

THE LEGISLATIVE ASSEMBLY OF MANITOBA
10:00 o'clock, Friday, May 16, 1975

Opening Prayer by Mr. Speaker.

INTRODUCTION OF GUESTS

MR. SPEAKER: Before we proceed I should like to direct the attention of the honourable members to the gallery where we have 76 students, Grade 6 standing of the Riverside Elementary School from Moorhead, Minnesota. These students are under the direction of Mr. Schmidt, Mr. Crerar and Mrs. Carey.

We also have 60 students of Grade 9 standing of the John Pritchard School under the direction of Mr. Sawatzky. This school is located in the constituency of the Honourable Member for Rossmere, the First Minister of the province.

And we have 25 students, Grade 6 standing of the Duke of Marlborough School under the direction of Mrs. Cook. This school is located in the constituency of the Honourable Member for Churchill.

On behalf of all the honourable members I welcome you here this morning.

Presenting Petitions; Reading and Receiving Petitions; Presenting Reports by Standing and Special Committees; Ministerial Statements and Tabling of Reports; Notices of Motion; Introduction of Bills. The Honourable Minister of Health.

INTRODUCTION OF BILLS

HON. LAURENT L. DESJARDINS (Minister of Health and Social Development (St. Boniface) introduced Bill No. 47, an Act to amend The Social Allowance Act. (Recommended by His Honour the Lieutenant-Governor). And Bill No. 48, The District Health and Social Services Act. (Recommended by His Honour the Lieutenant-Governor).

MR. SPEAKER: Questions. The Honourable Attorney-General.

ORAL QUESTIONS

HON. HOWARD PAWLEY (Attorney-General)(Selkirk): Mr. Speaker, further to the questions that were asked yesterday by the Leader of the Opposition. First, in connection with Schmidt Cartage, there is no further response yet from the RCMP pursuant to the instructions that I referred to some time back to inquire into other matters and I understand interviews are in process in respect to those matters currently.

In respect to the Northern Co-op matters, just so I can further expand on the statements that I gave yesterday. The matters that were referred to the department by the Provincial Auditor include Gardenhill Indian Crafts, Crane River Feedlot, the South Indian Lake Co-operative Fisheries, Co-operative Federation, Kee-Noe-Zae Co-operative - I estimate that's a proper pronunciation - and meetings have been held which have included the Deputy Attorney-General, the Provincial Auditor, the Deputy Minister of Co-ops. The information has been presented to the department by the Provincial Auditor and by the information the Department of Co-ops has. On the basis of the information supplied to the department there is no basis for criminal investigation in connection with any of the five that I've mentioned.

Now, the Civil Litigation Branch is examining all these matters and is in contact with the Department of Co-ops as to whether or not any civil proceedings are warranted, but no criminal investigation is warranted based upon the material that has been submitted. I know the Provincial Auditor is attempting to obtain some further information for the department in connection with the Co-operative Federation matter. But outside of that I'm not aware of any other information that the Provincial Auditor is attempting to obtain.

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. SIDNEY SPIVAK, Q.C. (Leader of the Official Opposition)(River Heights): I wonder if the Attorney-General can indicate whether the cash books and records of the Southern Indian Lake Co-op have in fact been discovered.

MR. SPEAKER: The Honourable Attorney-General.

MR. PAWLEY: Mr. Speaker, I'm not in any position, nor do I particularly want to be in a position of detailing whether or not certain cash books, etc., have been discovered. The meetings have involved senior department officials from the Provincial Auditor, from the

ORAL QUESTIONS

(MR. PAWLEY cont'd) Department of the Attorney-General, from the Department of Co-operative Affairs and I think that our best course of action is to depend upon their information and advice as to when or if any proceedings are warranted at any time. And I could not answer specifically that particular question of the Leader of the Opposition.

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. SPIVAK: To the Attorney-General, Mr. Speaker. Are you seriously suggesting that there will be civil litigation undertaken in connection with these matters?

MR. PAWLEY: Mr. Speaker, I never suggested what would take place insofar as the civil matters are concerned. What I did indicate, that the Civil Litigation Branch of the department is examining all these matters from the point of view of possible civil litigation, that they are reporting through to the Department of Co-operatives as to any of their findings. To the present time I'm informed no civil litigation has been commenced but I understand that examination of this matter from the point of view of whether or not there are any legal remedies is still a current matter of examination.

MR. SPIVAK: I wonder if the Attorney-General can indicate whether the shortage of cattle valued in excess of \$40,000 has been found in connection with Crane River Feedlot Co-operative.

MR. PAWLEY: Mr. Speaker, I'm glad that the Leader of the Opposition has asked the specific question in regard to Crane River because in view of the comments made yesterday I was interested in attempting to obtain some further information. I understand now it's really a big question mark whether the so-called missing cattle were ever missing - were ever missing in the first place. So I think that this tends to indicate, Mr. Speaker, that if the RCMP had given cause to examine a matter suggesting there were missing cattle when in fact we may find out that the cattle were not missing in the first place, we all would have looked very silly.

MR. SPIVAK: I wonder if the Attorney-General can indicate whether there is contemplated prosecution for failure to pay sales tax on the part of the Co-operative Federation.

MR. PAWLEY: Mr. Speaker, I couldn't answer that. All that I know again is that the Provincial Auditor has referred all matters that he would see any possible basis to warrant any criminal investigation to the Deputy Attorney-General and to other officials in the department. So beyond what I know to be the general guidelines, I couldn't deal with the specific question.

MR. SPEAKER: The Minister in charge of Co-operatives.

HON. HARVEY BOSTROM (Minister of Co-operative Development) (Rupert's Land): Mr. Speaker, with respect to that question. The Co-operative Federation did indeed pay the sales tax. They had a sales tax licence and all sales tax was duly paid.

MR. SPEAKER: The Honourable Member for Portage la Prairie.

MR. GORDON E. JOHNSTON (Portage la Prairie): Mr. Speaker, I direct my question to the Honourable the Minister of Labour. In view of the fact that it's been reported that the Premier has ordered his Cabinet not to introduce any more legislation unless it's completely ready, can I ask the Minister if he's going to proceed with amendments to the Labour Relations Act?

MR. SPEAKER: The Honourable Minister of Labour.

HON. RUSSELL PAULLEY (Minister of Labour) (Transcona): Mr. Chairman, I'm not quite aware of any directive having been issued by the First Minister in respect to introduction of legislation, and I want to say to my honourable friend the Premier and I do talk from time to time. However, it is my intention, and I think I can say the intention of the Premier and the Government of Manitoba, to introduce some amendments to the Labour Relations Act at this session and also insofar as some other Acts. Notice of which in some cases has already been given to the Assembly.

MR. SPEAKER: The Honourable Member for Portage la Prairie.

MR. G. JOHNSTON: Mr. Speaker, I direct this question to the Honourable the First Minister. Is it correct that the Premier has asked members of the Cabinet with respect to legislation that they are preparing, that if it is not ready to go now that they are to not proceed with it because the Premier wants the House closed so they can get at the by-elections?

MR. SPEAKER: The Honourable First Minister.

HON. EDWARD SCHREYER (Premier) (Rossmere): No, Mr. Speaker, that's not the reason, although I do not in any way back away from the fact that we are trying to rationalize the volume of legislation. We believe we have it in hand. We believe that the number of bills

ORAL QUESTIONS

(MR. SCHREYER cont'd) yet to come is relatively small in number and I don't apologize for that fact. It means some additional bills at the next session perhaps but quite manageable.

MR. SPEAKER: The Honourable Member for Thompson.

