

THE LEGISLATIVE ASSEMBLY OF MANITOBA
8:00 o'clock, Thursday, March 22, 1973

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MR. CHAIRMAN: Resolution 88.

MR. USKIW: . . . here with it in one minute. I am just wondering whether the House would wait for a moment or two.

MR. CHAIRMAN: The Honourable Member for Brandon West.

MR. MCGILL: Mr. Chairman, I understand that the Minister will be here shortly and that he has some remarks to make in connection with my questions that were posed just before the interval of supper hour.

I had not made any reference to one of the major thrusts of the Manitoba Development Corporation at this particular time, I refer to the Saunders Aircraft Corporation. I have made a number of comments in the past. I simply wish to bring to the attention of the Minister that the statement for the Manitoba Development Corporation for the year ending March 31, 1972, does not include an item which is listed on the quarterly reports which indicates that the taxpayers of Manitoba are into the aircraft glue for a further \$5 million.

Mr. Chairman, I'm not going to again comment on the possibilities of success of Saunders. I know that they have included recently a training program for sheet metal workers, and I think that is going to be useful for the future; whether or not this project can be continued is something for the government opposite to decide, and one of the major issues I think which the First Minister will face. I would like to draw attention to the front page of the Financial Post of March 24th which is on sale today in Winnipeg and the headline is "Manitoba may be stuck with an 8.65 million lame goose." And they have indicated that the possibilities of sales of the ST 27 are rather gloomy and that the break-even point for unit sales will come not at unit No. 6 or 7, as was indicated I think by Dr. Briant on June 30, '72 - - I think the First Minister was thereat that time - - but perhaps after 91 units are sold, and I think that's a highly unlikely situation in view of the market possibilities for the ST 27, or even the ST 27B which will be the next production aircraft. So, Mr. Chairman, I'm not going to comment further on this particular item. I would like the Minister in his remarks to perhaps tell us, and bring us up to date, where we stand at Saunders Aircraft.

In the matter of the Manitoba Development Corporation and our reservations about its future, and whether or not it can continue to objectively serve a dual purpose of providing loans to industries in the private sector and at the same time, accumulate equity and involve themselves in the public sector in competition, I leave that for the government and the Minister to present his views. I wonder if he has any feeling about it that would compare in any way with the Secretary of the Planning and Priorities Committee of Cabinet, who says in one of his comments, "that this dilemma," meaning the problem of the earlier history of MDF and now MDC, "this dilemma could be solved by splitting the functions of MDC and creating a new government agency. The Manitoba Development Corporation would continue to service old loans, and would also expand its operations so as to become a genuine financial intermediary. The new agency would involve itself directly in the process of economic development. This agency would in fact be a holding company for a variety of Crown corporations and would also initiate joint ventures with the private sector," and then he comments in a footnote, "Alternatively, it may be desirable to dissolve the MDC entirely and set up a new institution to serve as a financial intermediary." Mr. Chairman, whatever the decision of the government in this respect I think it's impractical in the present form to attempt to retain the dual function of the MDC.

MR. CHAIRMAN: The Honourable Member for Minnedosa.

MR. DAVID R. BLAKE (Minnedosa): I just wondered if the Minister before he replies, if he might introduce the gentlemen who are sitting at the table so that we might all be informed as to who are advising us this evening.

MR. SCHREYER: Mr. Chairman on a point of order, that might be a nicety which this House may well want to adopt. However that is not one of the things that is done in a parliamentary chamber. However, we set new precedents, maybe this is one that the House would like to adopt.

MR. CHAIRMAN: The Honourable Minister of Mines, Resources and Environmental Management.

MR. GREEN: Mr. Chairman, I think that the First Minister is right because this is

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(MR. GREEN cont'd) going to occur throughout the Estimates. In general the gentlemen are known, the Chairman of the Manitoba Development Corporation of course is Mr. Sydney Parsons who is not here tonight, so at least you will be aware that neither of these gentlemen is Mr. Parsons. And perhaps in keeping with what I think the First Minister described to be a first practice, a good practice, maybe it would be better that you sort of introduce yourselves when the gentlemen leave the Chamber. One is the President of the Phoenix Data Limited and the other is a top official of the Manitoba Development Corporation, but Mr. Parsons is not here. I think the First Minister is quite correct, it's not really appropriate to have the civil servants introduced each time they take the place.

Now, Mr. Chairman, first of all let me try to set some guidelines by which I intend to introduce the - or deal with the Estimates relating to the Manitoba Development Corporation. I believe that the details of the corporation, the details with regard to companies in which the corporation has either equity or even loans, that these are things which constitute the detailed day to day business of the corporation and it should be reported on at the Committee of Economic Development by the Chairman of the corporation, Mr. Parsons. That was the procedure that was followed last year when Mr. Briant appeared before the corporation and that is the procedure that I intend to follow this year, and therefore I will not be answering the honourable member as I indicated on some of the detailed information that he requested although I think it's quite proper for him to raise it. I think that the answers should come in the way the answers come from the Hydro Corporation and in the way that the answers come from the Manitoba Telephone System, the way the answers have come from the Manitoba Mineral Resources Limited, in appearance by the responsible top officer before the committee on Economic Development, which of course all of the members have a right to attend.

On the other hand I'm not suggesting that the Minister has no responsibilities before the House with regards to the Development Corporation; I think that what the government has to indicate is its policy vis-a-vis the corporation, the structure which it sets up to administer this policy, the relationship between the corporation and the governmental authority, the direction of the corporation, and things of that nature, and I appreciate that the honourable member has put most of his questions in that form, and to the extent that his questions have been in that form I believe that it is certainly incumbent on me to answer; nor do I want to make any suggestion that the government is not responsible for the corporation in the same way that it is responsible for the Manitoba Hydro, the same way as it is responsible for the Telephone System.

The method of exercising that responsibility during the years of the New Democratic Party in power has been to appoint a Board of Directors, to hire a chairman - - the Board of Directors are generally community people from the business world, from other sectors in the community; the chairman is hopefully a man who can give both expertise and leadership to the goals that the corporation has set, and then the government tries to indicate to the corporation the kinds of direction that the government wants from the corporation, and then relies on its Board of Directors to implement that direction. Now in doing so, Mr. Chairman, it relies on its Board of Directors but accepts the fact that ultimately what that board does is something for which the government has to accept responsibility, and that is no different than any other Crown corporation, and no attempt is made to suggest that it be anything other than that. However, I think that members have to agree that if the government has used a good discretion in setting up the corporation and in defining the guidelines of the corporation, then all members of the Legislature would agree that it is best that within that framework that the Board of Directors be relied upon to produce the objectives which the public of Manitoba has set for itself in setting up a Manitoba Development Corporation. And I would say that by and large Mr. Speaker, that is the way we intend to operate. We don't intend to say that the corporation is at arm's length from the government; we don't intend to say that the corporation cannot be asked what they are doing; we don't intend to say that the government cannot set broad guidelines, but in discharging our responsibility, once we have done that we hope that a Board of Directors would be chosen which could be depended upon to manage the day to day affairs of the Development Corporation.

I believe that the essential change between that position and the position that was adopted prior to the New Democratic Party coming to power was the position adopted by the Conservative administration in 1966, and this position changed I will admit, but in 1966 the position was that the government stood at arm's length to the corporation, that it funded the corporation but could not ask, indeed was prohibited by law from asking the corporation what was happening

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(MR. GREEN cont'd) with the moneys that were being advanced. I believe that sometime in 1968 there was a change made by the now Leader of the Opposition where he agreed that the government could by regulation get certain information from the corporation, but apart from the change in regulation which entitled the government to information, the previous administration still took the position that although government was entitled to that information the public, that is the Legislative Assembly, was not entitled to that information.

So we have that degree of change, Mr. Chairman, and I hope I'm being fair to the honourable member that in '66 and before, it was arm's length and the government couldn't ask what was happening with the money. At about '68 it was still arm's length but the government had a right to get certain information from the fund. In 1969 we took the position very soon after being inaugurated, I can't remember the exact date, that the Development Corporation is an arm of Manitoba Government policy, that the public was entitled to information as to the details of the loans being made through the Corporation, or as to the details of moneys invested by the corporation in the economic structure of the Province of Manitoba.

