if she has questions for the Auditor General, she has every opportunity to do that, but I assume that the minister agreed to come before this committee not to filibuster and not to, in this case, direct questions to

the Auditor General, but to answer questions because the issue here is her responsibility as minister from 1993 to 1999. I asked her very specifically a question in terms of cutting the Agency Relations Bureau. I do not think it is too much to expect that the member should answer that question. She has ample opportunity to talk to the Auditor General, to raise questions with the Auditor General once she is no longer here, I assumed, to answer questions of members of this committee. So I would ask, Mr. Chairperson, you would bring the member to order and ask her to just simply answer the question.

Mr. Chairperson: Mr. Goertzen, on the same point of order.

Mr. Goertzen: The Minister of Water Stewardship (Mr. Ashton) continues a disturbing trend in terms of wanting to ask questions, but not interested in hearing the answers. I thought the former minister was very astute in trying to get clarification from the Auditor General to determine whether or not similar allegations came forward during the 1990s. Hansard will prove me out, I think, Mr. Chairperson, but if the member wants to review Hansard, he will see that the genesis of his question was regarding the 1990s and whether or not there were allegations during that time. I think the former minister was doing a service to that question by trying to determine whether or not similar allegations had come forward during the 1990s, and the Minister of Water Stewardship does not want to hear that answer, does not want the former minister to be able to have full avail of the facts.

I guess that is his prerogative if he decides that he does not want the minister to be able to answer with a full set of facts, if he does not want the former minister to be able to answer that question. He can do that. He can stonewall this committee. He can go forward and continue to try to cover up the answers that the former minister is trying to provide, but he does this committee a disservice and he does Manitobans a disservice.

Mr. Chairperson: There was no point of order on the issue raised, but I should point out that at the beginning of Mrs. Mitchelson's opening remarks, she did indicate that she did have a question or two for the Auditor General. I am assuming these are the questions that she was wanting to ask the Auditor General, and this is what she is doing at this time. This is why she asked the question of Mr. Singleton.

Point of Order

Mr. Chairperson: Mr. Ashton, on a new point of order.

Mr. Ashton: Mr. Chairperson, I would point out I asked the question, and then the member asked the question. *[interjection]* This is on a point of order, Mr. Chairperson, and if I can complete this.

I just want to clarify whether indeed you are then allowing the member to ask a question and not to answer the question that was asked.

I thought the Member for River East (Mrs. Mitchelson) was here to answer questions. I just asked a very direct question, and instead of answering it, she now is asking questions to the Auditor General which she could have done earlier in the committee. She can do after that, Mr. Chairperson. If the Member for River East does not want to answer the question, then I think at least she should give the committee the courtesy by saying, "I don't want to answer the question." We cannot force her to answer the question, but I just want to remind members of the committee. I asked a very direct question, whether she accepted responsibility as minister responsible for removing the Agency Relations Bureau that led to the lack of accountability, that led to the kinds of abuses that the Auditor General has identified in the report.

The issue here is not whether the member has the opportunity to ask questions of the Auditor General. Clearly she does. The issue here is the fact that I asked the question, and I thought the purpose of this committee was to have questions answered. We have waited all evening for this. Will, Mr. Chairperson, you ask the member to at least answer the question, whether she accepts responsibility or not?

Mr. Chairperson: Mrs. Mitchelson, on the same point of order.

Mrs. Mitchelson: Yes, on the same point of order, Mr. Chair.

You know, the Member for Thompson would like to dictate how this committee runs, but—*[interjection]* Well, quite frankly, Mr. Chair, I asked the Premier (Mr. Doer) some very direct questions in Question Period today about what he knew when

about the allegations, and he would not even stand up. He would not even stand up and answer the questions. He put the present Minister of Family Services (Ms. Melnick), whom he has compromised and the former Minister of Family Services has compromised—she was not even an elected official of this Legislature when the allegations were brought forward to the former minister. They are using her for damage control, and I feel sorry for the Minister of Family Services that is in place today who is having to do damage control and did not answer a question when she was before this committee.

So, Mr. Chair, we, as an opposition party, did not demand that the Minister of Family Services that presently sits in that chair—

Some Honourable Members: Oh, oh.

Mr. Chairperson: I must point out that this is becoming a bit of a debate on it.

Mrs. Mitchelson: Well, you know, quite frankly, it is sort of the union-type tactic that I am seeing from—

Some Honourable Members: Oh, oh.

Mrs. Mitchelson: Well, it was the Member for Thompson (Mr. Ashton) that knocked over some old lady's cart on some picket line when they were in government in the eighties, so that was the kind of tactics he used on little old women that could not defend themselves, Mr. Chairperson. So let him not lecture to me about the kind of tactics that he uses.

* (22:30)

Some Honourable Members: Oh, oh.

Mr. Chairperson: Order, please. I would think we are all honourable members around this table, and we can conduct ourselves in an orderly manner. Questions are asked. Answers are sought. We have points of order, but I will rule that the point of order is not a point of order.

Is this a new point of order, Mr. Ashton?

Mr. Ashton: When you have the member sitting in the chair saying, "Put your jackboots on," I just want to put on the record, Mr. Chairperson, that I realize this member is very sensitive about this issue. All I ask for, and all we are dealing with in terms of the point of order that I raised was, I asked the question,

which is a very important question, about a decision this minister of the time made, which is to eliminate the Agency Relations Bureau. It is not unreasonable to expect this minister, without getting into some rant about the 1980s—she was minister responsible from 1993 to 1999, and I asked the question.