MR. KEN DILLEN (Thompson): I direct my question to the Attorney-General. Has the Attorney-General received a request to investigate the case of the Watercress conspirators in the Conservative Party and the claim of the Leader of the Opposition that certain documents have been stolen from his files?

MR. SPEAKER: The Honourable Member for Morris.

MR. WARNER H. JORGENSON (Morris): Mr. Speaker, I wonder how long that you are going to put up with questions of that nature which are so completely out of order. If any of us on this side of this House attempted to ask a question like that we would be drummed out of this House.

MR. SPEAKER: Order please. The Chair is in the difficult position of having to hear what a member has to say. All members must have the opportunity of placing their questions. If they are out of order, if they are not going to be answered, the procedure is the same for all members.

The Honourable Member for Assiniboia.

MR. STEVE PATRICK (Assiniboia): Mr. Speaker, I have a question for the Honourable Minister of Health and Social Development. It was indicated in the Throne Speech that enabling legislation will be introduced this session for phase one of the denticare program for children. Will that legislation be introduced this session?

MR. SPEAKER: The Honourable Minister of Health.

MR. DESJARDINS: Yes, Mr. Speaker. I don't know if it's for phase one, but legislation will be introduced.

MR. SPEAKER: The Honourable Member for Fort Rouge.

MR. LLOYD AXWORTHY (Fort Rouge): Mr. Speaker, I have a question for the Minister of Urban Affairs. In the Throne Speech it was indicated we would be receiving certain amendments to the City of Winnipeg Act. Can we expect to have a bill with such amendments at this session?

MR. SPEAKER: The Honourable Minister of Urban Affairs.

HON. SAUL A. MILLER (Minister for Urban Affairs) (Seven Oaks): Yes.

ORDERS OF THE DAY - ORDERS FOR RETURN

MR. SPEAKER: Orders of the day. Orders for Return. The Honourable Member for Portage la Prairie.

MR. G. JOHNSTON: I move, seconded by the Member for Assiniboia THAT an Order of the House do issue for a Return with respect to the competition to fill the position of Assistant Livestock Nutritionist as advertised in Bulletin 947 to close August 26, 1974:

- (1) How many applications were received before closing date for the competition?
- (2) Of the applications which were received before the closing date how many were considered to be qualified?
- (3) Of the applications which were considered to be qualified, which had been received before the closing date, how many were interviewed by the examining board?
- (4) When was Dr. Ibrahim's application for the position received by the examining board?
- (5) Were any of the members of the examining board contacted by any official from the Department of Agriculture and did any of the examining board members have it suggested to them that Dr. Ibrahim should be given the position of Assistant Livestock Nutritionist?

With respect to all other competitions held for positions within the Department of Agriculture since July 1st of 1969:

- (1) a. Give the number of competitions held.
b. Give name of position competed for in each case.
i) state date advertised and closing date in each case.
- (2) Give the number of applicants in each case.
- (3) Name and address of person who was considered best qualified by the examining board in each case.

ORDERS OF THE DAY - ORDERS FOR RETURN

(MR. G. JOHNSTON cont'd)

(4) The name and address of the person who was awarded the job and his ranking in the competition in each case.

(5) The reason for not choosing the person considered the best qualified by the examining board in each case.

(6) Have the Civil Service Commission produce copies of the original applications and
a. the dates upon which they were received in each case for competition 947 and all other competitions since July 1, 1969.

b. the dates when they were forwarded to the examining board by the Civil Service Commission in each case for competition 947 and all other competitions since July 1, 1969.

MR. SPEAKER: The Honourable Minister of Labour.

MR. PAULLEY: Mr. Chairman, I wonder if it would suit the convenience of my honourable friend - I'm acting in my capacity as the Minister responsible for the Civil Service Commission - I'm wondering whether it would be met with the favour of my honourable friend if we could have a slight discussion on many of the points raised by my honourable friend by way of questions. There are a number that may be rather difficult in answering and there are certain procedures that have to be followed under the terms of the Civil Service Act in any case. It would not be my desire to withhold any pertinent information required by my honourable friend but I would like his courtesy and his co-operation that before we proceed with the Order we may have an opportunity to meet together on the subject matter of the Order for Return.

MR. SPEAKER: The Honourable Member for Portage la Prairie.

MR. G. JOHNSTON: Well, Mr. Speaker, I'm quite willing to be co-operative with the Minister and discuss with him the manner in which questions would be answered but I would like it clearly understood that if we do not agree, then the Order still stands and will be dealt with in the House.

MR. PAULLEY: Well I will give that assurance, Mr. Speaker, to my honourable friend with one slight caveat. My honourable friend indicated that the Order would still stand. Of course I'm sure that he would agree that if I accept that proposition that it is equally possible for myself as the responsible Minister to reject the Order in its entirety if we can't come to that agreement. So if that's agreeable with my honourable friend, Mr. Speaker, I suggest that the order stand. Let us have a go at it to see what we can come up with that will meet with our mutual satisfaction.

MR. SPEAKER: Is it agreed? The Order for Return. The Honourable Member for Roblin.

MR. J. WALLY MCKENZIE (Roblin): Yes, with your permission and the members of the Legislature, I'll introduce the resolution. I move, seconded by the Honourable Member from Swan River THAT an Order of the House do issue for a Return showing:

1. The number of acres of land involved in the proposed park at the boundary of the City of Winnipeg and the Rural Municipality of Cartier, near Provincial Road No. 241.
2. The number of acres of land purchased, from whom and at what price.
3. The number of acres of land expropriated, from whom and at what price.
4. The portion of this land lying on the north side of the Assiniboine River.
5. The portion of this land lying on the south side of the Assiniboine River

MR. SPEAKER: The Honourable Minister of Tourism and Recreation.

HON. RENE TOUPIN (Minister of Tourism, Recreation and Cultural Affairs) (Springfield): Mr. Speaker, there is no problem in supplying the information required and it will be done in due course.

MR. SPEAKER: Thank you. So ordered.

The Honourable House Leader.

HON. SIDNEY GREEN Q.C. (Minister of Mines, Resources and Environmental Management) (Inkster): Mr. Speaker, would you call Bill No. 40 please?

GOVERNMENT BILLS - BILL NO. 40
THE STATUTE LAW AMENDMENT (TAXATION) ACT

MR. SPEAKER: Bill No. 40. The Honourable First Minister.

MR. SCHREYER presented Bill No. 40, The statute Law Amendment (Taxation) Act (1975) for second reading.

MOTION presented.

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Mr. Speaker, to explain an omnibus bill which any Statute Law Amendment bill is, almost necessarily involves some bending of the rules in the sense that debate on second reading is supposed to deal with the generality of the intent of a bill and yet by definition a statute law amendment Act bill is a composite of 13 different changes. So in other words, sir, this bill concerns itself with amendments to a number of taxation statutes and is divided into 13 parts which are hopefully clearly enough brought forward in the printed bill itself.

The first twelve parts relate to specific taxing statutes and the last part, Part 13, pertains to the effective dates of the other parts.

Part I of the amending act provides amendments to the Gasoline Tax Act. The amendments impose an additional three cents per gallon tax on gasoline, two cents of which will be transferred to the Manitoba Public Insurance Corporation and one cent for general revenue purposes. This additional one-cent tax, as pointed out in the budget address, replaces approximately one-half of the tax reduction implemented last year and is necessary because of the amendments being proposed to the Mineral Taxation Royalty schedules which will result in a corresponding reduction in revenues. The amending bill increases the rate of tax on aviation gas from two cents to three cents per gallon to more closely relate to the tax imposed by neighbouring provinces. In this regard the Province of Saskatchewan imposes a tax on aircraft gasoline of four cents a gallon while the Province of Ontario imposes a tax of three cents per gallon.