And, Mr. Chairman, I believe that all of those changes have been progressively good. I think that the people of Manitoba will be better served, and I think that the Leader of the Opposition agrees that they will be better served if this kind of fund was kept open. I think, to use his words, "that it would be better to have the odd embarrassment" - and I don't, Mr. Chairman, consider it an embarrassment. I don't consider it an embarrassment for the Fund to move on in a bold direction and to perhaps not succeed. That to me would not be embarrassing, and I think that we are going to have to face that kind of situation because of the particular nature of the Manitoba Development Corporation. We must remember that the Development Corporation is either the last place that a person has to get money when nobody else will give it to him when first of all a private investor won't give it to him because he doesn't consider it a good risk; then a financial institution of the more conservative type, such as was run by the Honourable Member for Minnedosa, won't give it to him, the chartered banks, because it's not a good risk; then he's tried, Mr. Speaker, probably he's tried one of the secondary financial institutions, which are interested in greater risks and then charge greater interest, or else take equity in the operation, and he's still been unsuccessful that therefore it can be depended upon that the most difficult risks come the way of the Development Corporation, and therefore one has to expect that from time to time that Corporation will find that it has advanced money and the hopes or - - (Interjection) - - aspirations - - that the achievements were not as great as could have been and, Mr. Chairman, I don't think that that has changed. I think that that was the position under the previous administration and for the honourable member to now start looking at statements and say that - - and say, as he did, that there's a \$6 million reserve, or \$6,500,000 reserved for bad debts this year because you take two figures: one figure is \$7 million, which is an interest loss - - and I'm now quoting round figures - - that is attributed entirely to the CFI operation, which is an operation involving some \$120 million, and that is lost because there is no interest paid. - - (Interjection) - - Well it's on the statement, and I gave that figure to the honourable member - - perhaps he wasn't here - - the day I read those figures out but I did read them to the House in response to a question that the honourable member asked - - (Interjection) - - Yes, but I read the figures in detail of the loss, and I'll give it to the honourable member again. The net income is 1,698,000. The provision for uncollectible interest relating to The Pas is 7,187,000. Provision for uncollectible interest for all the other accounts is \$571,000.00. Increase in reserve for uncollectible accounts 7,500,000. Accounts written off \$4,700.00, I suppose, 4.7, yes. Loss on operations of Lord Selkirk - - this is an operating loss - - \$220,000.00. Other expenses 29,000 - this is Communities Economic Development Fund - for a total figure of \$15.5 million and then when we take off 1.6 million in income we come to a net loss for the year of \$13,860,000.00. I think I gave those figures in rough form; perhaps the honourable member wasn't in the House.

Now the only figure there that I can't go into further detail with is the uncollectible accounts, because, Mr. Chairman, we are dealing with some uncollectible accounts, and the firms are still operating. We cannot deal with things which can hurt, and one of the things that I want to say to the Member for Wolseley who is not here is that I have no intention during Orders of the Day or Questions to comment on the health or lack of health of a concern in which the Manitoba Development Corporation has money. What you are entitled to know is how much money is there, what the security is, and if there is an equity position - - we are

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(MR. GREEN cont'd) talking about whether or not financial statements should be forwarded, and I don't at this point see why not - - and that gives the Crown's position. As to the relative health at a particular time, that is something, Mr. Chairman, which is not done because if you say that it is in good health you are encouraging the advancement of credit, and it may not be in that good health and then you've misled somebody; if you say that it is in bad health, you are possibly causing a run of the creditors. So we are certainly, certainly the House should have information as to the Crown's position, the Crown's equity position, but as to the day to day operations, Mr. Chairman, I'm not going to answer that kind of question on Orders of the Day. Certainly as to a year-end statement and what are the future prospects for the firm, that's something that can be taken up at the Committee for Economic Development.

I can well remember, Mr. Chairman, reading a story on the history of Manitoba whereby it was suggested, and I don't know how much validity there is to this, that certain members of the Opposition in the House caused a run on the bank that had been set up in Manitoba in a certain way because they deliberately wanted to ruin the bank. I don't know whether that was a correct story or not. I have indicated, Mr. Chairman, that we have no worry about criticism of the government policy, the government program or the Funds Policy or the Funds Program, that I think that that should be strong enough to withstand all criticisms, and I don't think that I have yet got up in the House and said, "If you say that you're going to do damage to Manitoba," because I don't think that the honourable members will do damage to Manitoba despite the strength of their criticism. I think that we are strong enough that if we can withstand that criticism, and I think that's the way it should be, but if we're going to talk about the internal operations of a particular firm, Mr. Chairman, I want to indicate that I'm not going to make it a practice on Orders of the Day to talk about the health or malaise of a particular firm in which the fund is involved.

Eventually of course we may have to deal with them such as Omnitheatre, which didn't respond, such as King Choy Foods. But in the seven million five for instance I am fairly satisfied that there is an amount there for Columbia Forest Products; that there is an amount there for other loans which were made in the past, and the real difference, Mr. Chairman, in the Operation of the fund, and I think a change for the better, is that we are going to keep looking at these things. And once a person knows that he's going to have to face the public with the facts, the events, the financial situation, he should be very careful what he does, and I think that that is the best reason for public disclosure, that when you know that you're going to have to disclose you think in advance as to how this is going to look six months from now and you do a better thing. And I hope, Mr. Chairman, that that is going to reflect the manner in which the Fund will operate under the progressive system that I say that we have reached during the last six years.

Now, Mr. Chairman, the honourable member said well it is possible to have this dual function? Are you able to operate a public development thrust in conjunction with a private firms? And, Mr. Speaker, I see no way in which this is of difficulty. As a matter of fact, I think it is better that the Development Fund's activities be as comprehensive in terms of the total system as possible, and if one of the features of that, one of the features is that we don't lend money to something which will compete with a Crown firm, I see no problem with that, because I don't think that that is the role of a Crown development agency. On the other hand I think it may also be the role of the Crown not lending money to compete with an existing private firm if the competitive forces are already making that firm operate efficiently, and if there is a considerable service being provided in a way which is completely conducive to the public. But as to lending in the private field, or taking equity in the public field, or the mixture of the two, which is often the case, causing any problems, I can tell my honourable friend that I do not see that they have caused problems up until now.

And I think that at this stage it's well to indicate to the honourable member that the Manitoba Development Fund hasn't solely been involved in public firms, that some of the very important private firms were facilitated by the Manitoba Development Fund in such a way, Mr. Chairman, as to continue their operations in Manitoba, continue to perform a service in Manitoba, continuing to provide employment opportunities in Manitoba. You know Versatile Manufacturers by a simple covenant to advance \$6 million came out of a virtual disaster situation where they couldn't get money from anybody, but nobody, because these fellows are no lovers of the government. The Honourable Leader of the Opposition will know that these

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(MR. GREEN cont'd) particular people would almost sooner cut off each of their arms than come to the government for money. Well I said almost because they didn't do that, they did come to the government for money, and they got - - (Interjection) - - Well, Mr. Chairman, that's kind of a sad story because I don't like to give away anything for nothing and I was certain, Mr. Chairman, I was certain that the \$6 million covenant was given in exchange for an absolute option to purchase shares at a particular price. And there was no, absolutely no - - and the Member for Rock Lake agrees with me because he came into the House and said, "Those evil people, they will take a man's business away when he comes for money." So he knows that what we were doing, well he didn't use the words "evil people" . . .

MR. EINARSON: Mr. Chairman, I wish the Minister would remember last . . .

MR. CHAIRMAN: The honourable member have a point of order?

MR. EINARSON: A point of order, Mr. Chairman. I would like to say to the Minister that I hope he remembers if he's going to tell this story over again as he did last year, he tells the full story.

MR. GREEN: Okay. I may not remember the whole story. Anything I leave out you tell. All I can - - what I do remember, Mr. Chairman, is that the Honourable Member for Rock Lake was quite upset because the government was striking such a hard deal as to insist on a share in the business in exchange for advancing these people money. - - (Interjection) - - Well the honourable member says that that is not correct and I'm sorry, then I've not recalled him properly, and he'll get up and say. But there were, Mr. Chairman, I can remember very clearly, comments from that side of the House saying that these are terrible people, they'll demand a share of the business before they'll loan you money. Well the fact is, Mr. Chairman, we did do that. I don't think it made us terrible people, I think it made us sound operators of the fund. But I was certain that in exchange for giving the \$6 million covenant we had an option to purchase a certain number of the shares. The fact is that on the day that that option, or on the last day on which it was exercised, I saw the lawyer for Versatile Manufacturing on television and he said, since we have not drawn down on the money, the option is not available to the government. Now, Mr. Chairman, that was never my opinion, nor was it our instructions. - - (Interjections) - -

A MEMBER: Who was the lawyer?

MR. GREEN: Well you know it's tough - - it happens and, Mr. Chairman, I - - but nevertheless it turned out to be a rather moot point. It turned out to be a rather moot point because I don't think we would have exercised the option at the price which those shares stood at on the day that we had to exercise it. So it turned out that the thing never came on for argument, never came on for trial. Versatile recovered; they immediately announced they're going to build somewhere else - - by the way in that option, in that option were clauses making sure that future advancement of that corporation were in Manitoba. In Manitoba, not in Canada. - - (Interjection) - - excuse me - - (Interjection) - - Expansion, that's right. It was a very good agreement, it was a very good agreement for the Crown and for the people of Manitoba if we were entitled to what we said we were entitled to. That we will never know. I know I've heard some other legal opinions which now - given by certain people - which now make me question whether we had the right legal opinion at that time but nevertheless the fact is - - (Interjections) - - The fact is, Mr. Chairman . . .

MR. CHAIRMAN: The Honourable Member for . . .

MR. GREEN: The Honourable Member for Brandon West - we did . . .