Mr. Chairperson, I would ask you to please ask this member, who supposedly came to this committee to answer questions, to answer a very serious question. I would ask you to have that member withdraw any of these kinds of ridiculous comments. If a member of the Legislature cannot ask a question and expect a simple answer without this kind of tirade, I think it points to the fact we have a real problem. I hate to say this. I know the member has been in this House for many years and I have always had a high personal degree of respect for the minister, but it is not acceptable for a former minister to come into this committee and refuse to answer a question, and then get into some bizarre tirade about the 1980s and comments about jackboots.

Democracy is about responsibility and accountability. I think the member from Morris talked about that earlier. We are going to have two former ministers here to be accountable. The former minister responsible for family services will be accountable. I am asking this member be held accountable. The simplest way of doing that is for her to answer a very basic question. If she does not want to answer, let her say so, and we will move on to other questions.

Mr. Chairperson: I would caution members on the tone of the language and some of the comments.

Mr. Loewen, on the same point of order.

Mr. Loewen: If the Minister for Water Stewardship (Mr. Ashton) would simply calm down a little bit, sit back and relax. I do not know why he gets himself so worked up; after all, he is here as a member of the Legislative Assembly to ask a question. He asked a question; we give him that right. He should have the courtesy to shut up long enough to listen for an answer.

I am sorry, Mr. Chairperson—

Some Honourable Members: Oh, oh.

Mr. Chairperson: We had a 10-minute recess, but I do not know whether things cooled down. I am

asking the members to please be conscious of their language and their tone around the Chair.

Mr. Loewen, to continue on his point of order.

Mr. Loewen: Thank you, I apologize, Mr. Chairperson, and I do withdraw that remark. I would ask the Minister of Water Stewardship to take a deep breath, sit back and allow the member from River East to answer the question which, by the way, she will. She has answered every question she has posed, but she, as do other members of this committee, have the right to ask the Auditor General for clarification on points or to ask questions. I am sure once we allow her the time to ask her question to the Auditor General and get an answer, you will get an answer to your question. Nobody is trying to prevent the answer from coming.

I do not know why you are rushing in on points of order, or supposed points of order, just to try and get your own way. It is not a union shop here. You are not here acting as a union heavyweight to come in here and try to dictate to us, or to the member in the Chair, or to anybody else on the committee, how things should go. You are here as an MLA, and you are entitled to ask questions. So I would ask you to start doing that, respectfully, to take your time and listen to the answer.

Again, Mr. Chair, I think you are left with no position other than this is no point of order. It is just another heavy-handed, cheap trick by a minister of the government to try and bully his way into the proceedings, and I would ask him just to sit back, take another sip of your water and relax a little bit. All in good time.

Mr. Chairperson: I will make a ruling at this time that there was not a point of order.

* * *

Mr. Chairperson: I will now ask Mrs. Mitchelson if she has an answer for the question.

Mrs. Mitchelson: I apologize too. I guess it is the long day that we have all had. I think that sometimes we all get a little exercised. I would apologize for the slight outburst that I had to this committee, but sometimes outbursts are precipitated by, you know, other members being a little unruly.

So it is probably better to try to keep your cool and remain calm and answer the questions, but I did want to seek some clarification. Without the benefit

that, say, the former minister had when she had her officials at the table—even when she had her officials at the table, she could not answer questions; she had to take them under advisement. So I am not sure that we got the answers from her at the committee level that we would have anticipated when she was called forward. There were more questions unanswered than questions answered at the time.

So I do want to remind the member that he has the ability to ask the questions. Those that are answering the questions, as he well knows as a minister—I am not sure that I have ever heard a straight answer from him when he has been asked a question in Question Period, so, you know, what is fair is fair. I know that if I asked him a question in Question Period, I could not dictate the kind of answer or response that he might provide. We have both been around long enough to know that those kinds of things do happen in the debate in the Legislature.

I guess that is maybe one reason why this committee process is probably not the most functional place to have—*[interjection]* Yes, true observation that it might, to many, appear to be quite dysfunctional. It is very hard when you have only politicians involved in questions and answers that you do not necessarily get to the bottom of the issue, and that might be one of the reasons.

I know that I am not to be asking questions as one who is answering questions, but I certainly think that if I asked the colleagues on my side of the House, and maybe even the Liberal members in the Legislature, whether, in fact, this is the most beneficial process or whether a full public inquiry, which the government to date has refused to endorse or accept, might be the way to get to the bottom of the issues.

The member seems to be wanting to demand answers from me around certain things. It would be very beneficial to have staff from the department that supported me and served me here to answer questions. It might be very beneficial from time to time when ministers of the government today do not answer questions to have staff present and called forward to be able to assist in that process.

* (22:40)

So I would encourage the member from Thompson that, if he feels he is not being justly

served by this process, he strongly encourage his Premier tomorrow to call a public inquiry. Then we would not go through the political back and forth that we seem to be experiencing at this committee. But maybe the minister would be able to appear before that or make presentation to that public inquiry and get some satisfaction, rather than getting into a situation that we are in tonight where we have, sort of, one member of the committee losing it and, then, maybe, another responding in kind. Let us open the process up.

The former Minister of Family Services that was involved when the allegations were brought forward in the year 2000 has indicated just from his seat now, although he has been hesitant to participate in this process with me, but he has just indicated that he would be quite prepared to go under oath at a public inquiry. I welcome that comment from him, and I would encourage him also when he has the opportunity to talk to his Premier, to strongly encourage the Premier to stand in his place, rather than sitting and expecting the brand-new Minister of Family Services (Ms. Melnick) to stand up and answer for him when very direct questions are asked of him about what he knew when.

