

TIME: 2:30 p.m.

OPENING PRAYER by Mr. Speaker.

MR. SPEAKER, Honourable Peter Fox (Kildonan): Before we proceed, I should like to direct the attention of the honourable members to the gallery where we have 25 students Grade 9 of the Ethelbert School under the direction of Mr. Geletchuk. This school is from the constituency of the Honourable Member for Roblin.

We also have 24 students Grade 6 standing of the Dieppe School under Mr. Jake Peters. This school is from the constituency of the Honourable Member for Charleswood.

We have 50 students Grade 11 standing of West Kildonan Collegiate under the direction of Mr. Ruta and Mrs. Bailey. This is from the constituency of the Honourable Member for Seven Oaks, The Minister of Finance and Urban Affairs.

We have 26 students of Grade 6 standing of the Columbus School under the direction of Mr. Burch from the constituency of the Honourable Member for Assiniboia.

On behalf of the honourable members we welcome you all.

Presenting Petitions; Reading and Receiving Petitions; Presenting Reports by Standing and Special Committees.

MINISTERIAL STATEMENTS AND TABLING OF REPORTS

MR. SPEAKER: The Honourable Minister of Labour.

HONOURABLE RUSSELL PAULLEY (Transcona): Mr. Speaker, I wish to table a **Government White Paper on Accident and Sickness Compensation for Manitoba.**

MR. SPEAKER: Any other Ministerial Statements or Tabling of Reports? The Honourable Minister of Mines.

BUSINESS OF THE HOUSE

HONOURABLE SIDNEY GREEN (Inkster): Mr. Speaker, I would like to schedule a Law Amendments Committee tomorrow night at eight and I am quite prepared, Mr. Speaker, to make any additional accommodations should I be requested, which I have not been, regarding representations to Law Amendments Committee vis-a-vis the City of Winnipeg Act.

I would also like to indicate that I had no request yesterday to do such. I understood that the City of Winnipeg delegation was the group of planners that were on the list. I understand now that they were there in their personal capacity but I wanted it to be understood to all members that I was not requested — as a matter of fact, I was dissuaded from making any accommodation to any of the gentlemen from the City who appeared there yesterday. I am prepared to do that, however, I am calling the Committee tomorrow at eight. If that doesn't accommodate them, we will accommodate them whenever they wish to come. Seeing they are the City of Winnipeg and seeing that this is their Act but just so that there be no misunderstanding. No one requested or hinted that such an accommodation was requested. As a matter of fact, quite the contrary is true. They wished the list not to be disturbed.

I would like to schedule the House or Committee on Saturday. I would suggest that we meet on Saturday if by Friday at five we determine that it's not going to be the House, then we will announce whichever Committee it is but I would like Saturday to be a working day although not Sunday.

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. STERLING R. LYON (Souris-Killarney): Mr. Speaker, further to the announcement made by the Honourable the House Leader, do we understand then that Law Amendments Committee sitting tomorrow night will be dealing again with the City of Winnipeg amendments and we will be hearing those delegations that were not heard, including the Mayor and the city councillors?

MR. SPEAKER: The Honourable Minister of Mines.

MR. GREEN: Mr. Speaker, yes. The only point that I would like to make is that if that is not satisfactory, and given the fact that this is the City of Winnipeg, it's their bill, we would certainly not want an accident to prevent their appearance so if we are not finished their delegations tomorrow night, we will accommodate a suitably arranged time, which was not requested up until this point and has not been requested to me as of now. I am merely saying that we will do it. finished If we are finished with City of Winnipeg delegations, then I would like to go into clause by clause, starting with those bills which have no amendment, and then bills which do have amendments, tomorrow night as well, so that it not be merely the City of Winnipeg.

MR. SPEAKER: Notices of Motion; Introduction of Bills.

ORAL QUESTIONS

MR. SPEAKER: The Honourable Member for Riel.

MR. DONALD W. CRAIK: Mr. Speaker, I direct a question to the Minister of Industry and Commerce. I wonder if he can advise the House, or update the House as to the government's position regarding the alternate routes for pipelines that are going to be decided by the Federal Government sometime over the next two or three months. Mr. Speaker, the question really is in relation to whether there has been any change in the government's position from some weeks ago, when I believe it was indicated that the Manitoba Government somewhat supported the McKenzie Valley Line that was being proposed by Arctic Gas. I wonder, in view of the Berger Commission Report, whether it's still the Manitoba Government's position that this line best serves Manitoba's interests.

MR. SPEAKER: The Honourable Minister for Industry and Commerce.

HONOURABLE LEONARD S. EVANS (Brandon East): As I understand the question, the honourable member is asking specifically about our position with regard to the so-called Mackenzie Valley Pipeline Routing and Project. I hope to be able to make an announcement, or the Premier may be in a position to make an announcement on this in a matter of a few days.

MR. CIAK: Mr. Speaker, I wonder if the Minister could provide some sort of information to the Legislature, to the people of Manitoba, with regard to whether or not Manitoba's gas supply would be threatened if there were a ten year minimum moratorium on production of McKenzie Valley gas. I wonder if he might take that under consideration and advise the House as well.

MR. EVANS: Mr. Speaker, all of these items will be taken into consideration in the development of the government's position. I say this is an active matter now because the National Energy Board, as the honourable member knows, is conducting hearings and we are an intervener. We have filed an intervention, which means that we have the opportunity to submit a brief to the National Energy Board, stating our particular position and our concerns. I might offer this observation, however, Mr. Speaker, in regard to the concerns of the Member for Riel, that at the moment, oddly as it may seem, there is a surplus of gas in Alberta because of the rise in prices and because of other factors. There have been interesting productive finds in Alberta and there is a virtual short term surplus.

The other point I would make, Mr. Speaker, is that we continue to remind the Canadian Government, the Federal Government, that well over 40 percent, in fact I think it's over 41 percent, of the Canadian annual production is still being exported to the United States, so therefore these are items that must be considered, I think, in any position one would want to take on a pipeline proposal.

MR. CRAIK: Thank you, Mr. Speaker. Did I understand the Minister to say that the Provincial Government would be intervening at any of the hearings?

MR. EVANS: Mr. Speaker, we have filed a formal intervention some many months ago, or indicated that, as I understand. Of course, if you file an intervention, it doesn't follow that you necessarily then submit a brief. You just deserve the right to submit a brief and to be heard, and we have done that. As I indicated, Mr. Speaker, we will hopefully, within the next few days, be able to state what our position will be in this respect.

MR. SPEAKER: The Honourable Member for Assiniboia.

MR. STEVE PATRICK: Mr. Speaker, I wish to direct my question to the Minister of Finance. Can the Minister of Finance give some information to the House where people can apply for the \$1,000 low interest loan for insulation. I had some information this morning that quite a few people called Manitoba Hydro and called the Minister's office, Department of Finance, and nobody knows anything about that program at all.

MR. SPEAKER: The Honourable Minister of Finance.

HONOURABLE SAUL A. MILLER (Seven Oaks): Mr. Speaker, it isn't that they don't know about the program but the setting up of the program has not yet been finalized so I can't give a telephone number, but discussions are still taking place between Manitoba Hydro, Winnipeg Hydro and the Provincial Government.

MR. PATRICK: Can the Minister perhaps clarify or perhaps indicate where the people can write or submit in writing where they can apply for applications for the program? What department would it be?

MR. MILLER: Well until a more definite address for mailing is known, perhaps the member could advise those who are asking to address it care of myself and I will make sure that it gets to the right agency when the program goes operational.

MR. SPEAKER: The Honourable Minister of Consumer and Corporate Affairs.

HONOURABLE RENE TOUPIN (Springfield): Mr. Speaker, I would like to respond to a question posed of me this morning by the Honourable Member for Fort Rouge in regard to licensing of direct door-to-door sales people.

The Bureau does not endorse any product nor does it in any way, shape or form, do any product testing, Mr. Speaker. Where it has reason to believe that a product is subject to standards either federal or provincial, contact is made with the appropriate agency to ensure that the product has been cleared and that is a process that is considered and done through the Consumer Bureau.

When a vendor company applies for a license to sell heat or smoke detectors door to door, the company is required to attend at the office of the Fire Commissioner for review of the product.

Further to this, Mr. Speaker, while the Bureau does not supply product information and material, my colleague, the Minister of Labour, has on several occasions during this session and prior to this session, stated to this House that purchasers of these units can receive information from his department.

In respect to the use of high-pressure selling tactics, these are not condoned by the Bureau and the Bureau will take disciplinary action if any person feels they have been unduly pressured. In any event, Mr. Speaker, if a buyer makes immediate inquiries about a heat or smoke detector and is dissatisfied with the information or if the buyer is subject to high-pressure selling, the Act provides that the buyer has four days within which he or she may cancel the transaction and obtain full refund of any moneys he has paid. This right is clearly stated on the Bill of Sale that must be given to the buyer at the time of purchase. To ensure that a refund will be made, every vendor is required to post a bond with the Bureau in an amount that bears relationship to his anticipated total sales volume.

I would suggest, Mr. Speaker, that if the honourable member is aware of any consumer who has any doubts or questions pertaining to the Consumer Protection Act, I would encourage them to phone the Consumer Bureau.

MR. SPEAKER: The Honourable Member for Fort Rouge.

MR. LLOYD AXWORTHY: Mr. Speaker, thank you. I thank the Minister for the response to the question. I wonder if he would answer some supplementary questions arising out of that. When the Consumer Bureau issues a license to a vendor of this sort, I understand what he's saying is that they make no effort to determine whether the product being sold has any validity to it or has been examined according to its standards or its improvement. It is simply a license to sell without any product testing whatsoever. In that case, I would ask if the Consumer Bureau has received any complaints concerning the practices of these companies that are selling equipment in these areas and have there been any investigations or inquiries into the particular practices?

MR. TOUPIN: Not to my knowledge, Mr. Speaker, but if there has, I will make a quick check this afternoon and let the honourable member know.

MR. AXWORTHY: Thank you, Mr. Speaker. A supplementary then to the same Minister. Considering that the issue has been raised, is the Consumer Bureau or perhaps the Department of Labour in a position to undertake some forms of testing of these different products to determine their effectiveness so that they can give consumers proper reports as to the validity or non-validity of these particular products?

MR. TOUPIN: Well, Mr. Speaker, I indicated in the short answer that I gave a while ago, the two methods that are being used now — if it is a provincial jurisdiction some of this is handled through the Department of Labour and in most of the cases through the Federal agency are given such responsibility for accepting or refusing the standard required.

MR. AXWORTHY: Well, a supplementary then, Mr. Speaker, to either Minister. Considering that the Department of Labour's licensing or application for certification only deals with the equipment itself and not upon how good the equipment is, just that the equipment itself is not dangerous, could either Minister undertake to see if the Federal Government has tested these different products in the fire safety field, and whether there are reports available and how they can be made more widely disseminated, and if not, undertake through their own offices to do so?

MR. SPEAKER: The Honourable Minister for Labour.

MR. PAULLEY: Possibly, Mr. Speaker, in deference to my colleague, the Minister of Consumer Affairs, I may be in a better position of precisely answering my honourable friend. As a matter of fact there is a meeting to take place this afternoon in my office with my Deputy Minister, the Fire Commissioner, and the Director of Mechanical Engineering on the subject matter that has arisen recently.

As far as I am aware there is no testing done at the in the federal arena or in our arena as to the precise efficiency of the units concerned, both smoke detectors and heat detectors. I am sure, Mr. Speaker, honourable members will realize there may be dozens and dozens of different names applied to these units and they are hard to describe just by the name.

The responsibility accepted thus far by the Department of Labour is to ascertain as to whether or not the unit in itself would not be the cause of fire, either a heat detector or a smoke detector, not as to the efficiency of smoke or heat detection as being separate from the construction of the unit itself.

My honourable colleague meant CSA approval. It can have the Department of Labour approval without the CSA approval if deemed accordingly by my department. In addition to that, Mr. Speaker, honourable members are aware that a new building code and fire code came into effect in Manitoba on April 1st of this year, and the which reports to me are meeting to go over the respective codes, to see whether or not there is some requirement in this field for brushing up or further inspection as to the effectiveness of the units in order that they may do the job that they are manufactured for.

Now I do intend, Mr. Speaker, hopefully in a few days, following the meeting that I referred to in the commencement of my answer, to have a more full report for members of the Legislature.

MR. SPEAKER: The Honourable Member for River Heights.

MR. SIDNEY SPIVAK: Mr. Speaker, my question is to the Minister of Labour as Acting First Minister: It relates to the rather curious green and black documents that were placed in front of us. — (Interjection)— I am sorry, orange and black. I was looking at the Honourable Minister of Mines and Natural Resources. Orange and black. It is rather curious that the colour is orange, Mr. Speaker, but we will comment about that later.

I wonder if the Minister can indicate the government's intention with respect to the timetable of introducing accident and sickness compensation in Manitoba, or whether this is intended to be a referendum for the people of Manitoba?

MR. PAULLEY: It is a reference of course. It's an answer to an obligation that was undertaken by this government in the Throne Speech of 1974 wherein, at that particular time, an announcement was made that the Government of Manitoba was going to go ahead with an assessment of, and produce a paper — the cover may be brown but the paper inside is white — produce a report for the consideration of the members of the Assembly. And I'm sure my honourable friend, after he has had an opportunity of inwardly digesting the contents — which incidentally have taken three years to prepare — that it is a suggestion that the report be referred to an intercessional committee of the House to which the people of Manitoba, either concerned directly or indirectly with the insurance schemes, will have an opportunity of being heard. That might constitute a referendum.

And then, of course, I understand according to rumour, Mr. Speaker, that someday in the not too distant future there may be a provincial election and the tabling of the report may give people an opportunity of assessing, by way of that type of a referendum, whether we should continue on in our endeavours to bring about greater protection for those less fortunate than others in Manitoba.

MR. SPIVAK: Mr. Speaker, I refer to this as a green cover; the Honourable Minister of Labour referred to it as a brown cover. I think we both should have our eyes tested.

Mr. Speaker, either to the Minister of Labour or to the House Leader, I wonder if either one could indicate whether it is the intention of the government to appoint a Legislative Committee this session.

MR. SPEAKER: The Honourable Minister of Labour.

MR. PAULLEY: Mr. Speaker, actually as the sponsor of this or one who is answerable for the Task Force Report, that matter is under consideration between the Premier, Cabinet and myself as to that establishment. It would be our hope that the people of Manitoba and a committee. . . . We have not quite decided yet, Mr. Speaker, what committee or the composition of the committee but I expect an announcement will be made very shortly in that respect.

MR. SPIVAK: I wonder then if the Acting First Minister could indicate whether it is the government's intention to actually have that committee meet and deal with this report prior to the provincial election.