MR. CHAIRMAN: The Member for Thompson. Point of order?

MR. BOROWSKI: No, I just wanted to ask a question. I wonder if the Minister would indicate whether the MDF or the Government were misled by the MDF lawyers. On the basis of what he said it would appear that there was some deliberate misinformation or bad contract drawn up.

MR. GREEN: Mr. Chairman, I just wouldn't say that. The fact is that, Mr. Chairman, that unlike the Honourable Member for - Leader of the Liberal Party, I don't mind saying that sometimes the legal opinions that I have given have turned out to be wrong. It is possible to give a wrong legal opinion. As a matter of fact it's very possible that other lawyers have given wrong legal opinions, I've heard some pretty odd legal opinions expressed by certain people when they talk about contracts. You've got a contract to loan \$400 million for the building of

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(MR. GREEN cont'd) a transmission line which is going to provide South Indian Lake - a diversion channel and Lake Winnipeg regulation, and in the middle of the contract the person who signed it with you says, that he won't give you the navigation licence which he has undertaken in the agreement to construct this two billion dollar operation and he who agreed to do it can stop you by not giving you a navigation licence. Well my impression in the contract law was that when two people enter into a contract the parties who enter into it each undertake to do what is in their power to fulfill the terms and conditions of the contract. - - (Interjection) - - Oh yes. Well, you know that's sometimes very difficult to fulfill in those terms as the honourable member will know.

Now the Versatile transaction - - let's take the assumption that it was done on the terms that we both understood - was a very good thing for a private firm, a very good thing for the people of Manitoba, and there was no conflict, you know between the government and that particular public enterprise in that particular operation. We did this thing, and I think all of these things were public; we did very much the same with regard to Killbery Enterprises, . . . the Attorney-General more acquainted with that one but he knows about that. It was completely private, I don't think that we have any share capital in it; I think that it was entirely a matter of dealing with a very long-standing Manitoba industry, and dealing with it in such a way that nobody else had any faith in it but the public of Manitoba did have faith and made it possible for that industry to continue. - - (Interjection) - - Well the Honourable Member for Swan River still doesn't believe that the Government of Manitoba represents the people in their composite. I do. - - (Interjection) - - Pardon me?

A MEMBER: Thirty-eight percent.

MR. GREEN: Well I guess that's not a good argument, not good to indulge on that tonight. When we have the estimates of the Professor of Political Science we'll deal with that subject. So this has happened, Mr. Chairman.

The Honourable Member for Brandon West talks about the fact that there are more things that he can see coming out in this statement that nobody would permit if they were operating a private industry and that we are listing our companies at their purchase value. That is something unusual.

MR. CHAIRMAN: The Minister has five minutes.

MR. GREEN: That is something unusual. The auditor has said that the uncollectible debts are taken from the information given by the MDF. Mr. Chairman, that is the same way it appears on numerous private statements. They take assets at cost and you know if you don't take them at cost then what should you take them at? At their present market value if it's higher? - - (Interjection) - - Whichever is the lower. Well, Mr. Chairman, I am sure that there are numerous private corporations which take them at cost. There are numerous private corporations that take them at - - (Interjection) - - Well, Mr. Chairman, I assure you that you will have chartered accountants signing statements which say, assets at cost value as long as it's listed at "cost". The chartered accountant has no difficulty signing that it is at cost.

A MEMBER: He qualifies it that way.

MR. GREEN: Well, and no chartered accountant - I've never yet met a chartered accountant who goes ahead and takes inventory and values inventory. He takes the inventory at what the proprietor of the corporation tells him that the inventory is. He does not value inventory. He will be told that it, he will be told by the private entrepreneur that it is - - (Interjection) - - He will be told, he will be told that it is being valued at cost; he will be told that it is being valued at today's selling; he will be told that it is being valued at another figure, but that value, if it is at cost he will accept the fact that it is at cost; if it is at selling he will accept the fact that it is at selling, and he won't go and count the inventory. That is something that is given to him by the people who run the business. - - (Interjection) - - Well it's qualified on the statement "at cost" and that's what the Honourable Member for Brandon West said, that the statement shows it "at cost", and that's where it is shown and there's nothing unusual about that. And if I have to prove that I will ask my functionary, the civil servants, to go and bring me private statements which reflect what I am now saying, and if I am wrong I'll be happy to withdraw what I've said to the honourable member. That is not an unusual qualification.

I think that the Honourable Minister of Finance has already indicated the manner in which interest rate is charged. There is a statement that the honourable member made which I'll now pass down to the effect that salaries have doubled between 1971 and 1972, gone from 279 to 572.

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(MR. GREEN cont'd) Perhaps I can get an explanation of those salaries the next time I'm on my feet. I would almost guess, and here fools walk in where angels fear to tread, that that might be something to do with lawyers because of the amount that we've had to -- that the Fund has had to pay for lawyers. But I'm not sure. We'll get a better explanation and see how right or wrong I was.

The honourable member asks whether the honourable -- that Dr. Peter Briant is still employed by the Fund. To my knowledge Dr. Peter Briant finished his term of office with the Fund, gave credible service to the people of Manitoba. He's gone back to McGill. I do not think he is with the Fund on a consultant basis, although I could stand to be corrected on that, I do not believe so. I believe that he's been retained by the Province of British Columbia on a consultant basis to some extent -- of course I can't answer for that particular situation. But Mr. Briant and the government have parted company, as have many civil servants in the past parted company, and I'm sure many civil servants in the future will part company with this and every other government in Canada.

Misawa Homes, Misawa Homes is a project in which the Manitoba Government and Misawa Homes (Japan) Limited, have invested, I believe, an equal amount or close to equal amounts of investment capital for the purpose of establishing a -- in the nature of a prefabricated home industry in Gimli. This is an industry which has been perfected by Misawa, Japan, which is designed to produce houses in a particular way which because of the way in which tension is used as between different pieces of lumber, it is claimed that they can make them much cheaper. Apparently the process is one which is known worldwide; it's one which shows a great deal of promise for a different form of house on the Manitoba market.

MR. CHAIRMAN: Order, please. The time. Resolution -- the Honourable Member for Brandon West.

MR. MCGILL: I thank the Minister for his comments. He warned me at the beginning that he did not intend to answer all of the questions, and he certainly hasn't disappointed me in that respect. The Honourable Member for St. Johns undertook to answer -- he's not in his seat but I believe he's here -- a question relative to the interest rate on the funds advanced by the province to the corporation. It was my impression that these rates were set from time to time by the Lieutenant-Governor-in-Council and I think the Member for St. Johns had a different view of that. I have since checked the Act and I would be pleased to hear further from him in that respect.

There was also the question I asked about the ownership of A. E. McKenzie Company Ltd. shares, and I pointed out that in September the news service indicated that those shares were owned by the Province and that the Brandon University would in return would get some returns from the government in the form of dividends. Later in the same news services it was reported that the shares were held in trust and that they belonged to Brandon University and that as and when dividends were declared by McKenzie Seed they would be paid out. I'm still not clear on that, although the Member for St. Johns is of the opinion that those shares are now owned by the province. I would like to have that clarified.

Now I have asked the Minister if he would comment on Dr. Briant's separation, or resignation, or termination, in respect to the statement, and also whether or not there was any connection between Dr. Briant and the Fund at the present time and he indicated that to his knowledge there was no such connection.

Now I would ask him to comment on this information that I have as of the 13th of March from the records, the provincial records of the company's directors, and I see that Dr. Briant is a director of Saunders Aircraft. Does he not represent Manitoba Development Corporation; alternatively, does he own shares privately in that? I'd like to ask him that. -- (Interjection) --

A MEMBER: How do you like that?

MR. MCGILL: I would like to ask him if Dr. Briant is a director of Morden Fine Foods, he is listed as of March 13th as being a director of that 100 percent owned corporation.

A MEMBER: That's right.

MR. MCGILL: We also note that Dr. Briant is a director of Western Flyer Coach as of March 13th. So -- (Interjection) -- and -- Tantalum Mining Corporation, Dr. Briant is also a director there. Now, Mr. Chairman, I think the Minister should comment on those whether or not he represents the Manitoba Development Corporation on those boards, whether or not he receives fees for that purpose, and what his connection really is, because maybe the Minister

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(MR. MCGILL cont'd) is not aware that this was the information as of March the 13th.

Now, Mr. Chairman, in fairness to the Minister he commented on a statement that I had referred to and it was because he didn't have this statement in front of him when I was making my remarks. I would refer him to Schedule I of the Annual Report of the Manitoba Development Corporation. My point was, Mr. Chairman, that in the year ending March 31, 1972, the Corporation had loans and equities on the books amounting to 11 million, 841, and the losses apparently were 6 million, 494. Now my question was in view of that astonishing loss rate, could he comment, is this the reason that Dr. Briant is no longer with the Fund, because I think when you have a situation like that on one year's operations, that surely the responsibility lies not with the employees of the Manitoba Development Corporation but with the Chairman, the Board, and the Minister responsible. Now I think by any yardstick, whether it's private enterprise, social enterprise, or communist enterprise, this is not performance, Mr. Chairman, this is -- (Interjection) -- well I think it's inept to say the least, and I would certainly like to have the Minister comment.