I believe that that independent public inquiry process would get to the bottom of this issue and that we, as civilized members of this Legislature, could have the opportunity, through an independent third party, to get to the bottom of the issue and have a report prepared. So I just want to, on that note, say that I would certainly encourage and recommend again to the minister, who seems to have sort of taken the lead at this committee tonight, and ask him to show that same leadership when he talks to his Premier, and ask for that public inquiry that we have requested and, I think, we would all agree to, we would actually welcome.

Mr. Ashton: Mr. Chairperson, I think we all do our bit, and I certainly include myself in terms of returning to a more civil focus. I want to apologize. I do take comments about jackboots very seriously having, like many people on this committee, family members who sacrificed a lot to fight against jackboots, and I apologize for reacting to that comment.

I am just going to do this one more time because I know that there are many other questions and many other committee members who want to answer this question.

I think we have just seen through the minister's response, I will not call an answer, but a response. This former minister has no intention of accepting any responsibility for what happened in the 1990s, has no intention of even answering questions. I asked a very specific question about the Agency Relations Bureau, and she can say Question Period. What I say or what anybody else says, I realize she does not have to answer the question.

The fact is she did not answer it. She did not answer the question. She did not accept any responsibility for what happened in the 1990s, from '93 to '99 for the terms of the expenditures. I just want to ask one more time because I really do believe, by the way, that as ministers you are responsible for your departments. You are responsible for what happens and, clearly, we go through that process on a daily basis in this Legislature. The member has been a member of this Legislature for many years.

Why is it she will not say very simply that she was responsible, certainly, for the decision to remove the Agency Relations branch? Why will she not say very simply that she was responsible as minister for Hydra House and accountability issues in '93, '99?

We can get into all the debate in the House, in this committee. We can get into all the questions in terms of other presenters to the committees, but I want to give her one more opportunity. Will she now accept responsibility for the action she took to eliminate the Agency Relations branch and, by extension, will she accept responsibility for the numerous questionable expenditures that occur between 1993 and 1999 when she was Minister of Family Services responsible for this department? Will she at least admit some degree of responsibility for that, or are we going to hear, again, a response that will point fingers everywhere else but at herself, because, Mr. Chairperson, the bottom line is, in terms of ministerial accountability, she was the minister for six years. Surely she recognizes, surely she must see, that there is some degree of responsibility she must share in terms of what happened.

I will ask it one more time, to give her that opportunity, because I know there are many other members of the committee who have questions.

Mrs. Mitchelson: Thank you, Mr. Chair. I really want to thank the member for his apology. I

apologize too, and I think we are back to a better level of debate.

What I want to indicate quite clearly to the Member for Thompson (Mr. Ashton) is that I took responsibility for the Department of Family Services when I was the minister, and I anticipate and expect that other ministers who followed me take that same responsibility.

I want to indicate that, when the allegations came forward in the year 2000 to the minister who was in charge at the time, and they were allegations of activity that took place in the 1990s, he did an extraordinary review and cleared Hydra House of all wrongdoing. I want to indicate that, quite frankly, if the document he received was provided to me when I was the minister, I would have asked the Auditor General to come in. If I did not get the documentation, I would have asked some very direct questions.

But that was not done. As a matter of fact, the document was hidden from the Auditor. It was not shared with the Auditor. When this former minister stood up and said that we co-operated fully with the Auditor General in his review, the present Minister of Family Services (Ms. Melnick), and we will find out from the Auditor whether, in fact, all of the documentation that she provided to us at 6:30 last night, was all of the information that was provided to the Auditor and his office, as she said, and as she committed to provide to the House and to members of the committee. We still do not know the direct answer to that question.

So I want to indicate to the Member for Thompson that, quite frankly, there is a significant difference between what occurred in 2000 and what would have occurred if I had received this documentation when I was responsible for the Department of Family Services. This is the difference, the clear difference.

I also would like to know whether the Premier (Mr. Doer) today is going to admit any responsibility for knowing about these allegations and not assuring himself that the proper investigation was done by the minister who was responsible and the department that he had responsibility for. I want the Member for Thompson to know that there would have been a big difference if this information had been provided when I was responsible.

With that answer, we will await an opportunity to provide information through a full public inquiry.

I am not sure why the Premier, the former minister, and the minister today would not welcome that with open arms.

* (22:50)

The Premier has indicated clearly that he wants to get to the bottom of this issue. If he wants to get to the bottom of the issue, he has got to stand up and take responsibility and answer questions in the House, not expect the minister today, who was not even in this Legislature, never mind around the Cabinet table, when these allegations came forward, to stand up and be the scapegoat because he is not prepared to answer the direct questions. Today, I am indicating to you and to Manitobans that the only way we are going to get away from the political rhetoric that we are hearing is to have an independent third party investigate these allegations and report to all of us their findings.

Mr. Goertzen: I want the opportunity to commend Mrs. Mitchelson for her frank and forward answers that she has provided the committee, and, certainly, I know that the answers that she has provided will be helpful in this matter as we go forward, and the information that she provided earlier on is also very helpful for Manitobans. The Minister of Water Stewardship (Mr. Ashton) wants to chirp from his seat and make all sorts of pot shots and comments after having questioned others for saying things, and that is fine. That is certainly his prerogative to do that, but his decorum is in stark contrast, I would say, to yours, Mrs. Mitchelson. There are new members on this committee. Certainly, the Member for Minto (Mr. Swan) is a new member, and myself and the Member for Morris (Mrs. Taillieu) are relatively new to this Chamber, and I think you have set an example for us.