MR. PAULLEY: Really, Mr. Speaker, if the committee is set up and I'm just saying "if" rather loosely. It is my intention to proceed to have an assessment made of the proposition; the idea being an intercessional committee. The life of this government can conceivably last until August of 1978, and there could quite conceivably be an intercessional committee established to have representations made to it in respect of this important matter, and a subsequent session called for the purpose of introducing legislation for the consideration of the Assembly.

MR. SPIVAK: Well then I wonder if the Acting First Minister is in a position to indicate whether in the fiscal year 1977 the government would consider the introduction of legislation and the introduction of the specific recommendations of this report.

MR. PAULLEY: I think, Mr. Speaker, I just answered that question. There is some confusion with my honourable friend as to the colour of the document. I think there is other confusion over the tops of his shoulders as well.

MR. SPEAKER: The Honourable Member for Roblin.

MR. J. WALLY MCKENZIE: Mr. Speaker, I have a question to the Honourable the Highways Minister. I wonder can the Minister advise the House if the government or his department has a target date or a deadline for the metrification, the dual signing of the highways in the province.

MR. SPEAKER: The Honourable Minister of Highways.

HONOURABLE PETER BURTONIAK: Mr. Speaker, did I hear the honourable member say dual-signing? First of all I might say that there will be no dual signing really as far as the speed limits are concerned in Manitoba. When we go into the metric system we hope to be able to carry out an advertising program, an information program to educate the public in the difference in kilometers as against miles per hour, but we do not intend to have both miles per hour and the kilometers. It will be only in the metric form as far as the speed limits are concerned.

In the last year or year and a half destination signs have been placed in various areas of the province, particularly in the larger centres of the province where we do have destination signs in dual form both in the metric and the miles also. That was put in for the simple reason that people should get acquainted with the changeover. In other words, an educational program. I cannot say how effective that has been but I am told that it has had some benefit by the people that have taken notice of it.

As far as the definite target date, all the provinces have indicated they will definitely move in that direction in 1977 but not exactly a specific date. Some could be September, October or whatever, but it will be in 1977.

MR. MCKENZIE: Mr. Speaker, I have another question of the Honourable Minister. I wonder if the Minister could advise are the weight restrictions lifted now on all the provincial trunk highways and all the public roads in the province?

MR. BURTONIAK: You mean the weight restrictions, spring restrictions. Yes, as a matter of fact they were lifted I believe it was Tuesday morning of this week. At six o'clock in the morning all road restrictions were lifted in the Province of Manitoba.

MR. SPEAKER: The Honourable Member for Fort Rouge.

MR. AXWORTHY: Thank you, Mr. Speaker. I have a question for the Minister of Industry and Commerce referring to questions raised in the House this morning concerning programs under the Job Program. Can the Minister indicate whether in fact applications that have been made under the inner-city employment program — the previous employment program — are being held in abeyance, are not being considered in favour of applications coming in under the temporary three or four month employment program announced in the Budget Speech.

MR. SPEAKER: The Honourable Minister of Finance.

MR. MILLER: Well, Mr. Speaker, I can advise the honourable member that it is not being held up because of the Special Employment Program. They are both being processed as quickly as possible and in parallel.

MR. AXWORTHY: Well, a supplementary in that case, Mr. Speaker. Could he enquire whether in fact certain organizations which have applied under the inner-city employment program have been told that their applications will not be considered until next fall because of the existence of the recently announced temporary employment program.

MR. MILLER: No, Mr. Speaker, I've never heard that said. I can imagine that somebody said you'll have to wait a little longer to get an answer but I have not heard of anyone being instructed to advise that a program is being delayed because of the Special Employment Program. If someone is being told that it just isn't so.

MR. AXWORTHY: A supplementary, Mr. Speaker. Perhaps the Minister of Finance or the Minister of Industry and Commerce can indicate what number of applications have so far been received under the job employment program at this stage.

MR. SPEAKER: The Honourable Minister of Industry and Commerce.

HONOURABLE LEONARD S. EVANS (Brandon East): Mr. Speaker, there have been hundreds of enquiries and many hundreds of approvals. I would hope some time next week we will have a tabulation and make this information available to the Members of the House and to the public at large.

MR. SPEAKER: The Honourable Member for River Heights.

MR. SPIVAK: Yes, to the Minister of Industry and Commerce. It was a question I directed earlier this morning to the Acting First Minister. I wonder if he can indicate whether the government has had any correspondence or contact with the Alberta Government with respect to a proposed purchase by PWA of CP Airlines and its effect on the purchase of Transair and service to be provided in Manitoba.

MR. SPEAKER: The Honourable Minister of Industry and Commerce. **MR. EVANS:** Mr. Speaker, while we've had discussions with the senior executive of PWA among others pertaining to Transair acquisition, there has been no discussion pertaining to the acquisition or the alleged or talked of in the media acquisition by PWA of CP Air. There's been no discussion with respect to that matter.

MR. SPIVAK: I wonder if the Minister is in a position to indicate whether there has been any communication with the Federal Government in connection with this or discussion.

MR. EVANS: We are in communication with the Federal Government as it pertains to Transair, not as it pertains to CP Air if that's what the question is.

MR. SPEAKER: The Honourable Minister of Labour.

MR. PAULLEY: . . . supplement the answer of my colleague by reference to reports emanating from Ottawa today to the effect that the Liberal government aided by the Conservative opposition in Ottawa have amended legislation which may upset a Supreme Court ruling to the effect that provincially-owned inter-provincial airlines may be taboo.

MR. SPEAKER: The Honourable Minister for Corrections.

HONOURABLE J. R. (Bud) BOYCE (Winnipeg Centre): Mr. Speaker, this morning the Member for Portage asked me a question based on a copy of a letter which he sent to me across the House. The letter has subsequently been referred to me by the Attorney-General and I appreciate very much the Member for Portage bringing this to my immediate attention, the letter only having been written yesterday. The letter in my judgment is most irresponsible. I will be making a further report but it shouldn't be allowed to sit in the record any longer. I have checked back to 1972 and there's not the slightest possibility that the allegations in the letter are true at all. I'll be making a further report prior

to 1972.

MR. SPEAKER: Orders of the Day. The Honourable House Leader.

MR. GREEN: Mr. Speaker, I move, seconded by the Honourable the Attorney-General, that Mr. Speaker do now leave the Chair and that the House resolve itself into a Committee to consider of the Supply to be granted to Her Majesty.

MOTION presented and carried and the House resolved itself into a Committee to consider of the Supply to be granted to Her Majesty with the Honourable Member for Logan in the Chair.

COMMITTEE OF SUPPLY

ESTIMATES — MINES, RESOURCES AND ENVIRONMENTAL MANAGEMENT

MR. CHAIRMAN, Mr. William Jenkins (Logan): Order please. I would refer honourable members to Page 43 of their Estimates Books. The Honourable Member for St. Matthews.

MR. WALLY JOHANSSON: Mr. Chairman, I'd like to take this opportunity to speak to the Minister's Salary and I would like to follow up on some of the comments made by the Honourable Leader of the Opposition who has just departed the House.

Mr. Chairman, we had an interesting philosophical debate just before the noon hour and in my view the Minister of Mines made one of the finest philosophical statements of the objectives of this government that I've heard in this House. He put the position very clearly that what we stand for basically is a policy of moving toward greater equality, greater equality of income. The opposition member jumped on that and immediately tried to attack it. He claimed, for example, that a move toward equality is against human nature. He stated that this kind of philosophy has led to many empirical disasters since Marx. The honourable member always like to invoke Marx when he's talking about the philosophy of our party. He also frequently refers to the lack of historical knowledge or understanding in this party, but his own reference proves his own lack of knowledge, and it also is a nice, easy method for him to attempt to smear us. But his statement, Mr. Chairman, is so typical of the simple-mindedness of the Conservative Opposition, and one can only characterize their position as a simple-minded one. He states that a move toward equality is against human nature.

In the last century, Mr. Chairman, Matthew Arnold made a very fine statement on this topic. He stated, "that we should choose equality and plead greed, that on the one hand inequality harms by pampering, and on the other side by vulgarizing and depressing." Arnold said that "a system founded on it is against nature and in the long run breaks down." That's essentially correct. A system which embodies great inequalities is against human nature and ultimately breaks down.

Over 2,000 years ago a great conservative philosopher, Aristotle, also claimed that great inequality in society was harmful, and he claimed that it was harmful to the rich for a very simple reason, Mr. Chairman, because it ultimately leads to class warfare and the poor ultimately resort to violence against the rich. Therefore he supported a society which had a moderation in terms of inequality.

Now, Mr. Chairman, the Honourable Leader of the Opposition also stated that we had an "ivory tower" theory, that in effect our system didn't work. The one nice thing about dealing with the Honourable Leader of the Opposition is that we don't have to deal only with his statements. We don't have to deal only with his statements of theory. We know what he did in practice. We know what he did in practice. Now, he has spoken against the Premier's statement of two-and-a-half to one and he has said in effect, I guess, that to those who have more should be given. But we also know what he in effect did when he was in the government, and I read from yesterday's Free Press and I quote, "Records show Kasser got \$16 million at most." This is a defense, from my reading of the article, of Kasser by the Free Press. The Free Press is trying to claim that Kasser didn't steal \$35.4 million, he only stole \$12 million or \$16 million. Mr. Speaker, that's like a man being accused of killing his mother and his father, claiming that he is innocent on the grounds that he only killed his mother, but this is the kind of logic we get from the Free Press.

Mr. Chairman, the Conservative Party and the Leader of the Opposition showed their political philosophy and their economic philosophy during the ten years that they were in government, and they showed their political philosophy, their economic philosophy, in CFI, what they did with CFI. We have an interesting spectacle taking place. The Leader of the Opposition argues that this government should be thrown out of office because it is guilty of mismanagement, that it is incapable of governing, that it doesn't have capable people in the caucus. The Leader of the Opposition states that his group has capable people, more capable people, who will manage the affairs of the province properly. Of course, we have to judge their capability by what they have done in the past.

Now, in the case of CFI, the Conservatives have copped out. They have refused to accept responsibility for what they did as a government. They argue, and they have argued over the past number of years, that only \$14 million was paid out while they were the government, that the rest of the money paid out to Kasser and his associates was paid out by our government, and that because the companies, it was later found out, were breaking the terms of the master finance agreement,

therefore we were responsible for that outlay of money because we didn't break the terms of the master finance agreement and impose a receivership immediately in 1969. It is an interesting argument.

The Tories refuse to accept responsibility for what they did when they were the government, and now they are saying that they should be given the responsibility because we are incapable of managing the government. They are indulging in a massive cover-up operation.

Now I would like to go over some of the events that occurred because people tend to forget what occurred. People tend to forget what the facts were, and the facts are available because an exhaustive study was done by the Commission of Inquiry into The Pas Forestry and Industrial Complex, headed by Justice Rhodes Smith. The facts are pretty well known.

What happened — and I am using only the account of the Inquiry Report. Immediately after we took office there was a report laid on the desk of the Premier by Rex Grose on July the 15th, and in that report there was a memo from Rex Grose which consisted of a mass of lies. When I say that, I am not making my judgment, I am giving the judgment of the Commission of Inquiry. There was a report by MacDonald and Currie, auditors for the Fund, again presuming to show that all was well. There was a legal audit by Newman, MacLean and Associates. Newman, MacLean and Associates, a legal audit presuming again to show that legally the affairs of CFI were in good shape. All was well. There was a report by Arthur D. Little, Stadler Hurter International, and Lionel D. Eddy and Company of New York. There was a massive misleading of the new government by the people who were supposed to be the advisors to the new government.

Then on July the 2nd, there was another memo to the Premier from Rex Grose which intimated that the Fund was following normal pay out procedures, which of course it wasn't in the case of this account. So again the Premier and the Cabinet were misled by the man who was held up, the golden boy, who was held up as the Gordie Howe of the previous government.

Not only did this happen, Mr. Chairman, but what happened three months after we became government was that members of the Fund, Rex Grose and the Fund collaborated with the CFI principals in an acceleration of funds out of the to CFI, and that the purpose of this was to get the funds out of the hands of the government Government of Manitoba.

Mr. Chairman, this is an incredible thing. The advisors, the civil servants who were supposed to be advising the government collaborated with Kasser and his associates to accelerate the flow out of funds from the Fund to Switzerland so they would be out of the reach of the Government of Manitoba, and over \$30 million went out in the first three-and-a-half months. Now, when this happened, when the government realized that there was a massive outflow of funds, there was some alarm and so in October of 1969, Alistair Stewart was appointed by Cabinet to investigate. Stewart's first action was to contact Rex Grose to ask for information, and again, Mr. Chairman, there was an interesting reaction.

Four months went by before there was any answer from Rex Grose. Four months went by. Because of this the government was even more alarmed and the appointment of Stothert Engineering Limited was made because of Stewart's advice and also because of articles by Phillip Matthias of the Financial Post. And in early February of 1970, Stothert Engineering was appointed to do an engineering audit. And again Rex Grose lied to Stothert. Finally, in March of 1970, Rex Grose resigned. And why did he resign? Because he was confronted in Cabinet. He was confronted in Cabinet with a contradiction between his advice and statements by Phillip Matthias. And he admitted to a special Cabinet meeting that he had lied to Cabinet. And this was around March the 24th of 1970.

What was the reaction of the Opposition when Rex Grose resigned? Were they happy? No, Mr. Chairman. We had that famous speech by the Member for Riel wherein he stated that Gordie Howe had just left the Red Wings and that this was a great catastrophe for the Province of Manitoba.

Now following the resignation of Rex Grose, there was an engineering audit finally completed by Stothert at the end of March, 1970, and Stothert couldn't get information out of the companies at The Pas, but he did establish that there was a massive lack of proper back-up for the project — technical back-up material for the project.

Then the government, which again was concerned and which still didn't know exactly what was going on, which still didn't know that the terms of the master financing agreement were being broken, the government appointed financial and legal auditors. The Provincial Auditor set up a team to investigate, to audit the accounts of the companies at The Pas, and legal auditors were hired outside of the government to work with the Attorney-General's Department in again attempting to find out what was actually happening.

Now finally, on May 19th, 1970, almost a year after we became government, there was an interim report of the Provincial Auditor. And the Provincial Auditor established that the Fund and Arthur D. Little and Company were not exercising control over the pay-outs according to the master financing agreement. The government stopped payment two days later. On the 19th of May, 1970, they received the interim report of the Provincial Auditor. Two days later they stopped the payments to the

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project. This is the first hard evidence they had according to the Commission's Report, which you do not now accept because it doesn't happen to justify your position and in fact it damns the actions of your government, your previous government. And what happened? Immediately Kasser and his associates threaten to sue us for breach of contract. It's interesting at that point, May 19th, 1970, the Provincial Auditor for the first time established that as of April 30th, 1970, there was \$25 million in the banks in Switzerland, and in the bank accounts of these four companies at The Pas which wasn't being used. It was laying in Swiss bank accounts.