MR. CHAIRMAN: The Honourable Minister of Mines and Natural Resources. -- (Interjection) --

MR. GREEN: Well, Mr. Chairman, I've been recognized and I'll speak. When a member gets up to ask some questions I'm entitled to answer.

MR. CHAIRMAN: The Honourable Minister of Mines and Natural Resources.

MR. GREEN: Mr. Chairman, the honourable member asked me whether Dr. Briant was a consultant with the firm, whether he was still employed by the firm, I answered to the best of my knowledge that he was not. It is now confirmed to me that he is not a consultant with the firm nor is he employed by the firm. As to the reason that his name stands as a director on the -- in the Companies Act on various firms that are associated in which the Manitoba Development Fund is associated, that could arise for a series of reasons. One, that he has not yet been changed as a director; that doesn't mean that he is a consultant with the firm or employed with the firm. I would not be surprised if I have forgotten to take my name off as a directorship of various corporations that I was a director of when I was a solicitor. As a matter of fact I'm certain that it still stands as a director and probably should be changed. But the fact that his name stands as a director on those records, the honourable member should know, doesn't mean that he is either a consultant with the firm or employed by the firm. I believe that if the honourable member would go further he'd find that Dr. Briant is a director of Misawa Homes, at least I believe he is, because I think that the Japanese want Dr. Briant as their director. It may be the case with some of these others, although I don't know. But I assure the honourable member that whether that is the case or not, whether he's been left there by the government, just waiting to be changed, which is a possibility, which doesn't cause me any embarrassment whatsoever, and if the honourable member thinks that he has made a great revelation, I tell him that it is not a great revelation and that he has not -- (Interjection) -- Well, Mr. Chairman, you know, the way certain things are done, that questions asked, is this man still on, is he employed with the firm? The answer given: not to my knowledge. Well how come he's a director of all these firms? Seems to me that if that was of significance to you it would have been brought out that Dr. Briant who is not with the government, is still a director of all these firms. If it's an intention to try to show some embarrassment, that I tell you, whether it is or not, I am not embarrassed about it. It could be that he's been left on and will be changed; it could be that he's been appointed by one of the other parties to the arrangement; or it could be that the fund still wants him as a director, but that doesn't make him a consultant with the firm nor does it make him continued to be employed by the Development Fund.

MR. CHAIRMAN: The Honourable Member for . . .

MR. MCGILL: . . . to explain to the House that he represented the Fund still on certain boards rather than my making that explanation.

MR. GREEN: Well you have it the fact that he is listed on certain boards. I am not even certain that despite the fact that he is listed that he still represents us on those boards. I'm saying that it may be merely a delinquency in changing one of the directors, which wouldn't be unusual. It's happened before and probably will happen again.

The loss figure that the honourable member referred to less allowance for estimated losses, that this is no way to do business. I've indicated, Mr. Chairman, that there is going to

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(MR. GREEN cont'd) be problems associated with the Manitoba Development Corporation that some of the firms that have started will lose money for several years before they show anything. I will show him numerous private enterprise firms that have lost money in several beginning years of operation. And if one of these losses represents the Columbia Forest Industries which I'm not sure whether it does or not, but if one does, should that then be weighted on the previous administration. Well you say that the -- (Interjection) -- This is allowance for estimated losses of these firms, that is correct. Now this is estimated losses for all of the firms in which are listed on Schedule I. Those estimated operational losses mostly, Mr. Speaker, in the first or second year of the firm's operation, and I can tell my honourable friend that with one firm, Columbia Forest Industries, which didn't show those kinds of losses, and which the previous administration came in and said there's never been a loss on the Manitoba Development Corporation -- I think the Member for Lakeside still preaches that -- I know of my knowledge of one example was the reason that they never showed a loss was that they always showed the receivable as 100 percent and it wasn't worth 100 percent. And they always showed Columbia Forest Products even it went up to \$4 million as being 100 percent receivable, and it wasn't worth 100 percent receivable.

MR. CHAIRMAN: The Honourable Member for Brandon West.

MR. MCGILL: The Minister keeps referring to CFI. The losses are not in here at all for CFI. So they're still in there for 100 percent of the loans.

MR. GREEN: Mr. Chairman, I talked and I didn't refer to CFI. I talked about Columbia Forest Products -- (Interjection) -- that's not CFI, that's not CFI. And I am saying that now that you see the Corporations and you see that the estimated losses, you think it's a terrible way to operate, but I am saying that the only difference between this statement and the previous statement is that the previous statement, they didn't show it. And that is the difference, that is correct, -- (Interjection) -- Well I could show you, Mr. Chairman, and if that has to come out it will come out. The fact is that it was Columbia Forest Industries the government kept advancing money, one advance to save the last times loss, and then another to save the previous loss. Keep getting in deeper and deeper and the figures on the books still showed as a receivable of that amount of money. And there is another one which I have direct knowledge of, where the receivable was shown, and if you show the receivable at that money but you're not getting anything out of it, there's still a loss.

With regard to these particular corporations that I referred to, I've explained, Mr. Speaker, and in certain cases there has to be a loss on operation when all you are doing in the first year is starting up such as, such as has occurred with Saunders Aircraft, such as has occurred with a firm like Flyer Industries, and such as has occurred with some of the others. Phoenix Data Limited, for instance, Mr. Speaker, is one in that area as well. So the fact that there will be this type of picture should not be a surprise to honourable members.

I suppose it would be a cleaner picture if the money gave those in grants, if the government gave that in grants. Let us say that Simplot Chemicals, or somebody else, if it went broke in its first year of operation there would be no loss shown on the Federal Government operative books because \$5 million was not given as a loan it was given as a grant, and therefore \$5 million has not been lost by the Federal Government. I suppose the same kind of financial statements could be reflected if one talked about granting money to these corporations rather than loaning money to them. In any event, Mr. Chairman, the fact is that the government is making the kind of thrust that the honourable gentleman sees that it will involve operating losses, particularly in the first years, Mr. Chairman, is not a -- (Interjection) -- is not very much out of line with other things that are done in social policy which costs many millions of dollars and is not reflected as a loss because no recovery is expected. I think that \$8 million was spend on winter works programs to create employment last year, I think that the figure 8 million is low for the Province of Manitoba, and it is showed as a loss anywhere. -- (Interjection) -- 14 million. \$14 million was spent this year; I think it was 8 million last year. And if it may comfort the honourable member that it's provided sporadic employment on socially useful things for a little while, and there's no loss figures shown for it. But these firms provide not static employment but ongoing sophisticated employment for what may be a long period of time, and for what may be very very valuable long-term industries to the Province of Manitoba, and the 6 million that the honourable member is referring to is a reflection of that kind of investment.

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(MR. GREEN cont'd)

I am certain that we would not hear any screams from the members on the opposite side if we had all these firms, same amount of money advanced but \$6 million in grants to industry. That would be not only acceptable, it would be elegant. -- (Interjection) -- Well we have \$6 million with operating losses on industries which are hoped to produce long-term steady employment of a sophisticated nature to the people of Manitoba and, Mr. Chairman, I am certain that the kind of returns that will be produced by that kind of program will be in the long run much more valuable than that kind of returns that were produced by \$8 million in Winter Works, or \$14 million in Winter Works this year, that this is the kind of program that's designed to make it less necessary to go for sporadic crash employment programs during a crisis situation.

MR. CHAIRMAN: The Honourable Member for Rhineland.

MR. FROESE: Mr. Chairman, I have been listening to the discussion that went on so far. I haven't had a chance to speak on the financial statement of the Manitoba Development Corporation. I notice from its report that they made 87 new loans totalling \$29-1/2 million. I also find in perusing, or going through the journals that we've authorized Capital Supply. In the year 1970 it was 60 million; in '71, 25 million; in '72, \$14,500,000.00. I just wondered, Mr. Chairman, whether the Minister can tell us how much there is in unused authorizations for the Development Corporation, and I hope the Minister listens. I certainly would like to know just how much there is of authorized capital that is available to the Corporation which hasn't been used to date.

We find that under Loans Receivable there is 86 million to the Churchill - The Pas Forest Complex, and here I certainly would like to know from the Minister whether he can give us any projected estimates on CFI as to the operations for the next several years; whether we can expect large losses, or whether or not the Corporation will be able to break even. Certainly with the amount of money that we have invested in the corporation in CFI, I think we're entitled to, as members, to have some idea as to where we're going on this whole thing, and if it's going to be a continued loss, maybe we should try and dispose of it once it's - we know definitely that it belongs to us, to the Crown.