Earlier on in this committee you decided to say, yes, you will step forward and I know you had hoped that the current Minister of Health (Mr. Sale), former Minister of Family Services, would come forward with you. He chose not to take that high road, but I commend you, Mrs. Mitchelson, for doing that, for setting the example for us as new legislators, in particular, but really all legislators. You have done yourself a service and this committee a service. I only wish that the Minister of Health (Mr. Sale) had the same type of integrity that you have shown here this evening, Mrs. Mitchelson. You have my respect for what you have done here tonight.

I want you to, perhaps, go a little further into something that you just touched on in your last answer about in your long experience as a minister of the Crown, what you might have done, had the same information, the financial issues summary that we have before us, had that been presented to you when you were minister. Certainly, we have seen how the former Minister of Family Services and now current Minister of Health reacted to the information, by going and having the individual spoken to who was alleged to be involved with the misappropriation of funds and essentially taking their word on whether or not they had done what was alleged. I would ask Mrs. Mitchelson: In your experience as a minister, what do you think the proper course for a responsible minister would be when presented with this information?

Mrs. Mitchelson: I thank the Member for Steinbach (Mr. Goertzen) for those comments. I indicated to the Minister of Water Stewardship, in response to his question, the appropriate action for any minister responsible to take when serious allegations, and we are not talking just frivolous allegations, but we are talking about allegations that have specific dates, have specific locations, have cheque numbers, have amounts, have makes and models of cars. These are very specific allegations of inappropriate expenditure, inappropriate use of taxpayers' dollars. There would not have been a lot of research for anyone to do, to go and ask the very direct questions of the organization that was in question, but for some reason or other, that kind of investigation was not done.

Again, I am still struggling to figure out why, when many of the allegations of inappropriate expenditure that were provided in 2000 to the minister happened before he became the minister, I cannot understand why he would be hesitant to go forward, and either ask the direct questions and get the direct answers or call in the provincial auditor. He sat on this information, did a cursory question and answer, eyeball to eyeball, with the people who were accused of misappropriating the funds, and then came back and stated over and over and over again that everything was fine and good, that the allegations from the nineties had no substance. Again, I still cannot understand why he would have done that.

It is not the responsible thing to do, and now, four years later, after the fact, we are faced with an Auditor's report that confirms that many of these

allegations were, indeed, founded. So, again, the question becomes, why the cover-up, why not do the thorough investigation that warranted being done and providing the information? So it just leads me to believe that there is something somewhere that would cause this minister to not do that kind of investigation. Was there some relationship somewhere that existed that would have encouraged him to take the kind of action that he took? I would not hesitate to move forward in trying to get to the bottom of these allegations.

Mr. Goertzen: I thank the minister for those comments. I think that they will be helpful as we move forward in questioning the current Minister of Health (Mr. Sale), the former Minister of Family Services, in the days ahead. I certainly concur. It does seem like it is a puzzle with one piece missing, and we will be looking for that piece in terms of why it is that the minister chose not to make a further investigation and what it is that he was hoping would not be exposed, or perhaps who it is that he was hoping would not be exposed. I know that the public will be interested in hearing those responses in the days ahead.

I do wonder, Mrs. Mitchelson, and you did allude to the fact that it might not have been difficult to have gone a little further in terms of the investigation that the Minister of Health apparently did when he was serving as Minister of Family Services, are you saying, then, to have properly investigated this issue, with the information that the minister had at his disposal in 2000, would not have been a difficult task for the department, would not have put an onerous bearing on the department?

Mrs. Mitchelson: Again, these allegations, these very specific ones, came forward in the year 2000 and quite frankly, when you get addresses, when you get dates, when you get cheque numbers, those all came forward in the year 2000, and I guess I just go back again to the statement, and the Global interview with Tim Sale on September 20, 2004, and he indicates, referring to me, "I do not believe she knew about it. The cars were purchased when she was the minister; I do not think she knew about that. Frankly, I am not sure how she would know about it." That was the former Minister of Family Services.

* (23:00)

Again, I go back to indicating that if these allegations had come forward, the proper process

would have been to call in the Auditor, or get the answers, or at least check the stubs and the receipts and the dates and the locations of the alleged misappropriation of funds.

Mr. Goertzen: Mr. Chairperson, again I thank the minister for those comments. I think she is certainly leading a clear path of what should have been done when the allegations came forward. It is certainly instructive to hear from a former minister in terms of the appropriate procedure that should have happened when information like this came forward.

I wonder maybe the minister in her experience if she could indicate, the former Minister of Family Services, the current Minister of Health (Mr. Sale) used the word extraordinary when describing the investigation that he undertook in terms of having individuals asked, eyeball to eyeball, I think as he, in his words, mano a mano, whether or not they would concur with the allegations that came forward.

The former minister, could she indicate whether or not that was an extraordinary investigation?

Mr. Chairperson: Order. If I could just interrupt. There was an agreement to revisit the schedule at eleven o'clock.

What is the will of the committee at this time?

Mr. Derkach: Mr. Chair, I think it is quite appropriate for us to continue since the member from River Heights is in the chair—

An Honourable Member: River East.

Mr. Derkach: River East, River Heights, I am going to have to get a list.