You will recall at the last session of this Legislature we amended the majority of the Taxation Act to provide that the interest rate chargeable under the various acts be changed by Lieutenant-Governor-in-Council by regulation under each particular Act.

To facilitate our administration procedure and in order to accomplish change in interest rates, it is deemed expedient to provide through the Financial Administration Act a provision which would allow interest rates to be set for the various taxation acts by regulations pursuant to that Act rather than by regulations under each particular Act. This will simply be a saving in paperwork of the wondrous workings of bureaucracy, saving in procedures and the time of all concerned, inasmuch as if the interest rate of a number of acts are to be changed at the same time, it could be accommodated by one Order-in-Council with appropriate schedules instead of preparing several Orders-in-Council, one for each Act.

PART II of the amending bill pertains to changes under the Gift Tax Act. The only amendment being presented under this Act is a similar type amendment as the one we are just discussing re transferring the right to change interest rates from regulations under the Gift Tax Act to regulations under the Financial Administration Act which is omnibus in this context.

Part III of the Bill concerns itself with amendments to the Mineral Acreage Tax Act, and the only amendments to this particular Act relate once again to provisions transferring the right to set interest from regulations made under the Mineral Acreage Tax Act to regulations under the Financial Administration Act.

Under Part IV of the Bill we will be concerned with amendments to the Mineral Taxation Act which relate to provisions to fix interest by regulation under the Financial Administration Act; a change in the issuing dates of assessment from September to December to allow sufficient time for the preparation of assessments under that Act; and the introduction of a penalty provision to cover situations where returns are not filed, or not paid, or not filed on time and other minor technical adjustments.

In addition, amendments will be provided to adjust Schedule D which provides the mill rates of production downward for small wells with lower output, as well as amendments to provide for the calculation of tax if an adjustment is made during the year.

Part V of the Bill provides for changes to the Mining Royalty and Tax Act and once again relate to the transferring of the interest setting provisions from the regulations under

BILL 40

(MR. SCHREYER cont'd) . . . that particular Act once again to regulations under the Financial Administration Act.

Under the Mining Royalty and Tax Act for a number of years a mining claim tax of \$10.00 per mining claim has been assessed under Part III of that Act. Effective January 1, 1976, this mining claim tax will be replaced by enhanced rentals received from production and export area leases. We have therefore provided an amendment which will negate any tax imposed under this part while still retaining the other procedures necessary in the Act to deal with any amounts owing for 1975 and previous years. So that part is being retained for residual purposes only.

Part VI of the Bill relates to amendments to the Motive Fuel Tax Act and provides for an increase of three cents per gallon for motive fuel used on the highway, two cents of which will be transferred to the Manitoba Public Insurance Corporation. The Bill also provides the interest setting section be transferred to the Financial Administration Act. Last year we introduced a provision which would allow vehicles registered as farm trucks to use exempt purple motive fuel in the operation of such trucks providing the truck had not more than two axles and the gross weight of the truck did not exceed 28,000 pounds.

In my Budget Address, budget of this government, it was indicated we would be increasing the weight restrictions to 34,000 pounds. However, in view of variations in weight restrictions on various highways at different times of the year and in variations as well in different models of trucks, different models and makes - and here, to cite as an example, cab over engine configuration even has a bearing on this. So for all of these reasons the legislation will provide no weight limitation and subsequently any farm truck with no more than two axles will be permitted to use exempt purple diesel fuel.

Part VII of the Bill provides amendments to the Pari-Mutuel Tax Act which will once again transfer the interest setting device from regulations made pursuant to that Act to, once again, regulations pursuant to the Financial Administration Act.

Similarly, Part VIII dealing with amendments to the Revenue Act provides for the transfer of the interest setting mechanism to the Financial Administration Act regulations.

Part IX of the Bill dealing with amendments to the Retail Sales Tax Act while providing for the transfer of the interest setting basis to the Financial Administration Act regulations will, in addition, provide an amendment which will exempt containers purchased by farmers, fishermen or co-operative associations thereof, for organizations which in the opinion of the Minister are similar, used for transporting fish and agricultural produce directly from the source of primary production. This part also provides minor technical adjustments.

Part X provides for amendments to the Succession Duty Tax Act. As announced in the Budget, we will be increasing the exemption for preferred beneficiaries from \$150,000 to \$200,000 and the amendments encompass this change. In the case of a surviving spouse there is the additionality of \$50,000 over and beyond that.

Part XI of the Bill provides an amendment to the Tobacco Tax Act, transferring the interest setting provisions, once again, to the Financial Administration Act.

Part XII amends the Mines Act by providing that royalties imposed under that Act on Crown lands equate within reasonable limits to the total of taxation on freehold interests coupled with the taxes levied thereon under the Mineral Taxation Act, so as to get congruity and parallelism.

Part XIII simply provides for the commencement dates of the various sections of the Act.

I might add, Mr. Speaker, that I have once again incorporated changes to the aforementioned taxation statutes into one particular Bill, as in many instances the amendments . . . as indeed more than half of the parts of this thirteen part Bill are indeed identical or very similar in nature, and as all relate to taxation, such an approach will perhaps save some time and allow members to establish the similarity between taxing statutes.

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. SPIVAK: I move, seconded by the Honourable Member for Riel, that debate be adjourned.

MOTION presented and carried.

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Yes, on a point of order, Mr. Speaker. I'm not aware if this particular document has been distributed. If not I will arrange for it to be distributed.

MR. SPEAKER: Thank you. The Honourable House Leader.

MR. GREEN: Bill No. 17, Mr. Speaker.

BILL NO. 17 - THE DEVELOPMENT CORPORATION ACT

MR. SPEAKER: Proposed Motion of the Honourable Minister of Mines. The Honourable Member for Fort Rouge.

MR. AXWORTHY: Mr. Speaker, last evening in the early hours we had an opportunity to spend a good deal of time on the Development Corporation and many of the concerns that I planned to express at that time were brought forward for some detailed examination and airing. But there is one particular issue that I would like to comment upon before we pass upon this Bill, and it was really brought to mind by the comments made last evening by the Minister of Mines and Resources when we were talking in particular about the relationship between Manitoba Development Corporation and government-owned enterprises, and its impact upon labour relations in the province. And at that time I was somewhat reminded of the old story of King Canute who used to sort of put a chair in front of the ocean and sort of command the waters not to rise. Because the Minister of Mines and Resources was saying to us that he personally was going to ensure that somehow or other the labour problems and grievances and difficulties that erupted in Crown owned agencies that were held by Manitoba Development Corporation would not be a matter of discussion or debate within this Legislature. And struck me, Mr. Speaker, as being a highly sort of unrealistic position, not because I don't believe the sincerity or the intentions of the Minister but simply can't believe that he alone with the total experience of almost every country that has found itself in the position of owning a number of Crown enterprises, being able to somehow stop the penetration of labour matters into legislative chambers when they deal with Crown corporations.

This was the one particular point where I think it is important to stop for a moment to look at the position of the Manitoba Development Corporation and its impact upon the total operation of this government. There's been a good deal of discussion on this Bill and during Supply about the inadequacies and weaknesses of the Manitoba Development Corporation and I think the message should be pretty clear by now that not too many of us are impressed by its operation. That we haven't exactly been overwhelmed by its rate of success in promoting or developing economic growth in this province. In fact I think the record is pretty meager and almost a negative kind of record in the sense that it probably does more damage than it does good.