I notice also that the interest rate must have been reduced because we find that the assets of the Corporation increased quite substantially. I haven't got the page before me now I think it was something like 146 million to -- yes 146 million to 160 million, and yet when we look at the interest income, it's almost the same for the two years. You have \$10,376,000 interest received or that -- no that's the expenses on the money -- and \$10,106,471. So according to that the cost of money must have been less in the second year, and I think according to the regulations that you're interest rates are governed by the amount of interest that you pay when you go out and borrow the money for purposes of lending it to the Development Corporation. Then I notice there is - from the estimates that the amount that we are budgeting is identical to last year, \$287,500.00. On what is this particular amount based? How do you arrive at that figure? I would like to know whether this particular item in the estimates covers certain expenses or how do we arrive at the figure of \$287,000.00?

A MEMBER: That's to pay the lawyers.

MR. FROESE: Well, the Member for Souris-Killarney says that's to pay the lawyers. Well if you look at the investigation fees in 1972 were \$239,000.00. I would like to know from the Minister who got that money and what was it for? -- (Interjection) -- I think the Member for Wolseley will have some questions of his own to ask, no doubt, so that if he can answer it well let him answer, I have no objection. But on the The Pas Forestry Complex I think we should have an up-to-date statement made by the Minister where we stand on the whole thing.

A MEMBER: Hear, hear.

MR. FROESE: Surely enough the short paragraph found on Page 15 doesn't do justice to the amount of money that we have poured into the Churchill Forest Industries to date, and we just have one paragraph stating that is so much in uncollectible accounts, \$7,186,000, that has been provided during the fiscal year against interest charged on direct loans to the complex. And then it says the remainder of \$1,382,000 being interest on advances to the receiver, was realized by way of an increase to the advance account. I for one feel that we're entitled to a much fuller statement by the Minister on that loan that is outstanding there.

I notice that from the statement on page 17 there is "advances payable on demand," \$145 million. Are these loans that are made, are they on demand or when we borrow is that on demand?

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MR. CHAIRMAN: Order, please. The hour being 9:00 o'clock the last hour of every day being private members' hour. The Honourable Member for St. Johns.

MR. CHERNIACK: Mr. Chairman, . . . put on the record a citation that I was asked for by the Honourable Member for Brandon West. He was asking about the McKenzie Seed Company and I thought for the record - and he's out but he can be told - that Statutes of Manitoba (1945) First Session, Chapter 36 contains the entire agreement and schedule involving the transfer to the Manitoba Government of 90 percent of the shares of A. E. McKenzie Seed Company.

MR. CHAIRMAN: Committee rise and report. Call in the Speaker.

Mr. Speaker, the Committee of Supply has adopted certain resolutions, wishes me to report the same, and asks leave to sit again.

IN SESSION

MR. SPEAKER: The Honourable Member for Logan.

MR. WILLIAM JENKINS (Logan): Mr. Speaker, I beg to move, seconded by the Honourable Member for St. Vital, that the report of the Committee be received.

MOTION presented and carried.

PRIVATE MEMBERS' HOUR - PUBLIC BILLS FOR PRIVATE MEMBERS

MR. SPEAKER: Thursday night. Private members' hour. The first item is Public Bills for Private Members. We have before us the proposed motion of the Honourable Member for Thompson. The Honourable Member for St. Matthews. Bill No. 10.

MR. WALLY JOHANNSON (St. Matthews): Mr. Speaker, may I have this matter stand? (Agreed)

MR. SPEAKER: On the proposed motion of the Honourable Member for Rupertsland. The Honourable Member for Rupertsland.

BILL NO. 21

MR. ALLARD presented Bill No. 21, an Act to amend The City of Winnipeg Act, for second reading.

MOTION presented.

MR. ALLARD: Well, Mr. Speaker, the subject matter of this bill is fairly simple. The purpose of it is to amend The City of Winnipeg Act as it now stands, to allow for the election of the mayor at large rather than to have that provision dropped as the bill now stands. As the bill now stands the mayor was elected at large only on a one-shot basis at the time of the transfer from the old form of municipal governments to the Unicity setup.

The reason for introducing this bill, Mr. Speaker, why I am introducing this bill, is very simple. I think that the people of Winnipeg want it that way. I'm not sure that the government wants it that way, I think that if they wanted to listen to what the people of Winnipeg want they would have introduced the bill. They have no lack of knowledge of what the people feel on the subject, of their feelings on the subject, and they have no lack of knowledge of how the council itself feels on the subject. - - (Interjection) - - As of June 5th, 1972, the council made some recommendations. One of them was election of the mayor at large. As of June 5th, 1972 - and I checked with some members of council 20 minutes ago and they're sitting at the moment.

Mr. Speaker, that the people of this city want it that way is evident to anyone who has any ears at all. I spent two and a half hours yesterday morning on an open line show and it was unanimous and the feeling - - it was unanimous that they wanted to see the mayor elected at large. A lot of them were not aware, were not aware that this one-shot provision was a one-shot provision and they thought that they would get a chance to vote for the mayor again. They didn't realize that they won't. And, Mr. Speaker, unless this bill is passed this session they won't. Let no one kid himself about that. If you don't believe I'm right, well ask the Member for St. Matthews whether he's going to see another mayor elected at large here. Ask the Member for St. Vital what he thinks, or ask the Minister of Labour what he thinks or the Minister of Public Works what he thinks. I suggest that they think that that's the last time they're ever going to hear about a mayor elected at large.

From now on the mayor is going to be elected by the council itself. We're going to have a Legislature in City Hall. That's what the purpose of the Unicity bill was and is. There

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(MR. ALLARD cont'd) were a few amendments, two amendments. One of them, which was a smokescreen, the other one which was a smokescreen as well, and was introduced - - was put in there to keep things going, pacify people for a while and maybe pacify the city mayor at the time, at the time the transfer was made from a multiplicity of cities to Unicity. - - (Interjection) - - Oh I think I've managed to learn to read some minds.

A MEMBER: Small minds.

MR. ALLARD: Oh, I find it a little difficult to read small minds but from the way some of the minds operate I think I can figure out.

Mr. Speaker, if the government wanted to pass this bill they would have introduced it. If the government wanted things this way it would have set it up this way. And I would suggest that to have this bill passed the fight is not going to be in this House, it's not going to be in this House, because as I see things developing this bill will be buried. This is what I think is going to happen to this bill, a burial. The Minister of Highways shakes his head back and forth. Can he guarantee that it won't be buried? Can he? Can he guarantee the actions of the House Leader? Will this bill come to a vote? Would this bill come to a vote, Mr. Speaker?

MEMBERS: Oh yes, oh yes.

MR. ALLARD: You're sure? Mr. Speaker, once this election is over, once this election is over, if the sitting government is re-elected - and there is some possibilities of this - - (Interjections and applause) - - The Member for Thompson says that they'd smarten up. I say if this government is re-elected and there's some possibilities of this, I can guarantee to the people of Winnipeg that they can kiss good-bye to the notion of electing their mayor at large. They can kiss good-bye to that. Because I'm convinced that the House Leader, for one, is going to see to it that it's not done and if he claims that he's in favour, that he would like to see the mayor elected at large again, why I would challenge him to pass this bill to see to it that this bill is brought to a vote in this session. I present this challenge to him. But I guarantee, Mr. Speaker, that this bill has to be passed before the next election, that's in the sitting of this session. There is no other way and it's - - there's no other way, and I believe and I'm convinced that unless the people of this city get up and make their voices heard that it will not happen.

A MEMBER: So what?

MR. ALLARD: The member says, so what? But frankly, Mr. Speaker, I believe that if the people of Winnipeg want to vote for their mayor, that if that is their choice I believe that they do, I think that all the opinions that I've heard on the subject except for a limited number, you know, who seem to hold the majority on the other side of the House, have been in favour of electing the mayor at large. To this end, because of the phone calls that I've received and because of the popularity these days of petitions and things of that nature, I've gone and taken the step of spending \$110.00 of my own money - - (Interjections) - - I have to drive an old Pontiac to be able to afford it but that's fine - spent \$110.00 of my own money to take an ad in this Saturday's Free Press and Tribune on the entertainment page, which people will be able to fill in with their names - - (Interjection) - - which people will be able to sign and mail in, and I will take it upon myself to bring it to this House, to bring the names of these people to this House, to the Minister himself, to impress upon him the feelings of the people of Winnipeg.

MR. SPEAKER: Order, please.

MR. ALLARD: I am asked why I don't go and represent my people in Rupertsland. I find that a whole bunch of the members here are always sticking their nose into the north, and quite frankly they don't represent anything there. They don't represent anything there, and when I ask the Minister of Northern Affairs about transportation and things like that he really doesn't request any more questions these days. He finds that he's getting enough, I think.

A MEMBER: You're getting to them boy. Keep it up.

MR. ALLARD: Well I really don't want to hog the whole show and I know that there is a whole bunch of other members who want to get up on the same subject and sock it to them as well.

Mr. Speaker, I'd like to invite every member of this House to help get this petition passed and developed. I want to get this bill passed; I believe that it's the will of the majority, of the very large majority of the people of this city to have this bill passed. I appeal to the Attorney-General for instance. I appeal to the - - (Interjection) - - I appeal to the

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(MR. ALLARD cont'd) Attorney-General for instance to support this bill, to help get it through second reading. Mr. Speaker, I dare, I appeal, I ask the members on the opposite side - I dare them to get it through second reading and let the people of this city speak. Let's take it to committee. Let's see what they have to say. Let's see if they don't come up and have something to say. Do we have an answer to this? Who would want to deny - who wants to deny the people of this city the right to speak, to express their opinions. Is it going to be buried before it gets through second reading? I challenge you.