Mr. Chair, I am wondering whether or not, now that the Member for River East (Mrs. Mitchelson) is in the chair, that we could continue until the questioning of her is complete and then at the next Public Accounts meeting we could then continue with the questioning of the former Minister of Family Services. I would put that forward as a recommendation.

Mr. Chairperson: There is a recommendation that we continue asking the questions of Mrs. Mitchelson until such time as finished, and then committee rise, and then next meeting go to Mr. Sale.

Mr. Maloway: Mr. Chairman, I would like to propose the motion that the committee adjourn with

the agreement that the next meeting of the Public Accounts Committee that Mrs. Mitchelson continue to answer questions regarding the Auditor General's report on Hydra House Ltd.

Mr. Chairperson: Mr. Derkach.

Mr. Derkach: Well, I will wait until you read the motion.

Mr. Chairperson: It has been moved by Mr. Maloway

THAT the committee adjourn with the agreement at the next meeting of the Public Accounts Committee that Mrs. Mitchelson continue to ask questions regarding the Auditor General's report on Hydra House Ltd.

This is a debatable motion and it is in order.

Mr. Derkach: Well, there are a couple of issues with the motion, Mr. Chair. First of all, the hour is eleven o'clock, and there is time to continue the questioning. Mrs. Mitchelson has indicated that she is prepared and ready to continue to answer questions. We, on this side of the House, are prepared and ready to ask questions and to, indeed, continue the committee.

There is no guarantee, Mr. Chair, that the House Leader will, in fact, call another Public Accounts Committee meeting with the Hydra House issue before the end of this fiscal year. So it does not matter what the committee says. As you understand, it is the government and the House Leader who decide on the agenda, it seems, of the topics that are going to be covered. So there is no guarantee in that respect.

We have asked for the former Minister of Family Services to be before us, and we are anxious to ask him some questions. But, if Mrs. Mitchelson is prepared and ready to answer questions tonight, we are prepared to stay here. We see no reason to adjourn at this time.

So, Mr. Chair, I am proposing that we continue this committee until at least twelve o'clock, and then we could assess the situation at that time.

Mr. Gerrard: I have waited four-and-a-half hours to ask a question and it would be rather nice to be able to ask some questions tonight. I would much appreciate if we could go until twelve o'clock and see if we cannot complete the questioning of the Member for River East (Mrs. Mitchelson).

Mr. Ashton: Mr. Chairperson, I believe that there a number of members of the committee that do have the intention to ask questions. We were originally going to assess at 10; we continued till 11. I point out that we did have a fair degree of procedural discussions earlier, and the Member for River East did give a rather extensive opening statement. The normal—

An Honourable Member: What were you expecting, for her to lie down?

Mr. Ashton: Well, unfortunately, she has not answered any of the questions that we put forward about the 1990s.

I have been in numerous committees where the usual issues, if you have, say, one presenter, this is a public committee, one or two or three presenters, you continue, but we extended from 10 to 11. We have, I believe, certainly five members of this side, plus the Member for River Heights (Mr. Gerrard) wishing to ask questions, and I do not know if there are other Conservative members. Clearly, we are not going to be able to accommodate all of those questions.

If there is a concern about additional meetings, I am the Deputy House Leader, and I can assure the Opposition House Leader (Mr. Derkach) that that would not be a problem at all, in terms of rescheduling the hearing. We had a motion on the floor today that indicated that we would call both the Member for River East and the Minister of Health (Mr. Sale), and certainly that would be the intention.

Mr. Chairperson, given the hour, I do not see any way in which we are going to complete the consideration of the committee at a reasonable hour, and I am disappointed we have not been getting answers, but I do think it is worth this, certainly as a matter of courtesy to people that have shown a real interest in this, and numerous members of the committee, and I can assure the Opposition House Leader we will accommodate calling a committee hearing to ensure that that is done.

I assumed we were here for a thorough review of these matters, so the appropriate thing, I would suggest, is at this time, you know, we are at eleven o'clock, where there is no prospect of a completion any time soon of the consideration of this committee, I would suggest that this motion would be an appropriate way to deal with things. Once again, I

can assure members of this committee that I will work with the Government House Leader (Mr. Mackintosh) to ensure that we do call this committee back, because, quite frankly, we do want to see some answers from the member from River East. If it takes asking questions, repeating those questions, until we get answers about what she knew and what she was responsible for in the 1990s, it is funny, the term "stonewall" was used, the former minister has done an admirable job of filibustering and stonewalling tonight, not dealing with any of the questions addressed to her in terms of the 1990s, I would suggest that we would be more than willing to have another committee hearing, because we think it is important for this former minister to accept some degree of responsibility for what happened in the 1990s. That is why I would suggest we have this adjournment, which is a normal time to adjourn, and we will accommodate this committee at the earliest possible opportunity. We will call another Public Accounts Committee meeting.

Mr. Glen Cummings (Ste. Rose): I am listening with great interest to the Minister of Water Stewardship indicate how open and generous he would be to continue the discussion. It is not that long ago we sat at this very table and the positions were reversed. The member from Thompson put the hammer down and said, "No, we are staying here and passing this bill," even though we were pleading for opportunities to move amendments that would receive further input.

* (23:10)

Mr. Chairperson, I believe that we would be better served if we continue sitting and questioning the member from River East at this juncture, and I move

THAT this motion be amended by allowing the committee to continue with questioning of Mrs. Mitchelson until 12 a.m. and that we would assess the situation at that time.