Now the government had a problem. There was \$25 million sitting in Switzerland, which it couldn't possibly touch. There was a unanimous recommendation to the government, at this point, of Stothert Engineering, of the Provincial Auditor's team, the government legal representatives, the Manitoba Development Fund, and Richardson and Company. All of these people, who were advising the government, unanimously recommended that the wisest strategy at this time was to ensure the completion of the project, and at the same time force the principals at The Pas to put as much of that \$25 million as possible back into the project; to force the companies to use up that \$25 million sitting in Switzerland to complete the project. If we had brought in receivership at that point we couldn't have touched those \$25 million in Switzerland. It was highly unlikely.

The sensible recommendation of all advisors was to complete the projects, to force the companies to use this money in the Swiss bank accounts to complete the project, and at the same time to avoid committing more government funds than we were committed to by contract.

Now it's interesting. All of these government teams, who were working at trying to find out what was going on, learned for the first time on June 29th, 1970 — June 29th, that's after we were elected but almost a year before we assumed the reins of government — they only learned at that point from Arthur D. Little that draw-downs since July, 1969, had been certified not on invoices, or even commitments, but on schedule of estimated needs. Even at this point — a year after we became government — there was no evidence of fraud or other circumstances that would justify breaking the contracts. One year after we became government there was no evidence from all of these investigators that the contracts had been broken by the companies at The Pas, and that there was nothing that would justify breaking the contracts by our government.

Now it's interesting. We have lately had a book written by Mr. Walter Newman and he argues — well he certainly stated to the Commission that he believed that the government and its advisors had clear evidence of default in May of 1970. That's interesting. The Tories have been arguing for years now that we should have put the companies into receivership immediately when we became government. Their friend, and former legal advisor, argued before the commission that he thought we had evidence that the contracts were being broken as of May. —(Interjection)— That's right. But he never and the Commission very clearly states this. He was the lawyer to the Fund but he never advised the government, or the Fund, of these beliefs he had. That's a strange kind of behaviour for a man who had the responsibility of legal advisor to the Fund, very strange behaviour. He never advised the government or the Fund of these beliefs he had — which he now claims he had — that he thought that the government had clear evidence of default in May of 1970. He never advised us. Why? Why?

Well, the Commission of Inquiry came to the conclusion that he had a violent political antipathy towards our government. He regarded us as dangerous people. He regarded us as dangerous people and therefore he would advise Kasser rather than us, when he was being paid by the Fund to give it legal counsel on these loans.

You know it's really interesting. The Tories have been arguing we should have cut off the funds to the companies immediately that we became government. The Commission of Inquiry establishes very clearly that the government didn't find out until over a year after we were government that the master of finance agreement wasn't being followed.

The Commission of Inquiry also established something else. It established, Mr. Chairman, that late in 1968 — and the Member for Minnedosa should listen to this — Grose abandoned the pay-out provisions of the master finance agreement (Page 1945 of the Commission's Report). Late in 1968 Grose abandoned the pay-out provisions of the master finance agreement.

So the master finance agreement was being broken when you were the government. Why didn't you cut off funds? Why didn't you put those companies into receivership? There is a very simple reason, Mr. Chairman. Because you didn't know that the master finance agreement was being broken. You didn't know. —(Interjection)— You still don't know because you haven't bothered to read the report. You say that we should have foreclosed on the companies immediately upon becoming government. Yet you were a part of the government. Yet you, yourself, were the government when the terms of the master finance agreement were being broken. And they were being broken by your golden boy, but you didn't even know about it.

You know, Mr. Chairman, Duff Roblin once defended the members of the MDF board by saying that these men were not exactly the three stooges. He was right. They were not exactly the three stooges. The stooges were in the Roblin Cabinet. The stooges were in the Roblin Cabinet and these stooges now ask the people of Manitoba to place the government back in their hands because they

will be more capable of managing the affairs of this province than this government. Mr. Chairman, the the gall of this group is incredible. It is incredible. You know, not only, Mr. Chairman, did they prove their lack of ability, not only did they prove their incompetence when they were in government, but they're still proving it today. They're still proving it.

You know, lately this last few months a number of members of the Tory caucus have been distributing a report to their constituents and in this report they quote a statement supposedly taken from Abraham Lincoln. Four of them, four of them at least I know, Mr. Chairman, have used this because I have their reports. The Member for Brandon West, the Member for Charleswood, the Member for Wolseley, the Member for Fort Garry all have used this. All have used this report and probably more of them have used it. They quote a statement attributed to Abraham Lincoln, which essentially — (Interjection)— Well, I don't have time to read all of it, but essentially it is an attack on socialism or socialist ideas and a defense of free enterprise, of the good old fashioned virtues of free enterprise.

Mr. Chairman' the quote sort of puzzled me because I've read a bit of Lincoln. I have a great deal of respect for Abraham Lincoln, which may amaze members opposite because Lincoln, of course, was a Republican, but Lincoln was not a simple-minded Tory Neanderthal. Lincoln was a very sophisticated complex person and I couldn't imagine a sophisticated complex person like Lincoln making such simple-minded statements. So I started checking and you know eventually I found, Mr. Chairman, an interesting thing. I checked very carefully because I wanted to be entirely sure of my ground. I found that — I'm quoting from a book called The Great Quotations by George Seldas (?). — (Interjection)— Well, just a moment I'm only quoting one source. I went beyond this. I started with this and then I went back. On February 13, 1954 the Associated Press Report headlined a Lincoln Hoax Charged to GOP in the New York Times, finally nailed the Lincoln falsehood, which the Republican Party and numerous conservative reactionary wealthy and anti-labour organizations have been using for years, a series of quotations beginning, "You cannot bring about prosperity by discouraging thrift," etc. The hoax had been traced by Roy Baessler (?), Abraham Lincoln Quarterly, and I have a xerox copy from the Library of Congress of the article in the Lincoln Quarterly, traced to a 1942 leaflet distributed by the Committee for Constitutional Government, one of whose leaders was Edward A. Rummeli (?) who served time as a German Agent. He was jailed as a Nazi sympathizer during the Second World War in the United States. This is the organization that originated this hoax, this phoney Lincoln quotation.

Now, I have the quote from the New York Times. I have the article from the Abraham Lincoln Quarterly detailing the information on the history of the hoax. This statement has been known as a hoax in the United States for over 20 years' Mr. Chairman. Over 20 years it's been known as a hoax in the United States. The Tories are so stupid that they resort to using a hoax that has been known as a hoax for over 20 years in the United States. Now that's bad, Mr. Chairman. That's bad. But not only do they use a hoax that's been known as a hoax for 20 years, but they even misquote They even misquote the phoney quote. They can't even get a phoney quote correct. They can't even get the phoney quote correct. For example, there are ten different statements in the quote. They omit No. 3. They misquote No. 6. They misquote No. 7. They mangle No. 9 and 10 into one quote and misquote both of them. This group that claims they are more capable than us of handling the reins of government cannot even quote properly from a phoney quotation and they ask the people of Manitoba to entrust the government to them.

You know, Mr. Chairman, that is gall. That is *chutzpah* That is enough to dumbfound anyone. You, Mr. Chairman, not only would I not trust these people to run the government I wouldn't trust them to run a hotdog stand.

MR. CHAIRMAN: The Honourable Member for River Heights.

MR. SPIVAK: Mr. Chairman, I listened with interest to the Member for Wellington, the Honourable Member for Wellington. I want to really respond to the Honourable Minister of Mines and Natural Resources remarks but I can't just let his remarks go by. — (Interjection)— St. Matthews, I'm sorry. — (Interjection)— Well if I'm wrong on some of the minor things I don't think that's too serious.

Mr. Chairman, you know as I listened, I thought maybe the Honourable Member for St. Matthews should be writing a book called The Innocents in Government, because in effect the way in which he painted the picture of what happened with respect to CFI would lead everyone here to believe that somehow or other the members opposite realistically, in handling the government responsibilities, somehow or other were, having made a number of very damaging political statements in opposition and even during the period of time of government, had really no responsibility imposed on them to be damn sure of what they were doing. And I don't think that the presentation can simply dismiss the record of what really took place or the accountability that's required. I think that's one aspect of this that will be settled probably in election and it will be settled not in the manner in which we are debating it now.

Having said that, I'm going back to the recounting of what took place. The Honourable Minister of Mines and Natural Resources acknowledged that governments get themselves into trouble when he

spoke today. You know governments get themselves in trouble for many reasons. I don't think there is any question that there were horrible errors made during our administration with respect to CFI. And I'll acknowledge it here as I would acknowledge it everywhere else. Some of them we were aware of, some of them we were not. But nevertheless, there is an accountability that has to be made there as well as an accountability that has to be made on the members opposite. That's one part.

The second part deals with the whole question of the Gordie Howe of the Conservative Government. I would nominate either Cass-Beggs or Dr. Peter Briant for the Gordie Howe of the NDP Government. You can have your pick. I think we can argue equally as well that they achieved in their own way the same kind of distinction that you are alleging to Rex Grose. But I want to, if I may, deal more directly with the basic argument presented by the Minister of Mines and Natural Resources. And in the course of dealing with that, I want to be in a position to try and indicate to him the failure in understanding one element with respect to the logic that has carried him to the conclusion that he has and that, in turn, he should not be too carried away by his presentation. He is a very able debater. He can basically squeeze out of any argument the maximum in terms of sustaining a position. And the position that he has presented appears to be logical and I think there are some on the opposite side who believe in what he said, basically that somehow or other public corporations can cause, and do cause, and have caused, some redistribution.

You know, Mr. Chairman, if we analyse what has taken place during this administration with respect to the public corporations, there is really no proof that that has really happened. As a matter of fact, the proof has been the opposite, and I want to try and demonstrate that if I can. The reason I want to demonstrate it is because I think there is one aspect of public corporations that we're not facing up to. That when they are controlled by a political party they themselves become political instruments and, as a result, there is a necessity to cover up failures and there is a necessity not to acknowledge the realities of any given situation. And as a result, actions take place which in effect can, instead of causing redistribution, sily be another drain on the taxpayers. And that is essentially what has really happened, Mr. Chairman, with respect to CFI. That's what happened with respect to Saunders and that's what is happening with respect to Flyer.

That's directly happening, and I want to indicate that, Mr. Chairman. And I want to indicate that in a very direct way. To begin with, with respect to CFI, I do not accept the statements of the Honourable Minister opposite that the government did not know, or did not have sufficient knowledge in their hands, of the problem areas. Their problem was that they weren't prepared to acknowledge it because of the political implications of the time. And the difficulty of the situation they faced, Mr. Chairman, was simply that had they acted in the minority government situation they would have put themselves in some jeopardy because they would have had to account for the fact that they did not do the things that they alleged that they were going to be doing when they took over government.

As a result, Mr. Chairman, the matter continued until they got to a point where it was really uncontrollable and action had to be taken.

With respect to Saunders, that was a venture that should never have been entered into by the government on the basis of any kind of proposal. There was no justification for it. But having gone into that, there was an essential problem, Mr. Chairman, because it involved a direct commitment to the government towards public enterprise, when in effect they had made public statements towards that. And secondly, the problem that had to be dealt with had to be dealt with at a time when a decision could affect directly the possibilities of certain seats being affected in the election to come.

Mr. Chairman, I don't have to bring the documents back again but I have already quoted from the Board of Directors' meetings of MDC in which the options with respect to Saunders that were placed before the board of directors were very clear. My figures may not be right, but they are approximately correct. A wind-up would have cost a million-and-a-half at the time, receivership would have cost three-and-a-half million, and they could have continued on to the next stage for \$5 million, or something like that.

The decision that was made was entirely a political decision, Mr. Chairman, concerning the political realities at the time, because the government couldn't acknowledge failure before an election and there were direct constituencies that were involved.

Now there is no point in looking in such amazement at this. This is really what happened. The minutes of the Board of Directors' meeting basically states that. —(Interjection)— Well, they state specifically. —(Interjection)— Yes, well, Mr. Chairman, they state specifically that those options were offered and I suggest to you, in terms of my conclusion just as you have made conclusions on the opposite side, that the reason and the motivation, Mr. Chairman, were entirely political. This is the problem of public enterprise and public corporations because in effect they become vehicles. You know, we take credit for the things that happen and then we want to forget about the things that are not very good. —(Interjection)— No, no. Is that right? Well, I think that is the case.

Now let's deal with Flyer. There is no doubt in my mind that Flyer would have been discontinued had there not been an election in this year. There is no economic justification for the continuation of Flyer except that the government can't admit a failure.

Mr. Chairman, the information that is supplied to the Committee, the information that is supplied to the House, would have us believe that somehow or other the policy of the government is such that in order to maintain the jobs they are going to continue on with the hope of some possible viability occurring. Yet the announcement today which confirms the rumours that I have heard of before with respect to Bombardier clearly point out that in the next period of time Flyer is not going to be able to compete. Bombardier will in fact be making the same bus that Flyer will be, with a contract with AMC, in a Quebec market. —(Interjection)— They will be competing in the eastern market and they will be competing in the western Canadian market. —(Interjection)— You'll compete? Well, you never competed. But the fact is, Mr. Chairman, the fact is that Flyer's viability is directly in question right now. You know the Minister of Mines and Natural Resources can stand up at every meeting and suggest that somehow or other we have sabotaged it; that's nonsense.

MR. GREEN: The honourable member, one year ago, said that we would have a \$50 million loss in Flyer this year by now. He has continued to make that kind of predictions in an effort to discredit this company. The Quebec market has never been available to Flyer. That is not anywhere included in our viability reports. The Quebec market has never been available. The Quebec government demands that all its bus manufacturers buy the buses from those produced in Quebec, much worse than happens here in Manitoba.

MR. SPIVAK: Mr. Chairman, my understanding is that Bombardier will be competing in the market outside of Quebec. —(Interjection)— Mr. Chairman, yes, you will. But it is not likely you are going to be able to coete. They'll have the scale and the volume which will basically give them the opportunity, Mr. Chairman, to be able to more than compete. And secondly, Mr. Chairman, their arrangements with AMG, I think, will probably put us in a more impossible position than we are today.

Mr. Chairman, the point that I am making is that the only justification for the continuation of this enterprise is because the government can't acknowledge a failure. So when we go into this whole argument that somehow or other public corporations in this province have been used in terms of the specific project, as a means of redistributing income, that's a fallacious argument.