MR. SPEAKER: The Honourable Member for Rhineland.

MR. FROESE: Mr. Speaker, I certainly want to support the bill that has been brought in by the Member for Rupertsland. I feel that it is incumbent on this government to support that bill because Mr. Juba gave you support the year when you brought in the Unicity bill. If he had not done that you people wouldn't have been able to get that bill through the way you did. He sure supported you and just - - and I'm sure that that is why you in the last analysis switched - brought in an amendment so that the mayor would be elected at large.

A MEMBER: Hear, hear.

A MEMBER: You're right on. You're right on, Jake.

MR. FROESE: You bet. That's the way it was decided and I think as the Member for Rupertsland has said I dare you people too to reject this and you will hurt yourselves. You will get a reduced vote in the city next time around.

A MEMBER: Don't tell them that.

MR. FROESE: I shouldn't be telling them that? Sure. You bet. Because as everyone knows the mayor is liked by the City of Winnipeg, by the people in Winnipeg, and he's a very smart man. He outsmarted the whole bunch of you the other day when he came in here with the thing that he did. He knows how to knock you and I wouldn't be one bit surprised if you won't do this that he will be sitting in this House the next time around. He will be in here and he will let his voice know on behalf of Winnipeg right in this House as he did at one time. So I think it is only right that the Act be changed, that the amendment be allowed to go through so that the people of Winnipeg have that choice. They have the right to have that choice so that they can decide to keep him in if they so desire. I am sure that when the Unicity bill was brought in the whole thing was smokescreened as the member said because you didn't want to antagonize Metro council until the very last, until the bill was just about finished and then you made the switch so that - to pacify the present mayor as well.

A MEMBER: Do you support the bill Jake?

MR. FROESE: I supported the matter of having - - that the mayor be elected at large. I told you that from the very first, and if you check back in Hansard you can read it, that I felt that this amendment should be in there, that the mayor should be elected at large and that the people of Winnipeg should have a say as to who . . .

MR. SPEAKER: Order, please.

MR. FROESE: So I do hope that members from all sides of the House support this bill and let it go to second reading and let us hear from the people of the city.

MR. SPEAKER: The Honourable Member for Swan River.

MR. JAMES H. BILTON (Swan River): Mr. Speaker, I move, seconded by the Honourable Member for Lakeside, that debate be adjourned.

MOTION presented and carried.

PRIVATE MEMBERS' HOUR

MR. SPEAKER: Next item is Private Members' Resolutions. We are on Resolution No. 2: The Honourable Member for Winnipeg Centre has six minutes left.

MR. BOYCE: Mr. Speaker, the last time this issue was before the House I was a little bit angry at the Member for Wolseley, the Leader of the Liberal Party, for having brought this rather ridiculous approach to some of the problems facing Manitoba and the Federal Government, so I'll let what I have said stand and just say amen at this time.

MR. SPEAKER: The Honourable Member for Morris.

MR. JORGENSEN: Mr. Speaker, I would like to say a few words on this resolution, and although I unfortunately had to miss the initial portion of the debate because I was unavoidably absent, I was attempting to catch up on what had been said earlier and to determine just the reasons for the introduction of this resolution by the Member for Wolseley. I could only come to the conclusion, Sir, that the Member for Wolseley is either so abysmally naive of our political system or he is deliberately attempting to sabotage the parliamentary system of government. Because what he proposes in this resolution is the super-imposing of portions of the American system on to the Canadian parliamentary system which anybody who has any familiarity or any knowledge of our parliamentary system knows won't work. He's been making a pretty big show about his concern for Western Canada and I wish that he had entered that debate some years ago, because in 1957 - and that was some years after Confederation - in 1957 Western Canada did finally enter Confederation with the advent of John Diefenbaker, Prime Minister of the country. I think that the people of Western Canada recognized that and were prepared to become a part of Canada because of the leadership that was being provided at that time.

In 1962, Sir, during the course of that election campaign, if what the Liberal campaign in Ontario and Quebec was, the slogan of the members who were campaigning in those provinces was that Diefenbaker should be thrown out because he was doing too much for the west. I find now that this is a rather interesting position for the Liberal Party. Maybe they're just attempting to make amends for their dastardly deeds of the past. --(Interjection)-- I don't know just what the Leader of the Liberal Party is attempting to promote in the way of a better deal for the west. I can think of a number of things that can be done but I don't think that they can be achieved in the manner in which he is proposing.

The suggestion, Sir, that we take an all-party approach may sound very reasonable to those who are unfamiliar with the parliamentary system. It's one of those theoretical positions that sounds very good, just like many of the socialist positions that are enunciated in this House. In theory they sound very good but when you attempt to put them into practice they don't work at all. Sir, the essence of the parliamentary system is that the government is given the responsibility to govern. They take the decisions, they make the decisions as to what money will be spent; they make the decisions as to how taxes will be raised or --(Interjection)-- or lowered, somebody says over here; somebody in the Socialist Party said "or lowered." I have noticed that that event ever takes place when they are in power.

A MEMBER: They don't know what the word means.

MR. SPEAKER: Order, please.

MR. JORGENSEN: And they make the decisions as to what legislation will be brought into this Chamber. In other words, Sir, responsible government means precisely what it says. Somebody takes the responsibility and naturally under our system those that take the responsibility are the members that have been elected with the largest number of seats in any political party. Through some misadventure, my honourable friends opposite managed to achieve that position, Sir, and I am not attempting to deny them that responsibility which is theirs, in fact I insist that they assume that responsibility, and I insisted last fall, or last summer, that the Premier accept that responsibility when he attempted to introduce and foist into this House a measure that would have placed the responsibility for the expenditure of some five millions of dollars on the shoulders of the Opposition, when he introduced a resolution dealing with aid to private schools. Sir, any time that there is money spent, the only people that have the responsibility for introducing that kind of legislation into this Chamber are members of the Cabinet, either as a Cabinet Minister but presumably - and sometimes I often wonder just whether or not it is done as a Cabinet decision or if they're running off in all directions at the same time - presumably the decisions that are taken are collective decisions and they all assume equal responsibility for them.

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(MR. JORGENSEN cont'd.)

The decision that the Premier made in introducing a resolution that could have involved the expenditure of \$5 million was one that should have been taken by the Cabinet and not foisted on to this House as a collective responsibility of all members of this Chamber. And he wouldn't get away with that sort of nonsense in this Chamber, Sir, indeed as long as I'm in here. I insist, Sir, I insist that the parliamentary practice be followed, and that parliamentary practice is that the government assumes the responsibility and for whatever decision they make, in taking a position on Confederation or whatever it may be, that position must be one that is assumed by the government of the day and the government that is in power. There can be no responsible government unless somebody takes that responsibility, and it can't be the members of this Chamber because that is not the way that this Chamber is structured.

Sir, the government, as I said, is given the responsibility to govern in this Chamber, and the only purpose that this Chamber exists is to afford the members of Her Majesty's Loyal Opposition the opportunity of examining the government. And essentially, Sir, that is the only difference between a totalitarian state and a democratic state. --(Interjection)-- Well, my honourable friends seem incredulous. Well I'll perhaps go into greater detail for the benefit of the Minister of Labour.

The powers that are entrusted to a government in a responsible system of government or in a democratic state are great - almost as great as they are in a totalitarian state. And I recall to your attention, Sir, that in 1940 - and my years may be just a little bit wrong, it might have been 1939 when war was declared - it was a Cabinet decision that took away the rights of the Japanese Canadians in this country, not the parliamentary decision. It was a Cabinet decision, not a parliamentary decision, that invoked the War Measures Act in October of 1970. I'm not quarreling with either one of the decisions, I don't want to enter into that debate. All I'm attempting to do is to point out to my honourable friend the Minister of Labour, who seems incredulous, that the Cabinet in a responsible government has extraordinary powers, and I'm not denying that they shouldn't have those powers. All I am saying, that in a democratic country as opposed to a totalitarian state, those powers are curbed and mellowed somewhat by the fact that that government has to submit those decisions ultimately to the examination and scrutiny of the Opposition in a Legislature. Essentially that is the only difference between a totalitarian state and a democratic state. --(Interjection)-- Will, through the public and an election, Sir, but if the Opposition -- now my honourable friend is putting the cart before the horse because if the Opposition in a parliamentary system of government do not have the right to expose, to question, and to examine and to ask questions of the government and to expect and get answers, then what good is an election if it's going to be an election like they have in Russia where there's only one name on the ballot?