Mr. Chairperson: There is debate on the floor in regard to the motion, so I will continue listening to the debate while the motion is being reviewed.

Mr. Cummings: I am listening to the members across the way, saying that there are certain questions they have asked and they are seeking information.

Let me ask the question that should put their minds a little bit at rest. I want to ask Mrs. Mitchelson if, during her period in the ministry, she had any third party come forward or any issues that were raised from within the—

Some Honourable Members: Oh, oh.

Mr. Cummings: He was entertaining discussion.

Some Honourable Members: Oh, oh.

Mr. Chairperson: The debate is on the motion to adjourn.

Mr. Cummings: Mr. Chairman, if there is some uncertainty about the format of my amendment, let me be very clear that it is intended to strike out that we would be rising at 11 and that we would sit until 12 and assess the situation at that time. That is very clearly the intent of the amendment.

If it is technically not worded appropriately for the committee, then I understand that it is being amended as we speak. I am quite prepared to defend that amendment.

Obviously, the government of the day knows the intent: that we continue to sit and question Mrs. Mitchelson.

I apologize that a moment ago I thought you said we would continue the debate while they were reviewing the content of the amendment. Therefore, I was heading toward a question for Mrs. Mitchelson.

Mr. Chairperson: I apologize. I should have been more specific in saying that the debate would continue on whether we should adjourn at 11 on the original motion, a motion moved by Mr. Maloway.

Mr. Cummings, to continue.

Mr. Cummings: In support of the desire to continue to question Mrs. Mitchelson that is clearly related to being able to sit here till twelve o'clock to do that. This government has been bragging about how they believe they are breaking new ground in terms of bringing ministers to the committee to answer questions when, in fact, what they are really avoiding is bringing departmental staff here as well to be able to answer questions as I understand the Auditor has recommended in reviewing the procedures of the

Public Accounts Committee and the way we have traditionally operated in this House. We are way past being able to function in today's milieu, if you will, in terms of properly serving the public in reviewing the Auditor, reviewing any auditor's reports and reviewing Public Accounts.

Any standard of comparison with other jurisdictions shows we are well out of step. If we are only going to meet four times this year, and this being the third meeting, then I would sincerely hope the government is not interested in providing closure at this time, because we sit on this side of the House, and I have no confidence the House Leader or the Premier or even the Deputy House Leader, who is sitting tonight as a member of this committee, I believe him when he says what he is saying, but I do not think his Premier will back him up.

We will not see another meeting of this committee beyond the four that are required during the year; ergo, let us continue with the process while we are at the table, or we are going to short-change the people of this province. I will not sit here and quietly roll over while we abridge the process so the people of this province do not get an opportunity to find out from the current Minister of Health (Mr. Sale) what his answers are regarding his activities when he received the Auditor's report.

Mr. Chairperson, I am thoroughly embarrassed, but that would not be the first time since I have been elected. I wish to withdraw my amendment. I now move the following amendment with this wording—

Mr. Chairperson: Is there leave to withdraw the amendment that Mr. Cummings first put of the point. *[Agreed]*

Mr. Cummings, to continue then.

Mr. Cummings: THAT the following be added after the word "adjourn":

at 1 a.m. and the words "if necessary" after the word "committee".

Mr. Chairperson: It has been moved by Mr. Cummings,

THAT the following be added after the word "adjourn" at 1 a.m., and the word "if necessary" after the word "committee", so that the motion would now

read, I will read it into the record. This will be the new wording.

I move the committee adjourn at 1 a.m. with the agreement that at the next meeting of the Public Accounts Committee, if necessary, Mrs. Mitchelson continue to answer questions regarding the Auditor General's report on Hydra House.

The amendment is in order. Debate may continue.

Mr. Martindale: I would like to speak against the amendment. First of all, we have been getting no answers from the minister. We have been getting nothing but a filibuster all night. I do not think in the next hour and a half we are going to get substantial answers from this minister.

* (23:20)

On our side we have five members that want to ask questions. Doctor Gerrard wants to ask questions, and the official opposition have been using their right in this committee to alternate questions. Mr. Ashton took about 45 minutes to try to get some answers out of the former minister, unsuccessfully. If all of us took 45 minutes, that would be about seven and a half hours. My concern is that I do not think that any of us want to be here for an additional seven and a half hours, so I do not think that even one o'clock is realistic.

My second concern is that the wording of the motion is very vague, because it concludes with, "if necessary." I do not think it is definitive enough. I do not think it is a guarantee that the former minister will be back. If we thought that she was going to be helpful and actually answer questions, we might agree to almost anything, but given her attitude tonight, and her selective memory in forgetting the 1990s when she was the minister, and only want to talk about the year 1999 to the present, but I rest my case. We are not getting any answers from this minister. It is not going to improve in the next hour and a half. We have a lot of people that want to ask questions. We would be here all night. I do not think the former minister wants to be here all night.

Mr. Chairperson: I should point out something to the member that he mentioned, the fact that the opposition was alternating questions. I tried to be very consistent in rotating the questions between both sides. I believe the member was, maybe,

mistaken in that and I would ask him whether he wanted to correct that.

Mr. Martindale: I would be happy to correct that. I was acknowledging that the opposition members are using their privilege in this committee to ask questions. The Chair was being extremely fair in going back and forth across the table. My concern was that, if people on both sides of the table use 45 minutes, we will be here a long time.

Mr. Chairperson: I thank the member for that.

Mr. Goertzen, to continue debate on the motion.