But there is another concern that must be registered, Mr. Speaker, and that is that the Manitoba Development Corporation just can't be viewed in isolation by itself. It also must be viewed in terms of the problems and difficulties it creates for the government, that it itself is like that sort of, the old Greek tragedy, there is always one flaw somewhere, and over a period of time that flaw grows and widens to the point where it can consume the total body politic. And if there's any one major flaw, weakness, soft spot in this government, it is the Manitoba Development Corporation, and the danger that that particular operation poses for this province is it is going to become so consumptive and so sort of poisoning throughout the strains and veins and arteries of this government that I think it will paralyze it and in many cases make the operation of the government itself increasingly ineffective.

Let me just point, Mr. Speaker, to ways in which I can see that occurring. That Manitoba Development Corporation to begin with, as we discussed last evening, demands and uses up a substantial amount of the capital borrowing of this province. That it is one of the big spenders in capital usage. And the question that we have been trying to raise is that in a small province with a million people and with limited financial resources and with limited borrowing power, that one of the requirements is to see that we husband and use those scarce amounts of capital in the most effective way. And yet what we continually find is that the per capita demands of the Manitoba Development Corporation are being put into various forms of investment which if you look at the end product, the end results in terms of impact economically and socially and everything else, are meager in comparison to what otherwise might be the case. I think economists have a concept that they call opportunity costs; that you have to look at what would happen if the same amount of money was spent in a different way. I think that is an important point, is that what would happen let's say in terms of the economic growth of this province if we took the 40, 50 million dollars of borrowing power - I think this year we're asking for an authority of what? - 35 of some kind, 32 - and applied it in different ways, could we achieve better results in terms of the intention and ambition of the government to support and promote economic development and growth? What would happen if we built better highways or better communications systems or better research establishments at the universities or whatever,

BILL 17

(MR. AXWORTHY cont'd) whatever the capital may be that would provide an infrastructure or a support for economic growth?

Let me just point out, Mr. Speaker, for example, that you can approach economic development through a couple of different strategies; one is through direct investment and lending to specific institutions who are going to create specific jobs. The other is to provide an economic environment in which private investment primarily finds itself compatible to invest in. And by that I just don't simply mean a lot of sort of tax layouts and so on, but that many investment decisions are location decisions based upon the supply of labour; based upon the supply of communications; based upon the supply of roads; based upon the quality of the schools; based upon the availability of good housing, and that many industries and companies make their decisions on those kinds of criteria. And in fact those criterias are often far more important than the question of whether or not they can get an extra half of one percent decrease in a loan, that that becomes an essential matter. And I would point out for a matter of comparison that last week the Federal Government put an installation into the City which will create a thousand new permanent jobs in this City by 1980. A thousand jobs.

Now the reason for that decision - and that's far more than anything that the Manitoba Development Corporation had ever been able to accomplish - one single decision will create far more jobs for this City than anything MDC has done in its history. Now the point is why is such a decision made? Well I think one of the reasons is because Winnipeg offered a certain amount of advantages for the placement of an installation that was heavily computerized and needed a certain amount of technology. And that is really in part an indication of the future, that it is through the implantation and availability of those kinds of resources that become some of the attractive advantages of this City over other cities in terms of the location of such kinds of industry.

So I'm simply raising that as a question, that as Manitoba Development Corporation becomes like the Tar Baby, that everything, you know, gets stuck to it, and everything is sort of absorbed by it and hangs on to it, that we are not only just simply throwing money away into a lot of bad investments, but that money is not available for other kinds of investment, in developing an infrastructure or other kind of resources in a community that might in fact become a far more effective incentive and stimulant for economic growth and development than the direct investment policies of MDC.

I think the position we have taken, as elaborated by my colleague from Portage la Prairie, was that we don't deny that there shouldn't be some form of assistance to small businesses of Manitoba, small sort of locally grown kind of groups that want to start off in smaller technology oriented or smaller kinds of enterprises, manufacturing enterprises, that we think that one of the more important stimulants for that, as we have looked at the question of economic development across North America, a much more important stimulant, for example, for the growth of that kind of industry, is to have excellent research facilities which are not only generating certain human skills and knowledge, but also have available within them certain kind of other resources that could be used.

So we raise the question, is if we're going to be spending capital, should we not be putting capital, for example, to make the computer resources of the government available for that kind of investment, research and technology oriented industries? Should we not be working in those kinds of areas and using our capital in a better opportunity costs, to use the economists' phrase, rather than through the kind of practices that MDC is involved in? In fact MDC, as I understand it, sort of owns the computer company, the Phoenix Company is one of the resources. But when we look at the computer operation of the Manitoba Government, again it's an example of a - there's two or three different kinds of computer systems, none of them are co-ordinated, they cost upwards of \$200,000 a year and are not really available for the use of other kinds of smaller firms, business enterprises that if they were able to plug into that kind of resource, would be able to provide an additional advantage to themselves in competition with other companies in other places.

So we're simply saying that is how MDC hurts this government. Not only does it hurt it by losing a lot of money, it also hurts it by not being able to take the capital and using it in other ways.

A second area, Mr. Speaker, and it goes back to the position last evening, the position taken by the Minister in terms of labour relations. He says, "it will not happen here."

BILL 17

(MR. AXWORTHY cont'd) Well, Mr. Speaker, if it won't happen here, this will be the only place it won't happen, because one of the important realizations that we're now coming to, I suppose, if you look at the economies of different countries, is that one of the things that you create when you set up Crown operated and owned activities, is that you change the nature of labour relations, that the conventional and traditional form of collective bargaining does not operate when you have a Crown operated manager or owner. And there's a couple of good reasons.

First is obviously that the worker who is on strike in a normal relationship is dealing sort of in a one to one situation with a boss, with the owner, whatever it may be, it's an economic kind of deal, and they both have losses and gains that they have to equate, and the collective bargaining process works on the equation of how much do I lose if I stay off work, and how much do I lose if I keep my business closed? So all of a sudden when you have a Crown operated agency a different psychology begins to appear, and that psychology is this, that all of a sudden the guy on strike is not only dealing with the owner, but that owner is also his servant because he elected him, and there's a very different psychology comes into effect, it's a very different process. And to deny that politics don't enter into it I think is being foolhardy and shortsighted and unrealistic, because of course politics is going to enter into it. It's becoming almost a natural law. And to say that it can be avoided somehow by the Minister standing in front of the ocean saying, "Thou shalt not move," is I think, you know, really, to use the First Minister's word, is mind-boggling. And I think it is mind-boggling, because it just won't happen.

One of the consequences that that Minister and this government is going to have to face, if it is using MDC as its agent, as its holding company for the purchase and ownership of companies in this province is it is going to have to understand that it is creating a very different set of labour relations in the province, that there is going to be a very different set of formulas being used, and probably a much higher degree of labour conflict, because it's much more difficult to settle those kind of labour disputes when that occurs.

I was interested, Mr. Speaker, in a review that the New York Times did of European economies last year, written by Flora Lewis, and if I may take a moment of the House, Mr. Speaker, just to quote from this. This is by Flora Lewis, New York Times Service, when they did the review of the economies of Europe. And I quote from it:

"It is striking that the countries with the least inflation and labour friction, not only are those with the most advanced systems of welfare and labour rights, but they also had the least government-owned industry. The most ailing industrial countries, notably Britain and Italy, have tended to argue their problems and seek their solutions in more ideological terms of nationalization, a largely political organization of labour, and a persistent sense of class in a blueprint of social structure."