And so this function then in the Legislative Chamber becomes an all-important one. It is the function of examination. And, Sir, if we are to form an all-parliamentary committee to set up a --(Interjection)-- Now I'm beginning to wonder if what I have been saying is right. The Minister of Mines and Resources, the House Leader, as he walked by my seat in the Chamber said, "You're right; and now I have cause for some concern. --(Interjection)-- If we are to set up an all-parliamentary committee, an all party committee, to evolve a position on this particular question, where does that place the Oppositions when the time for examination comes? We have hamstrung our ability to do the job that we are here for. That job is to examine, to question, to criticize and to condemn, and to provide an alternative. I for one, Sir, don't want to be placed in that position, and for that reason I will oppose the resolution of the Honourable Member for Wolseley.

MR. SPEAKER: The Honourable Minister of Labour.

MR. SPIVAK: Dispense.

MR. PAULLEY: First of all -- yes, I can well imagine that the Honourable the Leader of the Opposition would say "dispense" because by his actions recently outside of this House he has indicated support, so that he and his compatriots in some sections of the Province of Manitoba would band themselves together to see that the government of Manitoba was defeated at all costs, even to the costs of uniting, despite his utterances, with the Liberal Party in the Province of Manitoba. It is a shame, it is a shame and I am following this very very closely and it would be --(Interjection)-- I'm not worried a damned bit. I think, Mr. Speaker, I think, Mr. Speaker, that if I am nominated by my party on April 6th I will retain, I will retain my seat in this House,

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(MR. PAULLEY cont'd.) but I doubt very much whether the Honourable Member for River Heights can say that at this particular moment.

MR. ASPER: . . . privilege?

MR. SPEAKER: . . . the honourable member state his matter of privilege.

MR. ASPER: With the guidance of yourself, Sir, would it not be considered an unparliamentary insult to the Leader of the Liberal Party to be linked with the Conservative Party?

MR. SPEAKER: That is not a matter of privilege.

MR. PAULLEY: Mr. Speaker . . .

MR. SPEAKER: Order, please. I would like to inform the honourable member that the matter he raised is not a matter of privilege and I do think we should use our rules with a little more seriousness than to be frivolous. The Honourable Minister of Labour.

MR. PAULLEY: That is so true, Mr. Speaker, and because of the point raised from time to time by the Leader of the Liberal Party, I took time out the other day to obtain a copy of Beauchesne from the Library, and I would ask one of the Pages to send it over - take it over to my honourable friend so that he may study the same and know a little bit more about the rules of conduct in this House. Having sent the copy over to my honourable friend, I want him to know that it is the property of the Government of Manitoba and that the cost, I am informed, is \$34.00 and I would suggest to my wealthy friend he would be well advised to buy a copy of the Fourth Edition of Beauchesne so he knows a little bit about the conduct, the rules of procedure in democratic parliamentary assemblies such as this. --(Interjection)-- Yes, as one of my colleagues, Mr. Speaker, indicates to me, I'm sending it presuming my honourable friend can read and understand. I do believe that he had some semblance of an education at public expense.

Now I do want to make a comment or two, first of all, on some of the remarks of the Honourable Member for Morris. I want to say that I regret very much that my honourable friend the Member for Morris attempted to - not only attempted but did bring into this debate a debate that took place last year on the question of aid to parochial schools and the rights in a parliamentary democracy.

My honourable friend the Member for Morris went to great lengths to talk about the actions of a totalitarian government, if indeed it can be called a government. He went on to condemn that type of government and then, Mr. Speaker, before too long he indicated his opposition of the rights of the First Minister of the Province of Manitoba and the private member to introduce a measure into this House dealing with the question of aid to private and parochial schools. Now I say to my honourable friend, you can't have it both ways. --(Interjection)-- Denial of responsible government. He first of all suggests, Mr. Speaker, he suggests his opposition to totalitarian system and forms of government; he says that it is a denial of responsible government for the rights of any member of this Assembly to be heard and to express, through a resolution, their desire. I say to my honourable friend, I say to my honourable friend that the man that he was extolling the virtues of, a former Prime Minister of Canada, John Diefenbaker, and I have every admiration for that man, and I would be sure, Mr. Speaker, that if John Diefenbaker was in this House tonight he would condemn and deny the utterances of the Honourable Member for Morris as being undemocratic.

A MEMBER: Hear, Hear.

MR. PAULLEY: Now then, what else has happened in this House? --(Interjection)-- Diefenbaker? No I would not say Diefenbaker was an idiot but I . . .

MR. SPEAKER: Order, please. Order, please. The Honourable Member for Morris has had his opportunity. If he has a matter of privilege or a point of order he's entitled to be heard. Would he kindly sit down . . .

MR. JORGENSON: I am rising on a question of privilege. . . .

MR. SPEAKER: Would he kindly sit down till I am finished. I wish every member in this House would learn to extend the courtesy to each other, when one member is on the floor to keep quiet and wait until the floor is yielded to them. Now this is one courtesy that also occurs to the Chair that very few members respect. I do believe it says in Beauchesne in every other rule that the parliamentary system has, that the Speaker is entitled to have that respect, and I would ask all honourable members to participate and co-operate. And as I have said, if someone has a particular point of order or a matter of privilege, he will be heard but I do think that the interjections can be done without. The Honourable Member for Morris.

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MR. JORGENSEN: Mr. Speaker, I apologize for my intemperate remarks but I was exercised by the stupidity of the Minister of Labour who deliberately misinterpreted, misrepresented the remarks that I was making. My remarks dealt with the question of responsible government. Throughout, I was consistent in my approach that responsible government to me meant something, and responsible government means that whoever is in government takes the responsibility for whatever actions they are responsible for, and I insisted that the First Minister also take that responsibility because it involved the expenditure of money. If it did not involve the expenditure of money then he had the right to bring in whatever measure he chooses. As long as it involves the expenditure of money he does not have that prerogative. It is the responsibility of the Cabinet as a whole.

MR. SPEAKER: Order, please. Before we proceed, I should also like to caution members that the rule of relevancy should be observed. I have no hesitation in indicating that there shall be a lot of latitude and leeway allowed in respect to how members debate the issue and bring out their points of discussion. But I do believe we should try to adhere to relevancy of the motion before us. The Honourable Minister of Labour shall not be charged for these three minutes.

MR. PAULLEY: Thank you kindly, Mr. Speaker. And the point that I was trying to establish really is relevant to the resolution as proposed by the Member for Wolseley, because the Honourable Member for Morris was talking about responsible government and in the context in which he was speaking was the responsibility of a single government. Apparently my honourable friend from Morris forgets the manner in which the resolution proposed last year by my leader quite properly did not - did not commit the government or the Assembly to an expenditure of money but asked this Assembly by an abstract motion which is the right and the privilege of any member other than an absolute commitment of government to do. Even the Honourable Member for Morris has the right, Mr. Speaker, under our parliamentary system and under our Assembly rules, to introduce an abstract motion calling for an expenditure of public money, but it must be in the abstract. And my colleague, my friend and my leader did that last year.

But Mr. Speaker, I also want at this particular time to mention another point where we as government, I feel, have accepted our responsibility in the new democratic process of government something hitherto unheard of in Manitoba, and that is by a resolution introduced by the Treasury Bench, provided for every member of this Assembly an amount of money that they can use for research in the democratic process. And we have done that. I recall the years that I was in opposition, sixteen of them, from time to time in the interest of all party participation in government, that I pleaded with the Conservative Government to make provision for research facilities, pleaded for some assistance so that I and my colleagues of that day might be better enabled to participate in what we call the democratic process. What happened? My pleadings fell on deaf ears. The very opposition, the main Opposition, Mr. Speaker, that today condemn a resolution that suggests all-party participation in order to speak on behalf of Manitoba in the councils of Canada --(Interjection)--

Yes, this is war. I agree with my honourable friend from Lakeside, Mr. Speaker, that this is war, and I am prepared to take up arms at any time in his constituency or any other, in order to free Manitobans from such totalitarian type of government that we had with the Conservatives. Yes. Yes my honourable friend can hold his hands up and say, "comrade." He should; he should, because I went through it --(Interjection)-- Well, if you prefer to call yourself that then -- it is you that is saying that and not I, not I, my friend from Lakeside. All I suggest to my friend from Lakeside that when he goes home tonight he takes a darn good close look at himself in the mirror and review his dictatorial attitude when he was in this House as a Minister of the Crown.

MR. SPEAKER: Order, please. Order, please.

MR. PAULLEY: --(Interjection) - No you don't. There is one rule, Mr. Chairman, or Mr. Speaker, I'd suggest to my honourable friend from the north, the rule of freedom to get out of here if he doesn't like what is being said. Or maybe he would prefer to get on a hot line in the morning, tomorrow morning, and condemn me for what I had said using and exercising my democratic right here this evening in this Assembly. I say --(Interjection)-- You know -- no, I won't even refer to the nonsense of the Member for Rupertsland and we're used to that. At one time, at one time . . .

MR. SPEAKER: Order, please.