Mr. Goertzen: On the motion, I think it is disturbing what we have seen here tonight from the government benches. First, they brought in the Minister of Water Stewardship (Mr. Ashton), their Deputy House Leader, to lay down the heavy hand of the government. Perhaps under the direct instruction of the Premier (Mr. Doer), I do not know, but I know we raised this early on about the spirit of the rules of this committee being possibly breached and, certainly, we have seen that, as the minister, the Deputy House Leader has continued to lay a heavy hand on this committee. Virtually, every other member of this committee has sat silent, waiting for the Minister of Water Stewardship to tell them when they should lift their hand and vote and tell them when they should say what they are told to say. I think that is certainly disturbing and not in the spirit of what this committee was intended to do.

Then we saw, of course, when the Member for Morris (Mrs. Taillieu) brought forward, I think, what anybody in the public viewing would see as a very reasonable solution to a difficulty that we were in, in terms of reaching a loggerhead, in terms of who would come forward and testify first, the Member for Morris put forward a position that was a compromise that I think would have met all of our needs as a committee, and to think how much further we would have been along here at this hour had that compromise been accepted by the government, but of course the Minister of Water Stewardship rounded up the ducks, rounded up the members and told them which way to vote when that resolution came forward. They all looked over, and when he raised his hand, they raised their hands, and they defeated the motion.

I think that that is certainly very concerning, an affront to the democratic nature of this committee, I

think, and now here we are at this hour, we find the most disturbing thing, I think, this evening, the most disturbing issue that we have had since this committee began at 6:30, is that the former minister, the current Member for River East (Mrs. Mitchelson), is waiting there patiently, wanting to answer questions that have been posed by members of the committee, just hoping that she can lend advice and lend direction to this issue that is of such import to the public, and she is willing to stay here till twelve o'clock, one o'clock, two o'clock in the morning so that these important questions can be answered, and she is ready to provide that information, and what do the members do? What does the government do? They bring in closure. First, on the one hand, they would say, "Oh, well, we want to have the questions. We want to have to start posing some questions. But, no, we do not want to go on any further. Let us shut this thing down. Let us not get any more answers for tonight. We want to go home. Maybe we want to go get to the VLTs before they close down."

I do not know what the members' motives are, but, I tell you, Mr. Chairperson, this will not go unnoticed by the public. This is not something that will just slide by under the door as the former Minister of Family Services.

The Minister of Health sits in his chair and throws barbs once in a while because he does not have the internal fortitude to testify like the Member for River East has done here tonight and brought forward answers. Instead, he sits up against the wall there, throws the occasional bomb and throws the occasional lob. I think it is absolutely disgraceful that a senior member of the government would do exactly what he has done tonight.

I commend the Member for River East for wanting to continue to answer questions. It stands in stark contrast to each one of these government members who I am presuming are now going to vote for closure when we just want more answers to get to the bottom of this issue.

Some Honourable Members: Oh, oh.

Mr. Ashton: I appreciate the member who just spoke is relatively new. I think that is the term he used before. I would suggest if he wants to find out what closure is, he might want to read back to MTS in 1996. He might want to read *Beauchesne*, Mr. Chairperson, because it really does not do this discussion any good for somebody who should know

better to use terms like that. This is what we do with all of our committees. We actually now have a more formalized process for our standing committees. We have new rules that were adopted.

If members were to look at this, we do not, as a normal practice, sit until one in the morning anymore. We assess the situation. In fact, we have specific provisions, if members wish to check in the rules, which we agreed to unanimously. Basically, this has become a more civilized process than we have had in the past. Some of us will remember long committee hearings in the middle of the night. There is no closure. This is what we deal with all of the time. The main thing we assess with all of our committees is how many people we have. We have public presenters if that is what we are dealing with.

In this case, how many people have questions to answer? This is the Public Accounts. If the Member for Fort Whyte (Mr. Loewen), when you have, as the Member for Morris (Mrs. Taillieu) has already pointed out, at least six members of this committee wishing to ask questions, plus potentially members of the opposition who also wish to ask questions, we are clearly into a situation where we need more time during a normally scheduled sitting. I think it is very clear we are going to have another committee sitting to deal with this so I would suggest we deal with the proposal that is here which I do not think would be fair to members of this committee.

This is what we do all the time. We assess where we are at. We are clearly nowhere close to completing this. I look forward to perhaps, the next time we meet, the Member for River East (Mrs. Mitchelson) will actually start answering some questions. I think the Member for Burrows (Mr. Martindale) pointed to that fact. My suggestion, Mr. Chairperson is that we deal with the motion as we would do—one of the points of reassessing is that we assess whether there is any ability to complete tonight. It is clear to my mind we are not going to have the ability to finish within the time frame proposed by the motion. I suggest we dispose of the motion and come back at a time which we will schedule to continue the discussions.

Mr. Cummings: Mr. Chairperson, as much as the government would like to manhandle this committee, there are questions right here at the end of the table. Our colleague, the Leader of the Liberal Party, has not yet been recognized to ask a question, and the government wants to shut down the committee. What kind of responsible government is that?

* (23:30)

We have sat here many times. Many times the reason we are late is we are hearing presentations, and we are concerned about the inconvenience for the people who are making presentations and have to drive home later. We are all established here in the city within reasonable time of this building. Let us make some use of the fact that we are assembled here prepared to discuss the issues.

If this government wants to pull closure, and that is what this will be, then it will—"not closure," I hear muttered from behind in the peanut gallery. The fact is that the government voting to close down the committee when we are prepared to do business is closure. The member from Thompson cannot call it anything else. He is the one member in this building that I have seen filibuster more hours than anyone else, and now he wants to close down this committee.