Now I think that there is the opportunity for a straight forward philosophical argument, Mr. Chairman, and that we may want to enter into. To a certain extent, there have been arguments advanced on that and that may be something that we will continue. But I don't want anyone to be under any illusion with respect to the history of what has happened — that somehow or other the government in entering the enterprises realistically believed that there was going to be any kind of redistribution in income. —(Interjection)— Well, but the problem then is, what government enterprises are we talking about. —(Interjection)— Well, the government has Well, that redistribution —(Interjection)— The Hydro is now —(Interjection)—

MR. CHAIRMAN: Order, please. The Honourable Meer for River Heights.

MR. SPIVAK: Well, Mr. Chairman, the point is very simple, that the difficulty of arguing with respect to the public corporations that I referred to, is the fact that in effect the decisions were political decisions made at the time in light of the basic

MR. CHAIRMAN: The Honourable Minister on a point of privilege.

MR. GREEN: A point of privilege relative to the directors of the Manitoba Development Corporation who have made these decisions, they have been made in accordance with their guidelines. I stand here and suggest to the honourable member that it is not proper for him to suggest that those directors are making political decisions, when the government has been involved. It has announced its involvement and the Development Corporation decisions have otherwise been made by the Development Corporation.

MR. CHAIRMAN: The Honourable Member for River Heights.

MR. SPIVAK: Mr. Chairman, you know the members opposite can't have it both ways. They can't essentially start talking about the former members of the board of directors and then all of a sudden be a little bit uptight when we talk about what is happening there.

Mr. Chairman, the influences of government are several.

MR. GREEN: On a point of privilege. Mr. Chairman, I rise on a matter of privilege relating to the people who are serving under the Development Corporation. The Commission of Inquiry has made findings that with regard to the CFI it was not the Development Corporation, it was the members of the Cabinet. There has been no such finding relative to our activities. I challenge such a suggestion, that when the government has been involved, it has announced its involvement as indicated in the guidelines. The decisions have otherwise been made by the Development Corporation and reported to the Legislature, and they have indicated that they have not been political decisions, they have behaved in the manner which they thought most commercially acceptable, given all of the considerations. Where we have been involved, we announced that we would be prepared to back the losses while they are seeking new prospects of viability. The decisions have otherwise been made by the Development Corporation and for the honourable member to say that the Development Corporation, which is composed of citizens of all political parties, including the honourable member's political party, is making political decisions for this government is an insult to the members

of the Development Corporation.

MR. SPIVAK: Mr. Chairman, the Minister of Mines and Natural Resources protests too much, because, you know, all his protesting isn't going to change the fact that the members of the board of directors are subject to the same kind of influences as any other board of directors are, in the reality of the scene in which they deal and the political climate and the directions and the influences and discussions that take place. I suggest to you, Mr. Chairman, that the considerations with respect to the political considerations have been in fact the factors and have been one of the motivating factors with respect to the decisions that had to be made. And it would have been very simple, on the basis of logic and understanding, to have indicated fairly directly that there is no point in proceeding when it was very obvious that the information that was both supplied in Opposition by the members opposite with respect to the ventures were in jeopardy.

You know, I can remember the Honourable Member for Brandon West standing up and reading consultants' reports. I can remember him specifically talking about the things that were in fact discussed afterwards about the viability of Saunders and of the plane and the challenges that were made ability to be able to compete in the market.

Now I want to understand, Mr. Chairman. What was the responsibility of the members opposite? Just to listen here, and to debate, and say it's public enterprise and that's all? Or was there a responsibility, Mr. Chairman, to be able to talk to those people who were in charge and to indicate and convey some of the information that was

MR. GREEN: That was all indicated

MR. SPIVAK: Oh, that was all indicated and conveyed. Well, Mr. Chairman, I would say to you and I again suggest that the considerations were political in nature and I would suggest to you that there would be no question that Flyer would be wound up today as a public enterprise if it wasn't for that.

But there is a political problem. No one is misunderstanding that. It is very clear, very very clear what the problem is, so that all I am saying, that in terms of —(Interjection)—

Well, I will tell you why CFI isn't wound up. Because I think at this point there is just too much money for the members opposite to wind it up realistically. But the problem at this point . . . let's go back to CFI because I want to deal with that. One of the real problems at that point, and I go back to what I said, was when the government had knowledge and should have acted, they didn't and the reason they didn't act was because of the political consequences. I mean we can retrace them, we can go back through the whole situation, we can talk about it. There was a vulnerability and for that reason they proceeded. —(Interjections)— And that's not garbage. No, that's not pure fiction at all. They gambled, Mr. Chairman, and they lost, and in the course of losing they cost the people of the Province of Manitoba and there was no redistribution of income. There was frankly more money that Mr. Kasser was able to take away from Manitoba. That is really what happened. And then it was compounded by all the additional costs that would have to be borne, because again there had to be a mission.

I even question, Mr. Chairman, the Commonwealth lawsuit, and I suggest to members opposite that in dealing with that lawsuit and in allowing it to go to the length that it did, knowing darn well, Mr. Chairman, that the liability was there, and recognizing that all they were doing was compounding with interest and with legal fees, that in effect the considerations with respect to that, Mr. Chairman, in my opinion, were political.

MR. GREEN: Mr. Chairman, in this respect, it has been reported by the lawyers If the honourable member will show that there was any political advice given to anybody in this respect, he can make that charge. The honourable member is not a lawyer, never has been, graduated from Harvard Law School, doesn't know the law, but the fact is, Mr. Chairman, that we were required to defend that lawsuit under risk that if the receivership was ever terminated and we had wrongly paid, we would have been responsible to Kasser. And the honourable member should know that. —(Interjection)— Well, he is suggesting that there are political considerations in a lawsuit, and I am suggesting to the honourable member that our lawyers have advised us, and if the honourable member was a lawyer and understood this, he wouldn't make that statement.

MR. SPIVAK: Mr. Chairman, I again say that the reason for the consideration for Commonwealth to have gone the limit it did was purely political, and the fact that the members opposite were not prepared to acknowledge realistically the liability, nor were they prepared to acknowledge what

MR. GREEN: Mr. Chairman, if the honourable member will point to any legal advice that this government received that we should discontinue the lawsuit and pay the money, I am prepared to accept his statement. No such legal advice was given and therefore the honourable member in making such a charge is making an insulting charge which is not appropriate to him. I can tell the honourable members we had no legal advice. The legal advice was to the contrary. Kasser had disclaimed the amounts owing under that lawsuit. We were acting as a receiver. If the receiver then does not defend and pays, he is responsible to the person against whom he has received. If the

honourable member was a lawyer, he would know that.

The last thing that happened in that lawsuit is that we were returned \$430,000, perhaps not that amount, but we had a return. So the honourable member says we shouldn't have gone that limit and got the return of that money.

MR. SPIVAK: Mr. Chairman, I don't really know the full amount of the interest paid or the legal fees that have been paid, but I would think that they are fairly substantial.

I also know, Mr. Chairman, the Commonwealth was put under unfair jeopardy. The money was owing. It was only a question of the degree or the amount.

MR. GREEN: Kasser denied it.

MR. SPIVAK: Well, Kasser denied it. This is the first acknowledgment, Mr. Chairman, that the Minister of Mines and Natural Resources has listened to Dr. Kasser.

MR. GREEN: Mr. Chairman, I have indicated to my honourable friend he does not understand the law, that when you take receivership proceedings against someone, and there are debts payable and the debts are denied, then you run the risk in paying those debts of being responsible to the person against whom receivership has been taken. We are still in civil suit with Dr. Kasser. He has sued the Premier personally and this government for over \$100 million, I believe, and those proceedings are still before the courts.

MR. SPIVAK: Mr. Chairman, do I expect the members opposite to acknowledge that in some way they —(Interjection)— You know it is no less reasonable or unreasonable than the members opposite or the Minister of Mines and Natural Resources. You know the problem here is that you all want it one way. You want to be able to say that somehow or other you have caused redistribution in this province. Public enterprise on your part has been successful, and that somehow or other, as innocents in government there is no way, Mr. Chairman, that —(Interjection)— Well, yes, as a matter of fact we did let you speak and I think we all listened. I would like just the same opportunity. I don't expect it; I just would like it. —(Interjection)— I am sorry?

MR. GREEN: Public enterprise that we have engaged in has redistributed wealth. I said that there are only two ways that I know of effectively distributing wealth. One is public enterprise and the second is social acceptance of responsibility for things that have been previously paid for by individuals.

MR. SPIVAK: Then, Mr. Chairman, I would say that public enterprise that the members opposite have entered into has only had one effect, it has simply taken more money from the taxpayers. And that in effect, realistically, is where we stand.

Okay, Mr. Chairman, now we deal with Manitoba Development Corporation. The Minister stands up and simply suggests that he has now announced new guidelines and those guidelines in effect really mean . . . —(Interjection)— Well, he announced three years ago, four years ago, announced new guidelines and these are the guidelines under which we are operating. The truth of the matter is, Mr. Chairman, that really the government has wound down the Manitoba Development Corporation, and in effect it is winding it down to a point where realistically it will either deal with the ventures that are able to maintain themselves in the next few years, if they still remain in government, or in turn they will even go out of those.

The fact is, Mr. Chairman, that their involvement, by the use of the Manitoba Development Corporation, in the creation of Crown corporations and the development of certain projects, have in fact failed. The announced policy of the government was to use this as a vehicle for the purpose of expanding government involvement in business, and, Mr. Chairman, it has not been successful. It has been a failure. It has been a failure for a number of reasons, some of which were really not within their control, and some of which are just peculiar to government involvement in business, and that is the inability to be able to attract at a civil service level people who are experienced enough in business itself.

I mean, you know, Mr. Chairman, you talk about Rex Grose, , we could talk about Mr. Ault— God knows what he got from the government for his creative ability — and there are others. We hire consultants here. We hire consultants there. We try and do something, but the reality, Mr. Chairman, is that there is really not trained within the civil service, or on a civil service level, people who have knowledge of government, work within government, the capacity to be able to deal with public enterprises.

You know when you have a monopoly situation, it is very simple. You don't have to compete. All you have to do is to be able to administer. But in the marketplace when you have to compete, it becomes a very serious kind of situation, and it requires a fair amount of know-how and without the incentive of profit as a motive, it does not allow the kind of build-up that occurs within government departments, simply because there is no ability to be able to support it unless there are some subsidies.

Another interesting thing, Mr. Chairman, was the comments of the Minister of Mines and Natural Resources with respect to DREE, the welfare that was provided for industry. You know, yesterday or the day before when the Manitoba Development Corporation was presented the annual statements

of the various companies, the one thing that struck me is that every one of them had applied for a DREE grant, and that in effect one of the reasons for the support, which would indicate that the profit margin really came as the result of the Federal Government moneys — (Interjection)— Well, I don't think you should be so critical, Mr. Chairman, of the Federal Government's attempt for regional distribution or regional development to be able to deliver, the ability to be able to assist in the development of industry when in effect in many cases the statements that have been produced would not be as good or would have been worse, Mr. Chairman, if they did not have the DREE grants. So I don't think the criticism of that should be offered.

Mr. Chairman, I don't think that we are going to be able to resolve the various differences between us in this House. There is no question about that. But let me say this, Mr. Chairman, there may very well be occasions in which the enterprises that should be entered into by government — I am not going to suggest that there are not any occasions; there may very well be — there may be many occasions on which a joint enterprise should take place. There also, Mr. Chairman, in the context of our development, is a need for the ability of financing to be there for the entrepreneurial skills that remain in this province for future development. And one would have to be foolish not to recognize that reality, because the problem we face is that in the development of big government and big business, small entrepreneurs, those that have the opportunity to be able to develop their talents and the native skills that they have brought to this country that have been passed on, generation to generation, really are penalized, Mr. Chairman, in the fact that in many cases the skills that they have, the talent that they have been able to exhibit, are not capable of being recognized as sufficient collateral for the loan capital that is required for the development of whatever enterprises they have. And of course these people employ other people, and in some cases these people have been responsible for developing major activities and major industrial activity. And the problem at this point, and the problem we haven't addressed ourselves to, is whether in effect there still is not some additional requirement for government to provide that support. Now you can argue that that support really is a government contribution, and therefore no one should receive it. You can argue that in effect that is taking welfare from the state and members opposite will get involved in a philosophical argument.

But I want to talk just for the few moments in connection with the perspective of Manitoba, and in connection with the development that is occurring across this country, and we are all very much aware of it. There is still a need for some vehicle. The Manitoba Development Corporation is not the vehicle at this point. What will that vehicle be, I am not sure. I know and I am quite convinced, Mr. Chairman, there is a need for it in the regional areas of the province, and I know, Mr. Chairman, that if one would — (Interjection)— you know the problem at this point is this: Well' the bugaboo is the private sector. The bugaboo on the other side is that when in effect there should not be any government involvement; the enterprise should be ours because we are going to do it better. But the truth is that we have proved that we can't do it better. So the difficulty will be whether the government will recognize that that need has to be satisfied and that opportunity has to be exist or, Mr. Chairman, then we will lose those opportunities here. Mr. Chairman, then there may be other jurisdictions where that opportunity may exist, people may leave for that, but the problem is that if you look at the job formation — and I have asked this over and over again and the members opposite won't acknowledge it — how many jobs do we need this year? How many jobs do we need next year? How many jobs do we need the year after? You don't even know. And where is it going to come from, Mr. Chairman? It is not going to come from the government make-work programs, it is not going to come from the enterprises because in effect it is a pretty costly thing, Mr. Chairman, to maintain those jobs from the point of view of the government operations themselves. So the problem, Mr. Chairman, is that for those who want to live in this province, who have difficulty, and who are put in that unfortunate position of not being able to develop, the assistance or co-operation of the state in some way is not there.

We have recognized this very clearly with the Agricultural Credit Corporation. There is no one here who is suggesting that the Agricultural Corporation should be wound up, not at all. Farmers are a very large political bloc and no one here is going to suggest that, not at all. So the fact is in terms of small entrepreneurs there still is a need for something, a different vehicle. And in spite of what the Minister has said and in spite of the fact that he will argue differently, my belief is that really what has happened is that the government has wound down the MDC, that in effect it is really only carrying the operations that they either had to take over or they initiated themselves, to the ultimate conclusion, in some cases it will be the complete winding up of those companies. In some cases they have been maintaining them at a very limited level, and the result is that something new is needed.