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MR. PAULLEY: Now the Honourable the Member for Wolseley has made a proposition dealing with national policies and an approach to them. I think it would be really worthwhile to spend some time, Mr. Speaker, in analyzing and taking a look at the resolution as proposed by the Leader of the Liberal Party. He says in his resolution: "Whereas present national policies encourage development in eastern Canada at the expense of development in western Canada, and militate in most key areas against the realization of the potential of Manitoba."

I say, Mr. Speaker, that the Honourable the Leader of the Liberal Party is absolutely correct. There's no question or doubt that that is right because of the predominance of Liberalism and Liberal Government in Canada at Ottawa since Confederation. I don't want to swear . . . but I could say in my opinion, without using any unparliamentary language, that the Liberal Party federally have never given a continental about the prairie provinces. And I would say that at the present time there's a facade going on with the Liberal party that there are olive branches being thrown out by the Prime Minister, by the Member of Cabinet for Manitoba, the Minister of National Defence, but there is an old saying, Mr. Speaker, "By their fruits ye shall know them" and they --(Interjection)-- Yes, Amen, and even my friend from Rupertsland ought to know that although he doesn't practice it.

So I say, Mr. Speaker, I say, Mr. Speaker, that starting out with the first "whereas" of the resolution of the Honourable Member for Wolseley, the Leader of the Liberal Party, to use one of my pet phrases, it's a phoney, without any doubt.

He then goes on to say: "There is an urgent need for major changes in these national policies that influence the growth and economic development of Manitoba - and, Mr. Speaker, he's so right. He is so right, and I would suggest that until such time as we have a socialist government in Canada, if you want to use that phrase, there still will be, there still will be deficiencies, there still will be inequality in the treatment of Canadians. One thing we have done, Mr. Speaker, as a government in Manitoba at least, and we are proud of this, that we have brought some semblance of equality of treatment of all citizens in Manitoba, something unheard of under Liberal or Conservative administrations in the 102 years of existence of this great province.

Then the third "Whereas" of my honourable friend the Leader of the Liberal Party. "Whereas the Federal Government has announced its repentance --" No, wait a minute. No, I misread that. "Whereas the Federal Government has announced its intention to convene a conference between the Prime Minister and the premiers of Manitoba, Saskatchewan, Alberta and British Columbia, to discuss new policies aimed at promoting western economic opportunities." Mr. Speaker, if Liberal Governments and Conservative Governments at Ottawa had previously had any concern for western Canada it wouldn't be necessary for my honourable friend, as the Leader of the Liberal Party in Manitoba, to now be making such a --(Interjection)-- Oh you wouldn't understand any type of English. --(Interjection)-- That's right, that's right, that's right. And there's nothing wrong with the Scotch, or the Irish, or the Welsh, or the Ukrainians or the Finns or the Icelanders and the Ukrainians, and there doesn't - if that isn't -- (Interjection)-- Yes I'm gentleman. You're so right. You don't like what you're hearing.

A MEMBER: You're out of touch.

MR. PAULLEY: You don't like what you're hearing and I can understand it. But in the --(Interjection)-- Yes the French too, and the Norwegians and every other nationality who have made a great contribution to the development of our province, and the Germans. The ancestors of the Honourable the First Minister of this House have made a very very noble and great contribution. And for my honourable friend to say what about the Scotch? How idiotic! How idiotic!

So Mr. Speaker, let me go on, let me go on with the resolution that we have before us. The Honourable the Leader of the Liberal Party says: "And Whereas it is also essential that this issue be dealt with on a non partisan basis." The Honourable Member for Morris was talking about totalitarian type of government, the Honourable Member from Wolseley in his resolution in essence is presenting that same approach. And I say, Mr. Speaker, that as far as we are concerned as the government of the Province of Manitoba, we can stand on our own feet; we can present our resolutions to the Economic Conference, we don't need, as suggested by the Honourable Leader of the Liberal Party, a so-called all-party approach and it seems to me, as days go on, that that is the type of approach that the Liberals and the Conservatives, through guys like Palk and others, are trying to attempt by all-party condemnation and all-party

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(MR. PAULLEY cont'd.) approach to see that the people's government in the Province of Manitoba is defeated, and I say, Mr. Speaker, that the all-party approach of those on the right, the Liberals, the Conservatives will fail in their efforts and we will go in to not only the forthcoming conference with the Prime Minister and the other premiers of Western Canada as a government, not only the one that's forthcoming but we will go there for years yet to come. Speaking on behalf, speaking, Mr. Speaker, on behalf of all the people of Manitoba and we have the intellect, we have the know-how, we have the ability to do it without having to carry around in our hip pocket individuals or ideologies such as those presented by the Liberal Party or the Conservative Party in Manitoba.

MR. SPEAKER: The Honourable Member for Lakeside.

MR. ENNS: Well, Mr. Speaker, in the few moments remaining let me first of all simply indicate that I endorse the views of my colleague the Member for Morris with respect to the resolution completely. But, Mr. Speaker, I have but one simple question to put to my honourable friend the Minister of Labour who has berated us at great length about the evils of the Liberals and past Liberal administrations in Ottawa. And I agree with him.

SOME MEMBERS: Hear, hear.

MR. ENNS: Now let him tell me, and what he hasn't told me, is how his colleagues or how the New Democratic Party has crawled into bed with the Liberal administration in Ottawa and they've got the support for that government. And he finds that -- you know, so let me, let me indicate to him -- I'm sorry, Mr. Speaker, I'm sorry, Mr. Speaker, I have not the time to listen to any interruptions. I want to make it very clear, Mr. Speaker, that . . .

MR. SPEAKER: Order, please. Order, please.

MR. ENNS: I believe, Mr. Speaker, that I have the floor.

MR. SPEAKER: Order, please.

MR. ENNS: I want to make it very clear, the Member for Morris made the distinction, we in the Progressive Conservative administration under John Diefenbaker brought the kind of concern, the kind of attention to the prairies, and it's the combination of the New Democratic Party in Ottawa combined with our friends of the Liberal Party, that unholy matrimony that is taking place in Ottawa is carrying on with the full connivance of both parties. So, Mr. Speaker, let the Minister of Labour not confuse the issue, let him not confuse the issue about the kind of political expediency, the kind of bending of principles that the New Democratic Party is so capable of.

Mr. Speaker, if there need be any, any firm, any real proof to the people of Manitoba, to the people of Western Canada, that the interest, that the interest of our province and the interest of the western group of provinces are to be served in any way, shape and form other than they are presently being served, they will have to turn to the Conservatives for that kind of attention. Certainly not, certainly not from that group and that group or that group that we can call conveniently "to the left". Because, Mr. Speaker, we see the evidence before us every day as we read our papers, the news emanating out of Ottawa, the kind of cooperation that has been taking place with the New Democratic Party and the Liberal Party.

Mr. Speaker, today the Honourable Leader of the Liberal Party chose to rise on a point of privilege because of his concern about being associated in the same breath with the Leader of the Official Opposition Party. Mr. Speaker, I think that there was a point of privilege involved here, but the point of privilege lay with our Leader and not with the Leader of the Liberal Party because if there is a question of connivance it is with this group here.

Mr. Speaker, I can't help but, you know, feel that my responsibility to the people of Manitoba has been probably better served in these last few minutes than my whole contribution to this coming Legislature . . . if I could do nothing other than to make plain, following the kind of rambling and raving speech by the Minister of Labour, the rambling and raving speeches of the Minister of Labour which conveniently forgot, which conveniently forgot what his party, what his colleagues, the representatives of the New Democratic Party that were elected from the Province of Manitoba who find themselves so conveniently aligned with the Liberal administration that they like to castigate whenever it suits their political purposes here in this province. Mr. Speaker, what utter sham! What utter callousness on their part! What political expediency on their part!

Mr. Speaker, I indicated to you on one other occasion, on another occasion in this House when the members of the New Democratic Party were foisting Autopac on the people of Manitoba

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(MR. ENNS cont'd.) . . . and the kind of organization that they had, the kind of citizens' groups that they had formed for that occasion, and if I recall correctly I read into the record the letter that their instructors sent to their canvassers: No. 1. Do not identify yourself as a New Democrat, etc., etc. and so forth like that. I just remind members opposite that if there is one salient point that begins to come clear in the political scene in Canada, and will come clear in this province and is clear in this province, is where the Progressive-Conservative Party stands, who its allies are and who its allies aren't, and what kind of programs and what kind of principles we do stand for. This whole mess of garbage from the left -- from the center to the left conveniently mixes, conveniently mixes and bends their principles, as the Premier himself told the convention delegates of the New Democratic Party at Brandon. He said, "The name of the game is the retention of power, and if it means bending your principles then we bend our principles." That's what the New Democratic Party and Stephen Lewis is telling -- or David Lewis is telling his colleagues in Ottawa right now. That's what Prime Minister Trudeau is telling his Liberal colleagues now. Mr. Speaker, examine, examine the record of the Conservative Party . . .

MR. SPEAKER: Order, please.

MR. ENNS: Examine the position . . .

MR. SPEAKER: Order, please. The hour being 10:00 o'clock the House is now adjourned and stands adjourned until 10:00 a.m. tomorrow morning (Friday).