In other words, Mr. Speaker, when you look at that assessment of who is up and who is down in terms of economic progress and labour peace - and the article goes on to explain the reasons why, as I just outlined - that in fact much of the labour conflict that you see occurring in Great Britain and other countries is occurring because much of their industry is publicly-owned, and it does create a very different set of labour regulations. And if you don't understand that, and if people are so blind as not to understand that, then they really sort of have no business really sort of going into the business of public ownership, because that is one of the natural consequences that flows out of it.

So if MDC is going to be used the way it is, then we can expect a very different set of labour conflicts in this province. And that is again why I make the case, that we must look at MDC not simply in isolation, but upon the sort of influence and bearing it will have upon the operation of this government as a whole. Because we can look forward to the fact that as MDC is used to buy up more and more industry, they're to take equity positions in more industries and become a manager and owner, that they will create a major transformation in labour relations and labour conflict in this province. And that is the kind of thing we have to look - not look forward to, but look forward to with dread and some foreboding, because it will then require the Minister of Labour and others interested in those problems to begin arriving at a very different set of labour procedures and solutions to it. And as we've commented in this House before, such a movement towards different procedures haven't been forthcoming so far and they are going to be called a paradox, because it's going to force upon this government, which has time and time again said that it has been committed to certain principles of the labour

BILL 17

(MR. AXWORTHY cont'd) movement, that you are going to be forced to undertake some strictures and actions that the labour movement is not going to like, and that's the only way you're going to be able to deal with labour relations. And you're going to have to get yourself into some very interesting and tough kind of negotiations with your allies in the labour movement, because you are changing the nature of labour relations by public ownership. So, Mr. Speaker, I think that is another way that we must look upon the consequences of MDC.

Now, a third way, and I would just sort of bring this to mind, and I think the Minister and I have commented on before, is that the other danger that Manitoba Development Corporation has is the way in part that it is perverting - maybe that's too strong a word, maybe distorting, altering, the way in which we make decisions in government itself, the whole question of accountability and responsibility of decision making. Who makes decisions and where does the responsibility reside? Because one of the most disturbing aspects of the MDC operation that I've seen, Mr. Speaker, is the kind of Alphonse and Gaston routine that we went through in a couple of Committees of Economic Development, when we said to the Chairman of the Board of MDC, now why did you make that decision? He said, well I didn't make it, Cabinet made it. And you ask the Minister, why did you make it? He said, no MDC made it. And what you really began to find out, Mr. Speaker, is that by creating that kind of merging of this so-called independent Crown Agency, but writing into the Act the fact that Cabinet can overturn it, can change it, can alter it when they want to do it, that you are really sort of playing that kind of game where you are fuzzing the lines of responsibility, where you are clouding up who's accountable, where you are changing the nature of where does the locus of responsibility lie? And that, Mr. Speaker, is one of the most dangerous trends in government, is that when you begin sort of camouflaging where decisions are made and who is making them and why they're making them, and you create sort of that kind of really indecipherable sort of smoke screen as to the location of major decisions for major amounts of money and can confuse the public because they don't know, when the decision is being made, who is making it, is it that so-called independent board of MDC of honest, erstwhile: appointments, is it them who are making it? They say no. Well, wait a minute, because always over their shoulder is a Cabinet Minister; . always over their shoulder is other criteria.

Now I'm not against, Mr. Speaker, this government if it decides - and we got into a little bit of a dispute last night - the Government of Manitoba saying that here is a socially depressed area; we want to rebuild it. Okay. That's a fair decision. But don't try to rebuild it for social reasons and try to palm it off as an economic investment through MDC. And that's the kind of problem you're getting into in this bill. Is it that you're trying to say, "Here is a corporation, and the bill itself is now in reading - "which is going to make decisions on good, hard-nosed economic criteria, by golly."

But all of a sudden you've got someone sitting over their shoulder who is going to be saying, "Now wait a minute. There's a town up here which is going to need a little bit of help, and one of our members represents that town and, by golly, we better get in there and make some investments." Or it doesn't even have to be represented by one of your members. I would think that the Minister is of generous enough spirit that even if Fort Rouge was in economic difficulty and we needed to have a rapeseed processing plant on the corner of Stradbroke and Osborne, maybe that he would consider it. I would not advocate developing his rapeseed crushing plant on the corner of Stradbroke and Osborne, but I would say that that becomes the problem, that you begin also to distort or change the nature of decision-making by saying that here is an operation set up to make investments on economic criteria, but always there's the caveat or the restraint that politically someone's going to make a decision that an investment has got to be made for other reasons: for humanitarian reasons, for political reasons, for social reasons; and there again alters and changes the nature of decision-making and alters the nature of accountability.

And so, Mr. Speaker, I think for those three points - the fact of the opportunity costs lost to the capital, the changing nature of labour relations, and the kind of impact that it's going to have upon fuzzing and distorting the decision-making accountability and responsibility of government - for all those reasons, MDC is really an albatross around the neck of this government, and one that I think there is nothing in this bill to clarify those problems, to make them clear, to look at the consequences, and if this government intends to proceed with the operation of a publicly-owned investment operation, and even expand it now so that it isn't just

BILL 17

(MR. AXWORTHY cont'd) a lender of last resort, that it is now getting into all kinds of loans, I think this House deserves a much clearer definition of what the consequences will be and a much clearer definition of how some of the problems which I have posed will be dealt with. Because if you are not doing that, Mr. Speaker, then we are doing a very dangerous thing in that we are allowing sort of, in the midst of government, this thing called MDC to be roaming around and doing its damage where it will. It has a very serious and long-term kind of harm that can occur to government, Mr. Speaker, and we have seen it before. I mean, I don't want to belabour on it but, as our friends to the right well know, we only have to look at the past experience of the Manitoba Forestry industry and CFI to just see how dangerous that kind of operation can be, how it can so totally kind of distort and damage a government and a province.

Now, Mr. Speaker, I would simply say that while the points I have outlined may not be as of the magnitude of CFI - and I would certainly hope they would not be - they still carry with them the same kind of potential dangers and damage, and therefore require, Mr. Speaker, a much clearer definition of where we're going and a much clearer definition of what this corporation will do. And till we get that, Mr. Speaker, we find at this stage that the proposals being made to restructure and reorganize Manitoba Development Corporation to be totally inadequate.

INTRODUCTION OF GUESTS

MR. SPEAKER: Before we proceed, I should like to direct the attention of the honourable members again to the gallery where we have 15 students of Senior grade from Munich, North Dakota, under the direction of Mr. and Mrs. Hanggi. On behalf of the honourable members, I welcome you here.

The Honourable Member for La Verendrye.

BILL 17 Cont'd

MR. BOB BANMAN (La Verendrye): Thank you, Mr. Speaker. I'd also like to make several comments with regards to the bill before us at this time. From past experience, and I think from the events that are taking place right now, I think there's several observations that could be made and I think that are very relative and should be made at this time.

No. 1, I think that when government becomes involved in business, and I don't care whether it be a PC government, a Liberal government or an NDP government, there are certain things that happen. And No. 1 is that political decisions override business sense. I think that when one of these companies fails, the failure of that particular industry reflects upon the general ability of the government of the day to administrate properly, and I think if you go out and talk to the average person on the street, I think you will find that to be a fact. And if indeed that is a fact, we can see the problems we get ourselves into. You cannot allow a company to fail if you are the government of the day, and expect to be favoured in the eyes of the public. That, Mr. Speaker, is politics.