What form it would take, I don't know. They can argue a variety of different things. — (Interjection)— Oh, you know what I would do. Yes. What we would talk about is what we were going to talk about in the past. Well, I want to tell . the Minister of Mines and Natural Resources I believe that one learns by their experience and from the history of what has happened in the last twenty years. I think I have learned. Maybe the Minister opposite hasn't, but I think I have. And I think the kinds of

things that happen we have to talk about, and the kind of assistance that I am talking about is not something that necessarily has occurred. It will take on and has to take on a different form.

However I just would want to indicate that that requirement, I think, is there for the small entrepreneurs in this province. If it's not there then the opportunity for them to stay in Manitoba will be limited and in many cases the opportunity for them to develop will not occur and that really will be to our detriment. The question at this point is whether you can override this political discussion that we've had in the past by the development of something new or whether we're going to argue the past. I can argue the history of the past and am prepared to do that, and I'm prepared to argue pretty strenuously, but I believe that there is a need to address ourselves to some future kind of proposal which would encompass changes and which would provide at least protection, recognizing errors that have occurred in the past in both administrations, in both, not just one but in both. If that happens I think we will have learned something. If that doesn't happen, Mr. Chairman, then I think what we're really talking about is a debate about who did what and I want to tell you, Mr. Chairman, the only people who are going to decide that are the people of Manitoba.

MR. GREEN: Mr. Chairman, you know I tended to have sort of forgotten or tried to have forgotten some of the methods that my honourable friend used in dealing with questions that he used two years ago and were characteristic of his form of attack. Not satisfied with the positions which were themselves sensitive, he had to invent things which made them even worse. A typical reference to the Saunders Aircraft where a Board Minute which apparently he obtained — it doesn't matter how it's obtained, there it was — which said several things were looked at and as a result of political considerations — and that was the term that was used — the decision was to keep the plant operating in Gimli. The member was well aware and is aware that the members of the Board of Directors then had no guidelines and that the terms of the Act themselves referred to the kind of political considerations they could take into account, namely the economic dislocation in the community concerned. He repeatedly asked the Chairman of the Board of Directors, who was a member at that time, whether the government or any influence respecting the government was ever a consideration in the factor of the Board decision and he was repeatedly told no. But not satisfied with that my honourable friend wishes to make political allies out of the members of the Board of Directors of the Manitoba Development Corporation who have had a difficult job to do and suggests that their actions have been based on trying to maintain the government in power. And that governments can't admit mistakes and that if an election was not happening Flyer Industries would be closing down because Bombardier is working with AMG in Quebec.

Well, Mr. Speaker, when Flyer opened up they were working with AMG in Manitoba. But that didn't cause Bombardier or General Motors to close down. That is another arrangement. Whether this operation was run by the government or the private sector, if they had the capacity to bide time and if they were getting other benefits they would do exactly as the Board of Directors of the MDC are doing. What they are saying is that provided the government is prepared to know what the losses are and prepared to accept responsibility for those losses we think the thing should be continued and we think we should look for ways of improving it. But the honourable member wants to think sink the Flyer program. He wants it to be destroyed. He wants to do that for political purposes. Mr. Chairman, I don't believe that the public of the Province of Manitoba will buy that. That's the way he has been operating for the last three years. He should know by now that that way wasn't acceptable to his colleagues. I don't like to go back to that but if he's going to engage in that kind of attack then I have to say that the Leader of the Opposition got up today, made a hard-hitting speech against what we were doing. He didn't have to resort to any of the crap that comes from the Leader of the Opposition with regard to sinister motives, willingness to lose public money to gain political votes and things of that nature.

Mr. Chairman, approximately two years ago, by the natural course of events — and there was no attempt to move them one direction or another direction — on Friday morning prior to an election which was going to take place on Monday or Tuesday, I had to write a letter to Saunders Aircraft telling them that we could no longer support that program. The most massive headlines appeared on Saturday. One of my best friends was a participant in that election. Mr. Chairman, that was done. It was done because the events arose in that way. It was not a plan that it happened that way, nor was it planned that it should happen in another way. The course of events and the events leading up to the cutting off of funds to Saunders Aircraft happened to wind up coincidentally on the Friday morning preceding the Tuesday election.

Now, my honourable friend says that he as government, since he says governments can't admit that, and can't do that during an election — he says, and he's right, that if he were the government he would have somehow protected that decision and not let it happen before the election. That's why he's not the government and that's why he's not even the Leader of the Opposition. Because he went into Gimli in the 1973 campaign after all we have heard of what he said about what his colleague the Member for Brandon West said about Saunders and everything that he said about Saunders, he went into Gimli in the 1973 election — I wouldn't do it, I wouldn't say we're going to keep Saunders Aircraft

open. I haven't said we're going to keep anything open. I haven't said we're going to keep Flyer open. I've said that Flyer has been kept open on the basis that we will try to sell the 200 buses a year and we are looking for a way to improve our position and that at all costs we are going to deal fairly with the people that we supply buses to so that they know that those buses should be purchased. But the Member for River Heights who says that government will never admit mistakes, governments will always try to improve their position for votes — the way he would do it is go into Gimli in the 1973 election and say, "We are going to keep Saunders Aircraft open." That's what the Member for River Heights said about Saunders. That's exactly what he said. He didn't even know what the reports of the Manitoba Development Corporation were. Mr. Chairman, really that's his problem in terms of getting votes.

I have indicated, Mr. Chairman, that the Development Corporation is to behave in accordance with their guidelines, not one word of which has been challenged here, not one word of it as to be a reasonable way of proceeding. If there is to be a government directive we will have to accept the responsibility for it and if they want that responsibility accepted by us they should let us know. That has happened in several cases. It happened with Saunders and I'm prepared to go to the people and say what we did. And it happened with Flyer with regard to this program. We announced what we were doing. We didn't say to the Development Corporation, "Would you please keep this going and spend money and not have us involved so that we can get political mileage out of it."

Mr. Chairman, the curious thing that my honourable friend won't understand and doesn't understand is that doesn't get votes. The reason we don't do that is that that is a sure way of losing votes. That is why the Conservative Party lost votes in 1969 and were no longer the government, because what they did is they said, "We are going to pretend that this money is not being advanced by us. We are going to have the Board of Directors sit up and take the responsibility and we're going to claim that we don't know what they're doing." He thinks that that's a good political thing to do. He's told all of us that. He says that that's the way you should behave politically if you want to get votes. Mr. Chairman, that's the way you should behave politically if you want to lose votes. I am a politician to the core, from the tip of my toes to the top of my head. I believe that I have to operate in such a way as to commend myself to the public. But I don't believe that the way of operating to commend yourself to the public is to never admit mistakes, hide behind somebody else and don't assume responsibility and try to fenagle the actual facts to attempt to get a good public relations which the honourable member told us that he would do.

You know one of the most astonishing things that the honourable member ever said in this House was that I am a trained lawyer and the first thing that a trained lawyer learns to do is to manufacture a case. The first thing a trained lawyer learns to do is to manufacture a case. Maybe that's what they teach you in Harvard Law School but the Law Schools that I went to and the way in which I practised law was that I had to try to find the law to suit the facts; that you cannot make the facts to suit the law. The facts are what you put in evidence and then you try to fight your case on the basis of those facts. The honourable members have seen our operation of the Fund. I have never tried to make the facts suit what I would like. I have tried to say, "Here is the way we are." And the honourable member says that I squeezed the best situation out of it. I don't think there's anything wrong with that so long as I don't manipulate the facts which is what the honourable member says that he would do if he was government and what all governments do. This government does not do that and that's the way in which we are attempting to commend ourselves to the people of the Province of Manitoba.

The honourable member says that something is needed. You know he knows that the Manitoba Development Corporation not being there is going to cause him problems because then he would not be able to loan money to his friends as he did when he was the Minister of Industry and Commerce.

MR. SPIVAK: On a point of privilege. I intend to reply to the Honourable Minister.

MR. CHAIRMAN: The Honourable Member for River Heights.

MR. SPIVAK: He made the statement of loaning money to your friends. All right. I want him to either retract that statement or prove it right now.

MR. GREEN: That the honourable member in being responsible for the Manitoba Development Corporation loaned money to people who were friends of his.

MR. SPIVAK: I want the Honourable Minister . . .

MR. GREEN: Well, I'll give you, Mr. Chairman, names: Kasser and Reiser. Yes' these are his friends. These are private captains of industry.

MR. SPIVAK: Well, Mr. Chairman, if the member pursues this — (Interjection) — well, I'll debate this afterwards.

MR. GREEN: Well, Mr. Chairman, this is the way the honourable member chooses to engage in debate. He says that we loaned this money to Flyer on the basis of political consideration. I say that he needs a fund to loan money to his friends meaning the economic status quo in the Province of Manitoba or others who wish to be the economic status quo. The free enterprisers: he needs money to give them. Therefore, he doesn't want this Fund wound up. He wants it to be put back to where it was, namely that it should be something that the people give money to, have nothing to do with, have

no operation in, do not operate in a businesslike way and yet private enterprise will get the money and provide jobs. those are the friends I am referring to friends that he Yes' continues to talk about. The private enterprisers.

I have acknowledged, Mr. Chairman, that one of the things we did not do quickly enough, and which I agree with, is that we did not eliminate that philosophy in the Manitoba Development Corporation. We changed some of those loans to equity but that doesn't change anything. We were still, in many cases, bailing out the private sector. Flyer was a private firm. It's not as if suddenly the public opened up a bus factory. It was a private firm. Saunders was a private firm. Dawn Plastics was a private firm. Dormond Industries was a private firm. The Morden Fine Foods was a private firm. The number that we started as distinctly new Crown corporations you could count on the fingers of your hand. But the honourable member says it's been a failure. The biggest manufacturer in the Province of Manitoba, even under his terms, his friends, the biggest manufacturer was saved from bankruptcy, was saved from dissolution and a complete wiping out by the public of Manitoba through the Manitoba Development Corporation. Versatile Manufacturers couldn't get a cent from anybody and the Manitoba Development Corporation saved that firm which is the biggest single manufacturer in terms of sales in the Province of Manitoba of machinery and equipment at the present time. Other industries were saved by the Manitoba Development Corporation. Even on those terms, Mr. Speaker, it can't be listed as that kind of failure, especially if my honourable friend says that it wasn't a failure under the previous administration. Because in terms of dollars lost there are more dollars lost with firms committed to or started under the previous administration than there has been under this administration.

So they're going to do something and, Mr. Chairman' that has been the point that I've tried to make to the Leader of the Opposition ever since we've been engaged in this debate with members of the opposition. Public money is going to be spent. It's not socialism; it is the nature of the beast. The private sector is incapable of operating without public crutches. It has proved that throughout this country. It has proved that everywhere it operates. Empirical evidence. What is the empirical evidence?

Mr. Chairman, Bennett plans to set up — this is Bennett, he's not a socialist — this is Bennett in British Columbia. "A new Crown corporation responsible for all computer services used by the provincial government will be created at the next session of the Legislature. Premier Bill Bennett here for a continuing series of Cabinet meetings being held throughout the province announced plans for the British Columbia Systems Corporation at a press conference. Two centres will be built at Terrace and Prince George. Each will cost \$3 million with the province paying 80 percent and the local regional direction the rest. " Excuse me. That's for the local consumption of public health facilities. So, Mr. Bennett, who is not a socialist is going to set up a computer corporation and I say that that makes every bit of sense. The computer corporation that we have set up happens to be doing rather well and that one received considerable ridicule from Members of the Opposition, but in the last year, two years, it has shown a considerable profit. This year it has shown a profit and if one were to take — (Interjection)— Oh, it has got money from the government. Mr. Chairman, IBM would be broke if it didn't have government contracts. But all of a sudden when the government owns the company any government contract is considered to be in some way incestuous. Mr. Chairman, here is the empirical evidence.

"ARDA for new industry strong despite Bricklin. The foremost proponent of continued initiative" — this is with regard to public initiatives in terms of spending public money to create jobs — "Premier Richard Hatfield had considered cancelling a trip after the Bricklin matter blew up but the Premier decided it would be exactly the wrong time to cancel such initiative. It is more important than ever to devote ourselves to economic growth and job creation in the province." Mr. Hatfield said. This is after the Bricklin incident. "It is more important than ever to devote ourselves to that job."

"Crown corporation interest waived. The Federal Government has agreed to convert some \$24.9 million in past federal loans to Northern Transportation Company Limited into common shares in the Crown corporation It is also part of a government policy to get away from the traditional financing of Crown corporations exclusively through loans and to introduce equity financing through conversion to equity of existing debt in such Crown owned corporations." Well, the honourable member just loved that when it was done for Churchill Forest Industries. What does it mean to convert loan to equity? It means to write off interest. That's what it means. It means to put the company in a position where it doesn't have to pay interest. So this is being done by the Federal Government, the Federal Liberal Government. Now, we've got here a Conservative government in New Brunswick, a Liberal Government in Ottawa and let's get to a Conservative government in Nova Scotia, a Conservative government in Nova Scotia. — (Interjection)— No, this was a Conservative government. This was Mr. Stanfield. — (Interjection)— Fine, I think so. I believe he is a fine and honourable man. He believes the public money should be used to help private industry along. Mind you, this was a Crown corporation. So he is also not completely hidebound ideologically.

Nova Scotia's total financial commitment to the heavy water plant, as at March 31st, 1974, debentures held as securities for advances \$110 million; \$2,000,275 in capital stock, and \$750,000 in patent rights. Total advances \$113,900,000.00.

AECL has not paid any money to Nova Scotia when they took it over, nor has AECL assumed any of Nova Scotia's debts or debentures. It has been taken over by, apparently, the Atomic Energy Commission of Canada. So here is a Conservative administration in the Province of British Columbia.

"Sidbec(?), the provincially-owned steel corporation" — this is Liberal Quebec — "has made extraordinary progress in technology and production," its President says. "The committee is studying a proposal that would involve a 107 million dollar increase in government grants to Sidbec(?) during the four-year period to aid integration of the project."

Mr. Chairman, Frank Moores just closed a liner board factory in which Liberal and Conservative administrations invested not \$30 million — that's Newfoundland, a small province — over \$200 million in one project. That doesn't deal with the oil project; that doesn't deal with some of the other projects, that is a liner board project.

"Computer firm . . . the consolidate co "It uter of Toronto. This is good Tory Ontario. will be a year of retrenchment" — You know, that almost sounds like Mr. Parsons talking — "a year of retrenchment with a probable operating loss of about \$2 million, but the company should break even in 1977," Leslie Selmeyer(?) President, told the annual meeting. "As previously reported, the government-assisted manufacturer of couter data entry had a loss of \$12.9 million, or 3.34 a share on revenue of \$15.8 million in the year ended December 31st, 1975, coared with a loss of \$5.5 million or 153 a share on revenue of \$15.4 million earlier." This is the Province of Ontario and Minaki Lodge is another one in the Province of Ontario.