Some Honourable Members: Oh, oh.

Mr. Cummings: Well, now he says he wants to go beyond one o'clock. We will reassess the situation at one o'clock. Let us have some questions

Some Honourable Members: Oh, oh.

Some Honourable Members: Not the question on the motion. Let us have some questions from the table.

Mrs. Taillieu: I think that all of us on this side have agreed that we would be willing to sit to one o'clock. Mrs. Mitchelson has agreed to sit to one o'clock, and to her credit she has forthrightly stepped up and sat down in the hot seat there and answered the questions put to her.

An Honourable Member: Forthright? She is not answering our questions.

Mrs. Taillieu: Well, the member opposite says she has not answered any questions. She has answered the questions.

An Honourable Member: She made a speech. What is her purpose here?

Mrs. Taillieu: She just maybe has not answered them the way you wanted them to be answered, but that is her prerogative to answer the questions. In fact, the member from Burrows decided to criticize my clothing tonight; I do not know what that was all about.

Point of Order

Mr. Chairperson: Mr. Martindale, on a point of order.

Mr. Martindale: Mr. Chairperson, since the Member for Morris is offended, I apologize for making a reference to her clothing.

Mr. Chairperson: Thank you, Mr. Martindale.

* * *

Mr. Chairperson: Mrs. Taillieu, to continue.

Mrs. Taillieu: Well, I thank you for that. It is 11:30 p.m. now, and it is only an hour and a half that Mrs. Mitchelson could continue to answer the questions and that is why we are here. You all want to ask her the questions, and now you say you do not want to ask her the questions. You want to shut down now when she is prepared to answer questions. You do not want to ask her any questions. So what do you want? You want to ask questions, or you do not want to ask questions? [*interjection*]

We do not have any guarantees that this committee will be called again. [*interjection*] Well, you say that, but there is no date set for a next meeting, is there? Has there been a date set for the next meeting? Has the next meeting been called? There are no guarantees that we will get—

Some Honourable Members: Oh, oh.

Mrs. Mitchelson: I just want to comment that I know that it has been a long evening. It has been a long day for many of us, but I am quite prepared to stay and answer questions tonight. But, again, I just want to go back to the whole process of this Public Accounts Committee. Without having the availability of senior staff, senior officials from the department, without the ability to bring forward people involved in Hydra House, people that worked for Hydra House, former employees of Hydra House, without having the ability to have those people come forward and participate in this committee, we are never going to get to the bottom of the issue.

Now, I can guarantee you that if we had a full public inquiry called around this issue, there would be much more order and much more sanity to the whole process than there is tonight when we have this haggling and this wrangling and all of the

political rhetoric that interferes with getting to the bottom of the issue. You know we could sit until one o'clock, we can sit again another evening until one o'clock and members of the government can continue to ask questions and I will continue to give answers. There is no guarantee that we may not run out of time the next time because I know that members of the government side are just lined up and raring to ask questions.

My concern is that the due diligence in questioning the minister that received the allegations in the year 2000 has not even occurred yet. There is no guarantee with the one meeting more that is required this year that the minister, the former Minister of Family Services (Mr. Sale), who was responsible at the time, will ever get to the table to answer questions.

My comments would be, again, to the members of the government side of the House: go back to your caucus tomorrow and report that this committee is not working and encourage your Premier (Mr. Doer) strongly to call a full public inquiry. If there is nothing to hide, there is nothing that government should be afraid of, and the report from the independent auditor will give us the ability to get to the truth. That is what the Premier wants. That is what everyone wants. Let us go, and again I plead with the Minister of Water Stewardship (Mr. Ashton) who is the senior member—he is not even on the committee, but he is the senior member directing traffic for the government today—to go back and ask his Premier to do the right thing and call a public inquiry.

I am not sure that we would even need another meeting of Public Accounts if that was the case, so please, would the minister take my recommendations seriously and ask his Premier to do the right thing?

Mr. Chairperson: Ready for the question?

It is been moved by Mr. Cummings

THAT the following be added after the words "adjourn at 1 a.m." and the words "if necessary" after the word "committee".

Voice Vote

Mr. Chairperson: All those in favour of the amendment, please signify by saying yea.

Some Honourable Members: Yea.

Mr. Chairperson: All opposed, say nay.

Some Honourable Members: Nay.

Mr. Chairperson: In my opinion, the Nays have it.

The amendment is accordingly defeated.

* * *

Mr. Chairperson: Now the main motion, moved by Mr. Maloway.

I move

THAT the committee adjourn, with the agreement that at the next meeting of the Public Accounts Committee Mrs. Mitchelson continue to answer questions regarding the Auditor General's Report on Hydra House.

Voice Vote

Mr. Chairperson: All in favour of the motion, please signify by saying yea.

Some Honourable Members: Yea.

Mr. Chairperson: All opposed, say nay.

Some Honourable Members: Nay.

Mr. Chairperson: In my opinion, the Yeas have it.

Formal Vote

Mr. Chairperson: A recorded vote has been requested.

A COUNT-OUT VOTE was taken, the result being as follows: Yeas 6, Nays 4.

Mr. Chairperson: I declare that the motion has been carried.

* * *

Mr. Chairperson: What is the will of the committee? Committee rise?

Some Honourable Members: Committee rise.

Mr. Chairperson: Committee rise.

COMMITTEE ROSE AT: 11:38 p.m.