We have noticed that the Manitoba Development Corporation is constantly dipping into the public purse and is costing the Manitoba taxpayer more and more money every year. I also note that most of the ventures that we have gotten into have lost money again this year. When we talk about problems in business . . . and we discussed Flyer at the last meeting and I realize that under the new management and under the new system now the government again is fairly optimistic as to what that company will be able to do, and that there probably will be a turnaround. But when you look at the real problems of that company, they had an inventory problem - that's why the statement isn't out for 1974; they have production problems; there are tendering and costing problems; they had a labour strike; they had management resigning; they couldn't get a guarantee or a bid bond. Mr. Speaker, I don't think you have to be much of a businessman to realize that this company is in real trouble and it's going to take quite a bit to turn that company around.--(Interjection)--Well, Mr. Speaker, I think that's the problem with the members opposite. When I look through the ranks I wonder how many have ever run their own business, and I think that's the whole problem. Well, Mr. Speaker, I wonder how many of the people opposite have had to sit down and look at a statement at the end of the month and wonder if they have to make a dollar or not.--(Interjection)--Well that's fine. That's fine.

BILL 17

MR. SPEAKER: Order please. Order please! Would all the honourable members sit down till I get a chance to say a word. I think that's the procedure when the Speaker stands up. Now let us get one thing clear. There will be one member at a time on the floor only. The honourable members have been elected to conduct themselves like parliamentarians. I wish they would do that. If they can't, they are free to leave the Chamber until they can compose themselves.

The Honourable Member for La Verendrye.

MR. BANMAN: Thank you, Mr. Speaker. Mr. Speaker, when we're dealing with large sums of money, I think most of the people can't fathom some of the dollars being spent. When we talk about a million dollars, to the average person it's a figure that is very very hard to comprehend. So I would like today, Mr. Speaker, to deal with one specific operation of the Manitoba Development Corporation and that's with regard to the Communities Economic Development Fund.

MR. SPEAKER: The Honourable Minister of Mines have a point of order?

MR. GREEN: Yes, I have a point of order, Mr. Speaker. The Communities Economic Development Fund, its administrative expenses by the Act are paid for by the Manitoba Development Corporation. It is not run by the Manitoba Development Corporation; it has its own board, and I submit that if there ever was a point on relevance, that this point has to be taken at this time. The Communities Economic Development Corporation will appear before the House on estimates; it will also appear before the committee; but it is not run by the Manitoba Development Corporation. The Development Corporation pays its expenses which are in turn reimbursed by the government. It has its own board and it does not operate those activities, and it is not before us in this debate.

MR. SPEAKER: The Honourable Member for La Verendrye.

MR. BANMAN: Well, Mr. Speaker, I take exception to that. In my annual statement of the Manitoba Development Corporation, listed under expenses for that corporation, is \$287,000.

MR. GREEN: . . . takes exception. I indicated what that item is on the balance sheet. The Communities Economic Development Fund Act says that the MDC will pay for its administrative expenses. That is the only reason that it is in the statement. It is not subject to the bill and is not in the MDC Act, and therefore I take exception, as the honourable member does, to his statement that that is a relevant discussion under the MDC. It will be discussed in the House on the estimates of the CEDF; it has its own Act - there is a Communities Economic Development Fund Act, and it is not the subject of discussion in this bill.

MR. BANMAN: Mr. Speaker, I would just like to point out to the Minister that . . .

MR. SPEAKER: The Honourable Member for Riel.

MR. DONALD W. CRAIK (Riel): Would the Minister who is the House Leader indicate where the Capital Supply for the CEDF falls in this list? Schedule A or B?

MR. GREEN: Mr. Speaker, there may be no Capital Supply requested for CEDF, although I don't think that's correct. It probably falls under General Purposes. But I assure the honourable members that Capital Supply has to be voted to the CEDF. The CEDF does not get its Capital Supply from the MDC. There is no Capital Supply going to the CEDF from the MDC; it goes from the government. And the CEDF has its own Act. Under the Act it says that the MDC will provide an administration, so the MDC has provided the administration by paying the administrative expenses, but it has its own Act. Now the honourable member says he's going to deal with the CEDF under this bill, and I plead for some relevance in debate. It is hard to get, but there should be some relevance in debate, and there will be ample opportunity to debate the CEDF both under the estimates of my department, where it is listed, and under the Capital Supply if Capital Supply is indeed being voted to CEDF.

MR. SPEAKER: The Honourable Member for Riel.

MR. CRAIK: Well, Mr. Speaker, the only legitimate point of order at this time is whether or not the Capital Supply for CEDF is contained under the present item or some other item, since the government . . .

MR. SPEAKER: Order please. We're not in committee; we're dealing with the bill in respect to the MDC, and I think the point that the House Leader raises is valid in that regard. The Honourable Member for La Verendrye.

MR. BANMAN: Well, Mr. Speaker, if that is the Chair's ruling then I will proceed further with my speech either under the Minister's estimates or, I understand, when we come

BILL 17

(MR. BANMAN cont'd) down to that particular item in Capital Supply.

MR. SPEAKER: The Honourable Member for Morris.

MR. JORGENSEN: Well, Mr. Speaker, I wonder if it's going to be possible to debate that particular item under Capital Supply, because I note that under the Communities Economic Development Fund there is not an appropriation . . .

MR. GREEN: . . . I said I didn't remember whether Capital Supply was being voted, but certainly it will be under the estimates. I believe if you will look at the Estimates Book you will find Communities Economic Development Fund in my particular appropriation. If I'm wrong about that, then I will apologize.

MR. SPEAKER: Nevertheless, whether it is or isn't, the point before the House, the issue before the House is a bill, and that's the principle we should be debating and not the other issues that have been raised.

MR. GREEN: . . . Mr. Speaker, that I would not . . . that every item of government has to come under some estimate, and I believe it is in my estimates.

MR. SPEAKER: But we are not debating the estimates at the present time. We are debating the principles of Bill 17. The Honourable Member for Morris.

MR. JORGENSEN: May I quote to you from the Act itself, Section 3, when it lists the objects of the Manitoba Development Corporation.

"The objects of the Corporation are to encourage a balanced development of industry in the province, and to that end

(a) to provide financial or other assistance to

(1) existing industrial enterprise or industrial enterprise to be established, and

(2) community development corporations."

And that's the purpose of the Economic Development Fund, and it's listed very clearly under the Act that the Economic Development Fund is a part of that Act.

MR. GREEN: The honourable member is making a valiant attempt by looking at those indications, but the honourable member wishes to discuss the Communities Economic Development Corporation. If he wants to discuss community economic development as envisioned by those objects, I have no objection. He wishes to discuss the Communities Economic Development Fund, under which there is a separate Act and a separate appropriation, and I don't want to preclude that discussion but there has to be some relevance, and I am suggesting that that would come under the estimates of the Communities Economic Development Corporation.

MR. JORGENSEN: Mr. Speaker, I'm prepared to concede that point. If the Member for La Verendrye was attempting to address himself to the Communities Economic Development Fund rather than the economic development as it relates to the Communities Economic Development Fund, then I would concede that the Minister perhaps has a point.

MR. SPEAKER: Are you ready for the question? The Honourable Member for Brandon West.

MR. EDWARD MCGILL (Brandon West): Mr. Speaker, I will be very brief and I will try not to be repetitious, because as this debate winds down, many of the aspects of the operations of the corporation have been dealt with, our criticisms have been presented, and there remains very little more to say. But there are one or two points that I feel that I cannot let the opportunity go by without voicing to this Assembly.

The principle of the bill is to relieve some of the restraints on the lending capability of the Manitoba Development Corporation by taking away the restriction that it needs to be "a lender only of last resort," and that the hope, I presume, of the government and the Minister in charge is that, by doing this, somehow the operations of the MDC will be more successful and will provide more stimulus to the development of industry in our province.