Mr. Chairman, here is a beautiful headline about this type of financing. "If it's profitable, sell it, CN told by Lang. But it can keep the losers. Transport Minister Otto Lang has told Canadian National Railways to prepare for a possible future sale . of shares to the private sector. The Minister said in a letter to CN Chairman Pierre Tashereau(?), released Friday, that the Crown corporation decide which of its profit centres — rails, trucks, hotels — makes enough money to be attractive to private investors. The idea would be for these profit centres to be transferred into subsidiaries with some shares sold to the public. Mr. Lang said that the CN should make every attet to conduct its affairs with a commercial attitude, and in a commercial manner. But they should keep the losers." — (Interjection)—

Mr. Chairman, there is no doubt. . . . You know, I respect my honourable friend, the Member for Morris, because I believe that he would not do this. But the Member for River Heights will do it, the Leader of the Opposition will do it, and the Conservative Party will do it. They will finance private enterprise or they will continue to lose money on public corporations in the same way as this is happening. He is right. If you want to go to the philosophy — let's say if people are going to want to go into business, let them go on their own and let them try to make a buck. Let them not come to the public. That's not what the Member for River Heights said. The Member for River Heights says, "You know, there are some problems. Jobs aren't being created and we have got to have some mechanism. I don't know what the mechanism is but I'll think of it." And that mechanism will be, inevitably, public support to private enterprise. Because that's the mechanism that is used by Liberal and Conservative governments across the province.

The Member for Morris will be interested in this headline. This is a beauty. "Grants Save Money — Lessard". — (Interjection)— Well, Mr. Chairman, listen to what he says. "Outright grants to business are cheaper in the long-run than the loan and investment backing provided by the Manitoba Development Corporation," Marcel Lessard, the Federal Minister responsible for Regional Economic Expansion, said Wednesday. "If the government gives a loan or takes equity in a company then it must continue to pay the cost of being involved in the co" any for many, many years, he said.

Well, Mr. Chairman, Mr. Lessard doesn't know the law. That is not true. We didn't continue to be involved in Evergreen Peat Moss after the company didn't make it. We just stopped. They came and asked us, but we just stopped. So if he thinks that because you have equity, and it's all paid for and there is no call on your shares, that you have to loan money, then he just doesn't know. Poor Mr. Lessard. What he does know is that grants save money. Listen. "An outright grant would probably prove to be less expensive. Mr. Lessard made the comments today after announcing a \$2.4 million grant by DREE to McCain Foods Limited of New Brunswick. The grant is to go to construction of a new plant in Portage la Prairie."

Now, Mr. Chairman, say that the Manitoba Development Corporation is dead and not operating, I can tell you that a commercial loan based on good solid security, a considerable amount of money is being made to McCain Enterprises Limited.

So if the honourable member says that it is not happening, it is happening. But it is a good loan, not one which is a lender of last resort, and one in which the corporation feels it is fully secured by the Manitoba Development Corporation— (Interjection)— Not under Part II under Part I, by the board of

directors. So don't say that we are not doing it. And it will involve a considerable industry in the Province of Manitoba. —(Interjection)— No, they don't have to be my friends. Mr. Chairman, I have not said that those are the only people that we can depend on. I am suggesting that within the guidelines they can make a sound commercial loan based on good security. Mr. Chairman, not to my friends, to your friends. These people happen to be also your friends. These are champions of free enterprise in Canada. So we don't even discriminate. Mr. Chairman, we don't even discriminate. We don't even tell the Manitoba Development Corporation that they can't lend money to the friends of the Meer for River Heights. We tell them that they can do so provided it is sound commercially and that it is not a giveaway.

Now, Mr. Chairman, just listen to this. It's unbelievable. "Mr. Lessard said that the Federal Government provides a grant to firms interested in operating new plants in areas which need the economic activity. The grant is intended to entice the business away from areas where they are needed. The money is to compensate the firm for having to locate in another area. Mr. Lessard said another reason why the Federal Government does not like to give loans, rather than grants, is that the Finance Minister, Donald Macdonald, does not like to see them on the books. If we give a grant nothing is there."

So, Mr. Chairman, if we operate in accordance with Mr. Lessard —(Interjection)— Perhaps our Minister would not be happy. He will know what he will have to budget for. But, Mr. Chairman, we would have no receivables. We would have no interest. We would have no bad debts. We would have no write-offs. We would have no losses. We could have operated for the last twenty years almost, since 1960 when the corporation was set-up, and we could have saved \$135 million in losses by doing what Mr. Lessard does. He is the alchemist of the finance world. He has learned to turn rubbish into gold. He has learned to turn debts into non-debts. You give it away. And that is the alchemy of Mr. Lessard and the Liberal program.

Mr. Chairman, we have indicated two years ago that the present status of the MDC . . . —(Interjection)— Well, obviously somebody believes that. We have indicated that the MDC has different terms of reference. I can tell the honourable members that under those terms of reference there will be, certainly, fewer loans. They will be much more carefully looked at. We don't intend to involve the Crown in further Crown corporations until we are making headway with the ones that we are dealing with, or until something demonstrably viable comes along. Now, that's what we said three years ago. That's the way we are operating and therefore the reduced level of activity is no embarrassment to us. But the Fund is there and the kind of loan that has been made — the development loan to McCain Foods — is there. That's the process that we have adopted.

We think that the Development Corporation is operating on a sound basis as it could, given the legacy of the loans that it has. The same is true of the forestry complex. The honourable members will be able to see it operate tonight.

On another point, Mr. Chairman, I have a story in today's paper because it should interest the Member for St. James and particularly the Leader of the Opposition, who are not here. "Newfoundland is aiming at a 75 percent share of all taxes and royalties that would be collected from any development of underseas minerals off the province's coast says a White Paper tabled in the Legislature Wednesday." This is the Tory government of Newfoundland. "The White Paper and draft regulations for undersea exploration and development outline Newfoundland's view of how benefits from sea bed minerals should be divided. Mr. Peckford said that if the regulations form part of any future political agreement with the Federal Government the other Maritime provinces will also benefit.

The paper proposes that 1) The Newfoundland and Labrador Petroleum Board, a Crown corporation" (if you will excuse the expression) "to be created receive a 40 percent share of net production profits in partnership with private companies." —(Interjection)— It is mind-boggling, isn't it? A 40 percent share. And, Mr. Chairman, I don't even know if they are putting up their 40 percent. It doesn't even say. In Manitoba we get up to 50, but we have to put up 50 percent of the investment. Here it says that Newfoundland will get 40 percent. I would hope that being an honourable government that they would put up 40 percent of the investment. But it doesn't say that. But here it is being done by a Conservative administration in Newfoundland.

"The province collects" — that's only one part — "receive a 40 percent share of net production profits in partnership with private company. 2) The province collects royalties of between 5 percent and 25 percent." Mr. Chairman, I would largely suspect — it doesn't say so here — that those are incremental royalties depending on profit. Because I believe that the people of Newfoundland would look at what is a sensible proposal and that they would implement it.

So, to the Leader of the Opposition, and the Member for St. James, who claim to be completely pragmatic and deal with the other political results, let them look at the fact that Conservative administrations have not deemed it to be socialism to be involved in the public development of one's natural resources.

MR. CHAIRMAN: The Honourable Member for River Heights.

MR. SPIVAK: Well, Mr. Chairman, there is not very much to say. One still wonders who the Minister of Mines and Natural Resources friends are.

Obviously when a loan comes through the Manitoba Development Corporation to private enterprise, they are not obviously his friends, they are our friends. Well the question is, does he have any friends? The question is whether he has any friends.

Well, you know, it's an interesting thing that the one corporation that he indicates to whom a loan has been given is a major corporation. I think the members opposite should be very happy that at least, you know, coming into Manitoba, not a Manitoba company but a company coming into Manitoba, a major national corporation, obviously who have access to financing throughout Canada, have come and are receiving a loan from Manitoba, which are really our friends and they will take credit in relation to what's happening. At the same time, somehow or other, there is something just sort of entirely wrong.

Yet when we talk about small entrepreneurs in Manitoba, you know, that's something that we can't really think about.

I want to say something else to the Minister of Mines and Natural Resources. You know the Manitoba Development Fund was responsible for one heck of a lot of job formation in this province and enterprises whose financing came from government and without that enterprising, those opportunities would not have existed. That's a fact. Sure, they're there. You know it is a credit to the previous government that that happened. Even though there were some problems in certain areas, and even though there were criticisms levelled, and even though there were problems with respect to the administration and the general attitude between two governments as to between the government before and the government today as to the method of disclosure, even though those arguments are advanced, you know one, in the debate that has taken place, seems to forget that they accomplished a great deal in terms of the development of job opportunities and the ability for our economy to be able to continue, at least to be able to stay at a level which would keep us within the mainstream of Canadian economic life.

You know, there is a tendency, Mr. Chairman, to just ignore that and there is a tendency just to get involved in Dr. Kasser and cite that as the exale and as a colete failure. But of course it wasn't a failure. A great deal of good took place and a fair job formation took place. And that is needed here. Because I have to say to the Minister, and I have to say to the Minister of Finance, the economic climate of Manitoba in itself is not one which is going to attract industry. —(Interjection)— Oh, the facts do show that; the facts do show that.

The other problem, Mr. Chairman, is that those who are the entrepreneurs are going to look to other areas. You know there is a natural response to try and stay in Manitoba. Well, you know, Mr. Chairman, that's a reality. You know the Member for St. Matthews may chirp away at what I am saying, but I don't think he has talked to people in business and I don't think he knows what their general attitude is, and he doesn't understand the problems involved.

There has always been a problem and there will continue to be a problem with respect to risk capital being made available in this province. And so it's really a question, at this point, you know, one of three ways. You can either say, "Well, nothing has to happen here." —(Interjection)— Now, Mr. Chairman, I would think that Cass-Beggs could take credit for that.

MR. CHAIRMAN: Order please. Order please.

MR. SPIVAK: Mr. Chairman, hopefully I'll say, let there be light and light will arise.

MR. CHAIRMAN: Order, please. Would the honourable member continue?

MR. SPIVAK: Well, Mr. Chairman, there are only three opportunities. Either the people will stay in Manitoba and not develop those opportunities, or they will go to another jurisdiction, or they can be absorbed by the government and become their friend. Those are really the choices that the Minister opposite is really offering us. I'm not sure that the people who want the opportunity, who have a certain talent, are really going to want it developed in this kind of climate. That really, I think, is the fundamental problem.

The Minister can argue all he wants. He has no evidence, really, to support that the kind of enterprises that he is talking about will be successful in the future. There is no track record that indicates that there is a capacity within the Civil Service to be able to administer properly and to be able to develop. The track record is exactly the opposite. So we're faced with a situation that either he is going to have to deal with the friends on the side to be able to create job opportunities, or there will not be job opportunities created unless they are all government-sponsored and make-work. Mr. Chairman, the time has to come when the public will say, "We don't want to work for the government. We don't want a make-work situation. We want something meaningful and we want some opportunity to be able to grow and develop and be able to add to our incomes in a way that will give us a meaningful life within this province."

Really, Mr. Chairman — and I want to explain this very directly to the Minister — what he has essentially said to us is that the members opposite have now recited the guidelines, which is a self-serving document, and in effect Mr. Chairman, they are absolutely barren of any program of

economic development except government make-work programs.

MR. CHAIRMAN: The Honourable Member for Lakeside.

MR. HARRY J. ENNS: Mr. Chairman, I really can't resist the opportunity to underline, of course, one basic flaw in the reasoning, in the logic, of honourable members opposite — not a flaw, Mr. Chairman, but an example, a very clear example, of political opportunism that is exercised by them, that takes away a great deal of the credibility of the arguments made so forcefully by the Minister this afternoon, because I do understand his position and I cite just two examples. It will only take five minutes.

As I understand the position, and really his whole tirade against the kind of development that is taking place, either here in Manitoba in the past or across the country, the kind of corporate welfarism that his former national leader talked about, and his objections to it, is simply this. It can be said in one sentence. The public puts up the money, the public should be the recipients, receive the reward of that endeavour. I think he has said that in this House, that he certainly applies it to the successful endeavours too, such as Simplot, for instance, which has, in my understanding, completely paid off its obligations to the people of Manitoba. But nonetheless for clarity's sake to the argument, I think the Minister still agrees that if in the first instance the \$12 million or \$18 million or whatever it was, \$20 million, that were advanced to the private sector in that instance to enable that industrial complex to be built outside of the City of Brandon, that the public should today be the owners or at least be the recipients of the profits derived from that industry. They put up the money. —(Interjection)— I understand that. That is his argument. Now, Mr. Chairman, I have mentioned this to him before and I just can't help but tell you, though, how politics interferes with that argument.

On the other hand this same government and this same Minister, in fact, at the outset of this session made it very clear that they were prepared to give my son a half-a-million dollars so that he could become a millionaire in farming, all at public expense. —(Interjection)— Yes, not his son, because we are also bringing legislation in in this session which now discriminates between his son and my son. My son is a farmer; your son is an urban person. And it will take time, but my son has a head jump on you because he is already a farmer's son, you see. But the point is —(Interjection)— Not an overly-large farm, a section farm of prime agricultural land means a public investment that the MACC has made of some \$384,000 of public money that the government is prepared to buy and let somebody get established on that farm and buy back with further assistance of public moneys in terms of borrowing from MACC or from the Federal Credit Corporation, etc. In other words, in two or three years that farm person can feed at the public trough, as the Minister would like to say, to get himself started and then purchase back that land.

Now Mr. Chairman, I am prepared to listen to the Honourable Minister. I am prepared to want to believe him, and I happen to believe that he doesn't concur with that particular aspect of the agricultural program. But politically he understands, as my honourable members opposite understand, because there was no other reason why the land-lease program was changed to a lease-purchase program at the outset of this session. It was to try to underline that point with Manitobans. In the case of dealing with individual farmers, then all of what the Minister has said to us today doesn't wash. Where it is politically expedient there is nothing wrong with developing the free enterprise system with the use of public funds. He sees there is nothing wrong with the developing of sturdy, rugged individual farmers, who own their land, who own their operations, with total help and total commitment, total support, of public funds.

Well, gentlemen, that is what your land-lease program is all about. But you see, Mr. Chairman, I understand that we are talking now about farmers, and, of course, farmers are very wonderful people. Farmers are very close to God. Farmers are a special breed of people. Farmers ring an emotion in our population. Particularly, the family farm is sacred, Mr. Chairman. We understand all that, you see. So at that point political ideology goes out of the window and while it is something terrible to help that small entrepreneur and give him a half-a-million dollars to get started and develop that, and maybe develop that into ten, fifteen, or twenty or thirty jobs in a regional area of the province where it is needed, in an area where it can bring about a great deal of social benefits in terms of keeping a community or town together, providing work, particularly in a province that is so geographically dislocated as Manitoba, where half the population lives in Winnipeg, where communities like Roblin or Rossburn or Stonewall or something like that could do with some of this fanning out or spreading out of job opportunities, economic opportunities. That is terrible. We have listened, we have been lectured, by the Minister responsible for MDC all the better part of this afternoon, how terrible that is, how wrong that is, and what abuse of public funds that is.

But to that farmer, this same kind of situation can prevail. You know it is just a question of choosing, in the future, politically, the right area of activity, what to get into, as to whether or not what is acceptable in the honourable members' eyes opposite. Because I find that your argument lacks credibility, gentlemen. I think your arguments lack logic. If you were prepared to put out upwards to half-a-million dollars, as you are right now, of public dollars, when you take a young farmer, a young lessee, and say, "Here is the farm that we purchased a year ago, two years ago, for \$500 - \$600 an

acre, a section farm. "That would be \$384,000, just land alone — no buildings. Many farms are changing hands in the neighbourhood of a half-a-million dollars. You are taking that, the public has bought that land, has bought that business enterprise. You have given it to a young farmer, leased it out to him, and said, "Lookit, operate on it, do the best you can on it, and the moment you can pay us off, we will make the terms easy. We will let you borrow money — more public money — to pay us off, and you can own it all, you can work and thrive and prosper and you can pass it on to your children and to your children's children. Hopefully it will be worth a couple of million dollars by the time you get to that stage where you pass it on to your children."

So you are prepared to do that to one segment of the society, and I say that's fine. I am not complaining about it. All I am doing is pointing out that the purity with which the Honourable Minister of Mines and Natural Resources wants to bring into this debate about his pureness of his position, about his refusal to be tainted by political considerations, by outside influences, that that position that he has mounted all afternoon doesn't hold up, doesn't hold up when he supports the position of his government and of his Minister of Agriculture vis-a-vis the farmer and the land-lease or the lease-purchase program now.

Mr. Chairman, if you can make that argument, and the members obviously have accepted that argument, in the case of the family farm, the case in agriculture, then where is the heresy in extending that to the small entrepreneur? What is so heretic about suggesting that in that community of Roblin a particular industrial enterprise should be encouraged, and perhaps should be helped to be encouraged? What is so wrong with that? —(Interjections)— I now am totally bereft of light, but not bereft of sound, Mr. Chairman, although I will desist from any further remarks. I have made my point with the Honourable Minister and he knows it and the farmers know it and the people of Manitoba know it.

MR. CHAIRMAN: Resolution 81(a)(1)—pass? The Honourable Member for Thompson.

MR. KEN DILLEN: Mr. Chairman, I am wondering if there are other people who want to speak on this thing. The lights have gone; I don't know if we are still recording. If we want to proceed or we want to call it 5:30?

MR. ENNS: No, no' we want to pass. We want to speak.

MR. DILLEN: You have a speaker? Well, okay. I can't see that end of the building there. What does he want to do?

MR. CHAIRMAN: The Honourable Member for Arthur.

MR. J. DOUGLAS WATT: Go ahead, let the Member for Thompson speak.

MR. DILLEN: Then I will go ahead of him.

MR. CHAIRMAN: The Honourable Member for Thompson.

MR. DILLEN: If I can see what I've got written.

A MEMBER: All I hope is we know when it's time to quit.

MR. DILLEN: You know if we just had a little more light, we would be all right here.

I am trying to try and reconstruct a stage that has been set in the Province of Manitoba for the past eight years, and what the Conservative Party has been attempting to do is to prepare the people of Manitoba for the notion that they are incapable of providing anything for themselves or doing anything for themselves. That is exactly what they are attempting to do. And it is the kind of approach, it's a propaganda approach, that if you bombard the people long enough with an idea or with a suggestion that they are incapable of providing anything for themselves collectively, that only the private sector is capable of doing it, that the people will eventually accept it and will say, "Well, my God, maybe they are right, maybe we are incapable."

I don't treat the people of Manitoba in that fashion and neither does anybody else on this side of the House. We believe that the people of Manitoba, through their government, through their elected representatives, and through themselves, are every bit as capable of providing those things collectively as the private sector is prepared to provide it privately. —(Interjection)— the people are not going to be sucked in by that kind of a bombardment on the part of the Conservative Party in this province.

You know nobody who believes that somehow people were more free during the Conservative regime in this province — I don't know how many times it has to be repeated, that the people of northern Manitoba never started to experience freedom until 1969. —(Interjections)— . . . It will come to you sooner or later, but you are just too thick to accept it. Do you know that in 1968 — you talk about freedom and the ability of people to do things for themselves and to create the climate for individual initiative, that is what Conservatism was all about in 1969, was it not?

A MEMBER: Yes it was!

MR. DILLEN: Let me try to explain to you what this initiative was all about. I as a young, married person with two children — two children, both mine, those that I count — went to Thompson. There was freedom in Thompson, but there was only freedom for the landlord at that time to insist upon receiving three months rent in advance. That is the kind of freedom that existed there, freedom for the exploitation of the people who were going to Thompson, insisting upon three months in advance.

That is the kind of freedom that existed.

You think there was freedom for the private entrepreneur who wanted to use his talents, that he brought to this country with him and he wanted to go ahead and do something for himself individually in the City of Thompson at that time? Well, it just didn't happen that way, because he didn't have the freedom to do what he wanted to do unless he received permission from the International Nickel Company. If the guy was a handyman or a carpenter, or if he saw the taxi company Oh, by the way in talking Party, about friends of the Conservative I happened to see a previous taxi owner on television the other night saying how she would return things to the way it was in 1968, in the good old days of Conservative administration in northern Manitoba, when they had this taxi company prior to the establishment of the taxicab board by this government. The results of the hearings throughout Manitoba are history and I am sure that nobody in the Conservative Party has read them, where you could pile in as many people as you could into the cab, as many as the cab would hold, and transport them from the old camp — the name of the camp doesn't mean anything. — (Interjection)— There were only three cabs. But you know this situation existed, but they were free. There was a freedom. —(Interjection)— There was nobody could do what they wanted to do. There was no freedom. There was a lack of freedom under the Tory administration. There was a curtailment of freedom.

I will tell you just exactly how free it was before 1968. A person had the right, as an individual, he was free to make a decision — either he goes \$1,500 in debt to charter an aircraft to bring his sick child to Winnipeg, or he had the freedom to choose whether that child would die. That is the kind of freedom that existed in northern Manitoba. they can't accept that those kinds of situations actually existed, but I can tell you now that people are free as a result of the establishment of the patient air transport system. They have at least a freedom that if the doctor decides that that child needs attention that he is incapable of providing in northern Manitoba, that that child in that family is free from indebtedness for making a decision to send that child to Winnipeg. How can you talk about freedom, and when you are talking about freedom will you please specify who you are talking for. Because if you're talking for me and if you're talking for the working people of northern Manitoba or the native people of northern Manitoba; or if you're talking about the miners or the smelter workers, don't don't talk to us about freedom because we have that freedom now. We have moved from the kind of curtailment of freedom that existed prior to 1969. —(Interjection) — You know' somebody says that that's bunk. If anybody has suffered from a curtailment of freedom it has been the curtailment of the freedom to charge three months' rent in advance by the landlords. That was a curtailment of freedom. When the landlords were making their presentation before the House, they were being interviewed in the hallways here. They said, "at least we've got the Conservative party on our side." The landlords admitted that you were speaking on their behalf, that they too want to return to the good old days when there was a lack of government intervention, a lack of government involvement; that that government intervention, that government involvement, has given me freedom. It has given the greatest group of people in the province freedom.

They talk about roads, about the attitude of the Conservative Party. Do I have to remind them again how the road was built to Thompson? That in 1968 and prior to that, 1964, there was a strike in Thompson. The workers refused to work until such time — it wasn't over wages, it wasn't over working conditions, fringe benefits, they went on strike there in order to get a commitment out of the Conservative government of that time to complete the road from Wabowden to Thompson. They had to go on strike in order to get that road. Let me ask you if the people of Lynn Lake or Leaf Rapids had to go on strike in order to connect themselves up with an allweather road — anybody hear of any strikes? Nobody had to go on strike, down tools, walk a picket line in order to get a road built. But it had to be done under the Conservative administration prior to 1969.

The Insurance companies had freedom. They had freedom to charge whatever the traffic would bear. Sure there has been a curtailment of freedom. There has been a curtailment of freedom in the automobile insurance industry to charge whatever the traffic would bear, to set whatever rates they want, to arbitrarily decide what somebody on the basis of aid was going to pay as a premium. I have the freedom now and the other working people in this province have freedom, and that freedom has come as a result of the intervention of government and we have the freedom now that we don't have to pay these exorbitant rates. Well, you know, they laugh — they think it's great, it's funny. But I don't see anybody running off to Ontario, or running off to Alberta, or running off to B.C. or running off to Quebec to buy their insurance to avoid paying for insurance in Manitoba. I don't see anybody running out there. — (Interjection) — Yes, we had to legislate against them coming to Manitoba to buy their insurance. Those people, we had to curtail their freedom to come to Manitoba.

We can talk about what is happening in the private sector. We curtailed the activity. You want to talk about activity — (Interjection) — The country of Canada has been in the hands of the private sector for a hundred years and it's only more recently that every province in Canada has seen the failures of the private enterprise system and are now starting to intervene. Well, there's an indication

that more and more of the provinces are seeing the failure of the free enterprise system. This free enterprise system — let me just try to put some figures into perspective. Under this so-called private enterprise system, we have today, if you use Statistics Canada figures, almost a million people out of work. That somehow is a result of government - provincially? Every provincial government has a responsibility to bear? Are they all New Democratic Governments in Canada? —(Interjection)— See how foolish your argument becomes. One million people in Canada out of work. Now if you compare that to the number of people who are working, that is the equivalent of the total number of people who are working in the Province of Manitoba, the Province of Saskatchewan and the Province of Prince Edward Island. That is the equivalent productive capacity of three provinces that are idle, if you use Statistics Canada figures.

But somebody said that there is more people than that who are unemployed. The Federal Leader of the New Democratic Party, Ed Broadbent, says that according to his figures that it's closer to 1.5 million because Statistics Canada doesn't use the proper means of gathering the data in order to establish the number of unemployed. If it's 1.5 million, it is the equivalent productive capacity of six provinces in Canada, four Maritime provinces, New Brunswick, Nova Scotia, Prince Edward Island, Newfoundland, plus Manitoba and Saskatchewan. In other words, what the free enterprise system has given us in Manitoba is the equivalent of six provinces, the equivalent idle. Or put it another way. It has created six, the leakage, of the equivalent of six provinces out of Confederation. That is the equivalent of the people who are unemployed and that is what this so-called free enterprise system has given us. Is it any wonder that every province in Canada, regardless of what their political stripe happens to be, are seeking ways and means of public intervention in the free market system. It's not unusual. Every province is doing it, some more successfully than others. But you see, the Conservative Party want to return to the good old days.

There's talk about unemployment — and the Conservative Party continuously gets up in this House and says what we need is to give more initiative to the private sector in order for them to create more jobs. I think it's another leader of the New Democratic Party said at one time, "if you give an individual assistance because he is destitute, it is called welfare; you give assistance to industry it is called a subsidy and if you give it to a multi-national corporation, it's called incentive." But no matter how you cut it or where it comes from, if it comes from the public purse, it's welfare. We have no hang-ups about providing welfare to the mining industry. I think this Minister has to be commended for the changes that have taken place in the Manitoba Development Corporation because he has transformed that organization, that development corporation, from one of a welfare agency to all of the business community in Manitoba, to one of common sense agency for providing assistance to industry in a way that their every transaction that takes place is subject to public scrutiny. That's not the way it was in the good old days for those of you who still remember that this organization was simply given a bunch of money. They could do with it as they saw fit. It never had to be brought into the House. Nobody had an opportunity to question' including the members of the backbench of the government of the day, or including the Cabinet.

MR. CHAIRMAN: 1(a)(1)—pass. The Honourable Member for Flin Flon.

MR. THOMAS BARROW: Mr. Chairman, it seems to me in this House, it isn't what you say, it's how long you say it.

First of all, Mr. Chairman, I resent the member from Lakeside, after all his philosophy about employment, actually firing the Member from Thompson and I. We're out of seats already. I'll be very brief, Mr. Chairman.

The Member from Gladstone at one part of the debate questioned whether the accidents in mines was equal to or more than the farm accidents. Well, in the late fifties a gallop poll taken of all mines at that time showed that a miner could go seven years without a fatal or very disabling accident. That was proportionate. I don't know whether it's more than farm workers or not.

But the miner is a professional and now he's been accepted as a tradesman. He's a unique person, a miner. He takes a chance. He works on a bonus system. His rate is high, it's six dollars and something an hour. A good miner will double that with the bonus system. This is good in some cases; in some cases it isn't because the attraction is to take chances and we get into safety. You'll take chances to make money. But what they do as they get older, they realize that health and safety is possibly more important than amassing a lot of money that they may not be able to enjoy in later life.

We come to safety in the workplace. I'm going to say that our Minister has done more in this regard than any man that I know of. We had seminars in Thompson and Flin Flon where everyone had the opportunity to speak up; whether you were company, union' an interested by-stander, you voiced your opinion. Now this is some difference from the company inspectors. The company inspectors are hired by the HBMS and I can tell you it's a complete farce. They're paid by the Company and they certainly don't take any chances of getting in bad so they don't do anything constructive in the safety line. I worked there eleven months in the worst place in the biggest mine and not once did the safety inspector come in. I worked on every bonus, we took the ore body out and in eleven months I never saw one safety inspector from the company. But now we have government inspectors, Mr. Chairman.

These government inspectors are out with a gun, not from the Company, not from the union, but also from MLAs interested in mining. They either do their job or they won't be there.

The conditions in the zinc plant, I've talked about and talked about and talked about, the smelter outdated. I asked the manager why he didn't do something about the smelter. He said it was no use trying to reconstruct it, it would cost \$18 million to build a new one. Well, we're not going to get a new one — the zinc plant. It could be made quite safe and healthy to work in with a little air conditioning. The conditions there are so bad that people are losing their teeth; their teeth are rotting. The company pays for new teeth. They accept the responsibility. Now, I ask you, Mr. Chairman, if it does that to your teeth what does it do to your body?