Well, Mr. Speaker, I wonder if really the problems that have arisen are due to the fact that there is such a restriction presently in the Act. I think if we look at some of the major failures, that this really wasn't the problem at all and that there were other things involved. And I think of course, first of all, of our venture into the aerospace industry and I visualize a lending of last resort function as being one where a government would deal with an entrepreneur who had what he thought was a good idea for the development of industry in the province, who had been to various lending institutions and who had been turned down because of inexperience, lack of other support, lack of capital of his own, but he was convinced that his idea was good and that he could make a contribution, he could add to the productivity of the

BILL 17

(MR. MCGILL cont'd) province. So he came eventually to MDC and they then decided: He's been every place else; he looks like a man with a good idea, and he deserves our support. We will give it a go.

Then the other situation is one where an established business is perhaps getting into problems that may be temporary and he has not been able to convince his regular support, financial support, that he deserves additional support. He comes to the government and states his case, and convinces them through the MDC that with some support from them additionally, he can eventually get back on his feet.

Those are areas in which I think the lender of last resort function has a proper place. But in the case of our venture into the aerospace industry, really we didn't do that at all. There was a case of a manufacturer in Quebec who was having financial difficulty, who really didn't want to come to the Prairies - the person involved didn't want to come out here in the first place. He was talking to the Province of Quebec after having discussed it with the people who had backed him up to that point. He got to the point where he had to sell his one airplane in order to get a little money to keep on going, and somehow or other the Province of Manitoba got interested in his plight and thought that this seemed to be an excellent kind of industry for our economy. I don't know how that decision was made. Maybe it was because he had airplanes to build and we had an airplane hangar and an airport, and the two seemed to somehow make sense to whoever had got this idea. So some encouragement in the form of a \$750,000 loan back in October of 1970 was given to the reluctant owner and designer of this aircraft to come to Manitoba. And even at that time, I think he tried to arrange that he would remain in Montreal and that the operation would continue on the Prairies with his supervision under some remote control arrangement.

But here was a case, Mr. Speaker, of our, as a province and as through our MDC function, attempting to lure a manufacturer to come to a place where he really wasn't very interested and, in so doing, offering better terms than he was able to obtain from the jurisdiction in which he then resided, and having gone through one or two financial reorganizations and having been through a situation which required him to sell his one useful asset - that was his demonstrator aircraft, his prototype - he was able to say, "Well, this then is the only opportunity or the best one available to us," so he proceeded to accept the offer from Manitoba and was able to recover his aircraft by buying it back from those who had bought it from him.

So, Mr. Speaker, what we are trying to do, or what the government is proposing to do with this Act, I don't think in any way relates to some of the major failures of the Manitoba Development Corporation up to this point. There's nothing in the Act, Mr. Speaker, that says the Manitoba Development Corporation should be an investor of last resort, and yet somehow this function has been taken on by the Government of Manitoba through the MDC; nothing in the Act that says when everything else fails, when we have extended loans to the point where there is no further security that's visible, we then decide to buy stock.

Mr. Speaker, how this activity became the acceptable way to continue to support industry in our province after it had exhausted all of its other reasonable support for loans that had been offered in the past. . . We then undertook to buy stock. And really, we were buying not anything in the way of equity but really just, well, Mr. Speaker, good Manitoba air at that point, because everything else was related to the loans which had been extended. So I think we got into situations where we became major owners in businesses that had fallen into difficult times, and we were not only involved with loans, but also then with major equity positions, which increased the difficulty of recognizing the point at which the industry should have been allowed to being wound up. And the proposal to amend this Development Corporation Act, I think, does nothing to change that procedure which, if the MDC continues to adopt, will lead, I think, to situations similar to those which we are now experiencing and those which are gobbling up millions of dollars in a situation which, in one or two circumstances, is past the point of no return, where the government feels now it is so committed that it failed to make the decision it should have made in the early stages and now it has no recourse but to continue to some point, hopefully, in the distant future, that will provide some recovery from the investment.

Mr. Speaker, I don't think it really matters what we do with the Manitoba Development Corporation Act by way of amendment. I don't think it will materially change the success or failure of that operation, because I think really the success of the MDC depends not upon the laws that we pass in this Chamber, but upon the judgment of the men that are elected to this

BILL 17

(MR. MCGILL cont'd) Chamber and who happen to be in the position of making the decisions that eventually result in a successful business being created or encouraged, or in an unsuccessful business continuing to demand more and more of the province's support. So whether or not we pass an amendment to the MDC Act is of little consequence, in my view. What I'm concerned about is the judgment of the people who are making the decisions in respect to MDC. I think we can look at those people who were responsible for MDC in the past and question their judgment, because it was undoubtedly the judgment of individuals who made the decisions that brought certain industries to our province and which are now the ones that give us the greatest difficulty.

I feel that the record of the Manitoba Development Corporation has been unsatisfactory. Changes need to be made. It cannot, in my view, perform a dual function of being an owner of business and a lender. The troubles seemed to multiply when it began to develop that dual function. It is the philosophy of this government to be an operator of industry in the province as well as a promoter of industry. I think this is quite evidently being proven to be an impossible role. I feel that support or otherwise of this bill is unimportant, really, because it won't change the fate of the Manitoba Development Corporation, and what we need to do, Mr. Speaker, is to change the function of that Corporation completely, and we will not support this bill.

INTRODUCTION OF GUESTS

MR. SPEAKER: Before we proceed, I should like to direct the attention of the members again to the gallery where we have 25 students, Grade 11 standing, from Lac du Bonnet Senior High School, under the direction of Mr. LaHaie, in the constituency of the Honourable Member for Lac du Bonnet, the Honourable Minister of Agriculture.

We also have 55 students of Grade 9 standing from Arborg Junior High School under the direction of Mr. Aitken and Mr. Stoyanowski. This school is located in the constituency of the Honourable Member for St. George, the Minister in charge of the Automobile Insurance Corporation.

On behalf of the honourable members, I welcome you here.

BILL 17 Cont'd

MR. SPEAKER: Are you ready for the question? The Honourable Minister shall be closing debate. The Honourable Minister of Mines.

MR. GREEN: Mr. Speaker, this has been a most interesting debate. I gather the most interesting feature of it is the suggestion that the MDC should not be permitted to take loans which are not loans of last resort, because, Mr. Speaker, several years ago I asked Mr. Blake . . .

MR. SPEAKER: Order please.

MR. GREEN: Excuse me - the Member for Minnedosa, whether any banks could survive if they could only loan money after everybody else had refused, and he said that nobody could survive under those circumstances. And I gather that what the members of the Opposition are saying is that they insist that the MDC, as a financial institution, as a public financial institution, should not be permitted to survive, because nobody can survive under the circumstances which are now inhibiting the MDC. Now you know that is substantially true, and that is what the Honourable Member from Lakeside confirms. And I would like to indicate, Mr. Speaker, that this government did not set up the MDC to operate in this way, that I do not believe in the philosophy under which the Manitoba Development Corporation was set up.

The Manitoba Development Corporation was set up as an institution by a private enterprise government on the guarantee that it would not survive, because the Conservative administration did not want a public financial institution that would survive. And they have now confirmed it, because there is nothing in this change. The Member for Brandon West is perfectly right. It doesn't prevent the Manitoba Development Corporation from running out . . . And why did he choose the example of Saunders Aircraft? There was a better example. The Honourable the First Minister, the Honourable Dufferin Roblin said, "We went out and approached a hundred firms before we could get anybody to build this forestry complex in The Pas." It could be done with loan capital. You could still run around trying to approach firms, and they approached 100 firms and then they found one. They found one that would enter into a transaction where the government would put up 92 percent of the financing and get

BILL 17

(MR. GREEN cont'd) no equity capital. They would put up 100 percent of the financing and get no equity capital. And the Honourable Member for Brandon West, who I regard as one of the sounder people when speaking on these questions - yes, absolutely much sounder than many of the others - still thinks that equity causes the problem.