The Minister of Mines, I'll tell you, is respected in my area. He talks about his Flin Flon episodes. When we want a speaker he's the man they want to go up there to speak, not only with the Party but also with the schools. There was a special invitation for him to come up; he did this. One thing I'll say about him, when you ask him to come, he does come. The steel reps, both Hudson and Roy Simmons, remark quite often, they come up and they want to see the Minister of Mines on a special case or something. He says, "well" what's wrong with right now." I'd say his door is never closed to anything pertaining to safety. You've got to give him that. The door is always open.

Exploration — the Member for Minnedosa is not here, but he made the remark that this find they've got on Trout Lake — of course the rumours go on and on and on — we don't know how big it will be, how small it will be — we hope it will be a big one. But he said he could not understand why an employee of the company who worked there so many years left the company, went to another company and found this almost immediately. Well, I think Mr. Koffman put it very well: Exploration is a gamble, it is a farmer gamble, it is a miner gamble; everything is a gamble. He could work there for 30 years and leave that company in a week and find new ore, which is probably what happened. I gotta have a match.

MR. CHAIRMAN: I think it's a gamble as to whether or not the lights are going to stay on.

MR. BARROW: The Member for Minnedosa said that I would not agree to nationalizing the mines. Let it be clearly understood that I would support it. I'd say in very simple terms that miners feel the same. If a mining company makes \$40 million going to a corporation in Africa, or New York or Toronto, why not keep that at home? Why not have that to lessen the tax load for all Manitobans? I would be the first one to agree to nationalize mines. Then when we're talking about 2 ½ times, let me be on record as saying I agree with that theory. And it's not bad pay either, if you go by a miner — 2 ½ times \$12.00 an hour is \$30.00 an hour. I'd go along with that.

The policy of the Conservatives. I can give you the policies. I've listened here for eight years now the Member for Swan River says leave the natives alone; them alone and forget them and everything will be all right. Take away the supplementary cheques from old age pensioners; they have too much money now. He also said he would never do away with the Little Red School House. Well your best policy and philosophy after eight years was what you felt about roads. o there is a Now that's road to Wabowden long, 75 feet which you guys built in 1969 to get the Wabowden vote, a road that goes nowhere, ends nowhere, much the same as you'll do in the next election. And the famous saying by your Mining Minister, one I'll never forget or let him forget, where he places production ahead of safety. Thank you, Mr. Chairman.

MR. CHAIRMAN: Resolution 81, Resolved that there be granted to Her Majesty a sum not exceeding. . . The Honourable Member for Ste. Rose.

MR. A.R. (Pete) ADAM: Thank you very much, Mr. Chairman. I don't intend to allow the Minister's Salary to pass without making some comments. I wonder if we should perhaps, since we don't have any eights 5:30. —(Interjection)— Very well, I'll start.

Mr. Chairman, the debate on the Minister's salary has in some respects turned into a philosophical debate and you know, when I listened to the Member for St. James make his contribution this morning or this afternoon on the Minister's salary, one of his comments were that he never thought he would be able to convince the Minister of his position, and neither would the Minister ever be able to convince him of the Minister's position. I think that that is not correct. That statement is not acceptable, because, Mr. Chairman, we have seen in the last eight years a great change in the position of the Conservative Party in this province. We have seen the Conservative Party now supporting many socialistic programs that were introduced during the past eight years. So, we don't intend to accept the statements of the Member for St. James when he tells us that he cannot be convinced that our position is correct. - listened to the Member for Pembina during the session, and he was talking about the Land Lease Program, and he said and I'm only paraphrasing, that somehow the fact that the Land Lease Program had been changed so that the lessee would be able to purchase the land at any time, at any particular time. That they had been right all along and that we were now listening to their arguments. That the Conservatives were right, and we were finally realizing that. That is, I believe what he was intending to say. I may not be quoting him verbatim, but I believe that's what he intended to infer. The fact is that that statement was also incorrect because the Conservative Party has never gone on record as supporting the Land Lease Program. They've always opposed it

right from day one.

But, I want to remind the Honourable Member for Pembina' and the Member for St. James, that we also have been able to show them that we were right' and I, of course, refer to such programs as Autopac, Public Auto Insurance, that they fought against so strenuously back in the years when it was introduced. And somehow we have now been able to convince them that we were right. We were right after all. It took them eight years to acknowledge that that kind of socialism is acceptable now to the Conservative Party in this province.

So when the Member for St. James stands up and states in the House that he will never be convinced that the approach of the New Democratic Party Government in this province is the correct approach, he is wrong, and we can prove he is wrong by Debate, quoting from his Leader's statements in the Budget his own speech, and whenever the Leader of the Opposition has spoken in this Assembly. He is now prepared to accept all kinds of socialistic programs.

A MEMBER: Maybe he's changing parties.

MR. ADAM: But I say to you, Mr. Chairman, he is doing that only because of political expediency. That is the only reason that he is doing it.

I will never be convinced that we can change the Leader of the Conservative Party, who in my opinion is an ultra right-winger. In fact, I believe even the Conservative Party would have no part of him back in 1967 for that very reason. He was unacceptable to the Conservative Party that day because he was too much of a right-winger. So they went for a person who would perhaps have a more moderate appeal to the people of Manitoba.

MR. CHAIRMAN: Order please. Does the honourable member have leave? (Agreed) Go ahead, continue please.

MR. ADAM: I have about how many minutes yet, Mr. Chairman?

MR. CHAIRMAN: The hour of adjournment is 5:30. We have already reached 5:30.

MR. ADAM: But I've been given leave so how many more minutes do I have? —(Interjection)—

MR. CHAIRMAN: That depends on the House. Carry on.

MR. ADAM: Mr. Chairman, to go back to what I was saying, is that, in my opinion, if that is all we have, even if that would have been the only thing that we have accomplished in the last eight years, is to move a right-wing party, and particularly also a right-wing leader, to a position where he is now supporting socialistic programs, that is indeed quite an accomplishment in my opinion.

But to me, Mr. Chairman, when I hear the Leader of the Opposition, endorse such programs as the Critical Home Repair, which is another program to redistribute wealth, when he supports Pharmacare, when he supports premium free Medicare, which are again programs to redistribute wealth, I say that he is speaking out of the side of his mouth and he only does it because he thinks and believes that it will be some advantage to the Conservative Party if and when a provincial election is called. He will not convince me that he has changed. I know that governments will change regardless of whether they're right-wing or left-wing or middle of the road. It's the people that change and they pressure the governments into moving in one direction or the other. It cannot stand still in my opinion. It either moves right or it either moves left. So you have two alternatives: You either move to the strong-arm or totalitarian capitalistic society, the Fascist society controlled by the free enterprise system, the corporations, or your move in the other direction and eventually end up with the people controlling under a total totalitarian system. I believe somebody heard me, the lights are coming back on.

Well, the Member for Lakeside who spoke up against every — not every, I'm perhaps being unfair — but who spoke up against many programs that would assist the agriculture industry and I recall when we were trying to pass the Estimates for the Beef Assurance Program last year, that he said that the ranchers didn't need Santa Claus programs, that the ranchers could look after themselves without interference from the government, despite the fact that the previous two years we have had two or three demonstrations on the steps of the Legislative Building here. In spite of the fact that every farm organization was crying and pleading for assistance for the agriculture industry, he has the gaul to stand up in the House and criticize this program that would help the ranchers survive a very difficult period under our free market system. Even today he got up and spoke and he found it a contradiction on the part of this government that we would suddenly help these rugged free individual farmers and that we now felt that they were sacred, farmers are sacred and I believe I wrote that down as he spoke. Of course, the farmers are sacred because everybody likes to eat food. Everybody likes to eat and it's certainly one area of our economy that we should not neglect.

Mr. Chairman, I don't know if I'll be able to read my notes here but the Member for River Heights said this afternoon and one of his comments were that the only way that some of the private entrepreneurs in Manitoba would be that they would have to leave, Manitobans can leave this province and find opportunities elsewhere. But I agree that business people are leaving. Yes, there is all kinds of businesses that have left this province and I have here about a dozen or so that left in 1969. Unfortunately there isn't enough light for me to read the names of the companies but I think that — they say that Manitoba is a great place to be from and we have heard members from the Opposition

cry doom and gloom of people leaving this province. Yes, they've left. A lot of them left in 1969 because of the stagnation that was prevailing at the time and I have another — this I can read — Manitoba's economic stagnation getting steadily worse. . . . March 8, 1968. Yes, they had to go and find opportunities elsewhere in 1968 and 1969 as well and that has diminished. They are not leaving as they did in droves back in the Sixties. Well, there they are. The Member for Minnedosa laughs. Here they are. Do you want a copy. I'll send you a copy.

Well, the free inter-party system, Mr. Chairman, works for a very short period of time. It works until you have set up the pecking order. Once the pecking order is set up, then it no longer works. It only works for the order, the pecking order, that's all. Nobody else can get in and we have, even as late as last night, we had the association for the small stores at the Law Amendments Committee speaking on the Sunday closing bill, Bill 18, pleading that we need controls, we need controls. They know that there's a pecking order and they know where they stand in that pecking order and they are pleading for assistance. They know that Safeway has a higher pecking order than they have and Loblaw's, Dominion Stores and the larger independents and so on. They know where the pecking order is. Down at the bottom. The dog-eat-dog society, Mr. Chairman, and they are fighting for their survival and that is why they are supporting Bill 18 because the only day in the week that they can make a dollar is on Sunday when the others are closed. That is the pecking order.

I believe it was last year or perhaps the year before that a telegram was received from the independent gas station operators from Calgary pleading with the Government of Manitoba, an NDP government, please help us to save free enterprise against the Imperial Oil and the big multi-national oil companies. They even gobble up their own franchise dealers when it suits them to do so. Mr. Chairman, yes it's nice to have a democratic society. The Conservatives support the democratic society, the Liberal Party does, the New Democratic Party supports a democracy, but unless you have economic democracy as well, you do not have true democracy. You only have the pecking order. That's all you have.

Mr. Chairman, we have gone over the role of the Manitoba Development Corporation and what it has done, the problems that it has faced and I am sure it must have been a great disappointment to the Conservative Party. They would like to see every company that has government or public involvement go bankrupt, then that is good for them, they can say we told you so. Government can't run business. It must have been a big disappointment to them when it was announced in the Economic Development Committee that Flyer had made \$4 million this year and that had been transferred over to reserve or at least we've debunked the bunk that, you know, the bunk has been debunked in that Flyer has made \$4 million. I say that that is all well and good.

We are not, on this side, saying that the public should be involved in everything. The Minister and his mines exploration company is going 50-50 with mines. We are prepared to join with private entrepreneurs if they will develop in Roblin and Ste. Rose, in Morris or Gladstone, Steinbach, wherever it is and I am sure that the Member for Pembina who is snickering and laughing and snorting right now would be the first one to protest if we were to withdraw our support of Morden Fine Foods in his constituency. He would be the first one. And if we had built Crocus in Neepawa, the Member for Gladstone would have said, "Good". I'm sure the Member for Morris, or if it had went to Winkler — well, I apologize, I apologize, I apologize. Okay, that's fine, I'll take that back. I'll take it back but I'm sure that if we would put it to Winkler it would be very acceptable.

So the government doesn't know how to run business. It doesn't know how to run the telephone system, it doesn't know how to run Hydro, but it works. It works. It works good too. And that is the only way that the public, the average person will never be able to play the stock market, never. Never. They haven't got the expertise to go in on the stock market and get in on the speculation of the stock market. But they can do it through the instrumentality of their government. They can do it through the instrumentality of their government. Sure there are some of us who can do that, but the average person can't do that and that is the only way they'll ever have ownership in enterprise is through the instrumentality — the 99 percent or 95 percent of the people will never be able to get involved on the stock market. And the only way that they would ever have any share in industry is through the instrumentality of their government.

We have seen, Mr. Chairman, and I hear time and time again, not so much from constituents, but from time to time we hear, Oh, you know, the government, the NDP can't run a business. The Tories constantly harp the way that Saunders lost money, you know, they conveniently forget and the Member for St. Matthews made a very good case when he was speaking about CFI. But the Conservatives while they harp about Saunders and, you know, they conveniently forget that they put \$30 million in a suitcase and handed it over to Kasser and Reiser. They packed it up for them in nice bills and neatly piled so that they could put that money in Swiss banks and it's still there.

Mr. Chairman, the real problem is that government ownership, whether it is under the Tories or NDP, there are still many people that feel that public ownership simply does not work. But I'd like to point out that the CBC is operating and it doesn't have to make a profit. It's providing a good service and I'm sure many of you tune into Channel 6 or whatever channel that it's on. Other industries, like

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Manitoba Forest Industries, formerly CFI and Flyer Buses used to lose money when they were owned privately. They were losing money when they were operating by rugged individual private entrepreneurs. So what do you expect, what do you expect. You would have allowed McKenzie Seeds to leave the province. You would have allowed —(Interjection)— Yes, sir, don't you say "no way." The Member for Swan River says, "no way." That was ready for the sacrificial altar when you fellows were there. Mr. Chairman, the only ones we hear about are the ones that are losing money. You don't hear of all the companies that have been assisted by the MDC and are operating profitably and are creating jobs. —(Interjection)— Sing a few songs about those too. If the public is given a chance of a viable enterprise, it will do well.

An excellent example is McKenzie Seeds. It just tabled its annual report the last couple of weeks and reported a profit from operations of \$200,000.00. —(Interjection)— So the government can't run a business? McKenzie Seeds made \$200,000.00. Prior to the government being involved in McKenzie Seeds, I believe it had lost about \$800,000 in eight consecutive years — I don't have all the statistics.

So again, Mr. Chairman, we've debunked the bunk that's coming from the Conservative side. The public can run a business — McKenzie Seeds has proven that this year, and Flyer Coach. Not only is this company now profitable but it has increased its efficiency over the years. The cost of production was reduced from 46 percent to around 43 percent gross revenues. And while I speak about that, if the private entrepreneurs of this province would run their business like Autopac is run, they might be doing better than they are.

MR. CHAIRMAN: Order please. Resolution 81: Resolved that there be granted to Her Majesty a sum not exceeding \$1,036,600 for Mines, Resources and Environmental Management—pass. That completes the item.

Resolution 85: Resolved that there be granted to Her Majesty a sum not exceeding \$250,000 for Development Agencies—pass.

Resolution 86: Resolved that there be granted to Her Majesty a sum not exceeding \$403,000 for Development Agencies—pass.

Committee rise. Call in the Speaker.

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

IN SESSION

MR. SPEAKER: The Honourable Member for Logan.

MR. JENKINS: Mr. Speaker, I beg to move, seconded by the Honourable Member for Thompson, that the Report of the Committee be received.

MOTION presented and carried, and the House adjourned until 10:00 a.m. Friday.