Now, Mr. Speaker, equity is not what causes the problem. It's lack of security that causes the problem. And if there is no security, then you may as well have equity as the loan. Because if you do not have security, then you are taking all the risks and getting none of the potential benefits. And that's all we said with regard to changing into equity capital. We said if we're putting up the entire risk of \$92 million, we'll take the equity. And let me say to the Member for Fort Rouge that, with regard to the Churchill Forest Industry Complex, I never, never argued against the concept of setting up a forestry complex in The Pas. And the honourable member says it does no good and it's a disaster to the province. It hasn't made money yet, contrary to what the Leader of the Opposition said. I believe that it may make money eventually. I believe that the concept could have made money.

I believe that mistakes were made in the implementation of the concept, both by the Conservative administration and by the New Democratic Party administration, but the concept of setting up a forestry complex which would utilize that resource to the benefit of people working in the area, done publicly or privately, makes sense. I say it makes more sense done publicly; honourable members would say it makes more sense done privately. But it makes sense. It is not a disaster. And if you are going to do it publicly you have to have a public instrument, and if you're going to do it privately you have to either have a private instrument, who sees the opportunity, invests his money, and develops the industry . . . Right. Or - and this is the weakness of the Member for Brandon West's position and the weakness of the Member for Sturgeon Creek's position - or you have to come with massive social assistance and make somebody of the enterpriser with public money. And that is the concept of the Manitoba Development Corporation. I don't believe in that concept, but that is the concept that has been set up, not by this government, it was set up, Mr. Speaker, by every government in Canada and it was set up for the reason that they wanted two things. And I will prove it to you, because the most recent suggestion by the business community is wild. But I will prove it to you.

The concept was set up for two reasons: One, that it should be a public institution but it should not make money, that it should not succeed, because that would permit success in a public institution and we can't have that. People might want more of it. That was one thing, that it should not succeed. And secondly, that it should be available as a social assistance measure so that we can create some rugged individualists and show the strength of our society through the free enterprise system. That is the concept of the Manitoba Development Corporation. And that is a concept which I do not accept and would like to change.

Now we cannot change it in a day, and this change is not a great material change; it is largely a philosophical change. The Member for Brandon West is right. What we say is that it would still be able to approach various organizations, various groups, to see when there is an appropriate investment to Manitoba. It doesn't require it to be the investor of last resort. But it would also be able, permissible, to take legitimate paper; that it would not have to say to a person who has legitimate security, properly protected, willing to pay a legitimate interest rate, "Sorry. That's too good for us. We can't take you." That is the position now with regard to the MDC. And when the Guidelines were issued and the suggestion that we get out of that bind, the Board readily accepted it but the auditor said that you cannot implement this because the Act now says that you cannot make a legitimate loan.

Now that's all we're asking, and I am astonished, Mr. Speaker, that the Opposition objects to the Manitoba Development Corporation being able to make a legitimate loan. There are not going to be that many. Most will go to the bank. Their major capital is going to be called upon for dealing with the kinds of situations that the Member for Brandon West has described and as will still occur, but they will be able, it will be within their power to take a legitimate loan; and that's what the members of the Opposition say they will not permit this organization to do. Why not? Because, I repeat, the philosophy of the MDC as set up by the Conservative administration was two-fold. (1) That we will be an organization that cannot make money, that cannot succeed, which will be a demonstration that public enterprise cannot succeed, it can only come in under that situation. (2) - Well, the Honourable Leader of the

BILL 17

(MR. GREEN cont'd) Opposition is laughing. He wasn't in the House when the member exactly to the left of him said that that's essentially true - essentially true. But the Member for Lakeside and the Member for River Heights disagree with one another, and frankly, Mr. Speaker, if I was a Conservative, you know, my choice would be clear, that I would vote for the Member for Lakeside because at least I understand what he is talking about, you know. That will not do the Member for Lakeside any good in his leadership campaign, but the fact is, he has my endorsement nevertheless. I just wrote you off there, I guess. (Laughter) I kill you with kindness. (Laughter)

MR. SPEAKER: Order please. The Honourable Member for Lakeside.

MR. HARRY J. ENNS (Lakeside): . . . permit an observation? I am now ready to make an endorsement to you if I thought it would do likewise any good.

MR. SPEAKER: The Honourable Minister of Mines.

MR. GREEN: There has just been an exchange of compliments which will do neither of the two people any good. But the fact is, Mr. Speaker, that the philosophy of the Fund was: (1) That it will not be a successful financial institution; we don't want that. (2) That we will be available to create, I repeat, the social assistance for the creation of rugged individualists to show the validity and strength of the free enterprise system. That's the way the Corporation was set up.

Now, I believe that the Member for Sturgeon Creek doesn't want that kind of help. I really believe he doesn't want that kind of help, and he would eliminate the MDC. And he would say, "Private enterpriser, you're on your own. If you can't make it, don't come to the government." I believe that's what the Member for Sturgeon Creek would say. The Member for Sturgeon Creek is in a very small minority. The government would not govern that way. They cannot govern that way. They have failed every attempt to govern that way.

When the Member for Sturgeon Creek refers to the figures in Saskatchewan, you know - and when I talk about Ontario, "Because why are you going to Ontario?" but when he gets up, he talks about Saskatchewan - when he refers to the figures in Saskatchewan, they amount like the figure of a popcorn vendor compared to the figures that have been experienced by the free enterprise system in trying to operate viably. In 1929, a whole continent failed utterly. Failed utterly. And it failed, Mr. Speaker, because it was based on a bad economic system, and the system which the Member for Sturgeon Creek continues to try to perpetuate. But nevertheless it failed. So I - you know, I am not happy with our failures. I can tell you that I have many many concerns and second misgivings from time to time as to what is happening. But I put them up in comparison as to the figures that have been experienced under the other system - and there is no comparison. And therefore we are trying to do something different, and we are saying that when the public invests it should not be a patsy. It should not take only the bad risks. It should not invest on no security and take no equity; and it should have available to it the right to take a legitimate piece of paper, and not say, "Sorry. That is not acceptable."

So that has been the main interesting feature of this debate, that the Conservative Party has announced that it will not permit the Manitoba Development Corporation its failure - its failure - to take a legitimate piece of paper, because that might make it look better than it should look.

The second feature of debate, Mr. Speaker, is that it has not dealt with the issue. You know, I guess the part of the debate that distressed me the most, because I felt that at least in this area I have demonstrated a willingness to take action, that's the part that was made by the Member for Fort Rouge, and I know that it will satisfy him that maybe he has got to me. He says that this Alphonse-Gaston routine, that we have blurred the lines of responsibility. When I became the Minister responsible for the Fund, Mr. Speaker, it was my primary objective to unblur the lines of responsibility; that in the previous history of the Fund, the suggestion was that the Board of Directors was responsible for all loans, for all activities, and for everything that was done within the Development Corporation. And the Board of Directors, under those terms of reference, under both governments, was also responsible for trying to adjudicate the social and economic judgments that had to be made in terms of making a new investment. And they did.

Under the CFI organization, it's true that what Mr. Grose said is that the government threw this paper down and said, "Go ahead and do it." But I suppose the Board of Directors -

BILL 17

(MR. GREEN cont'd) I'm not sure - could have said, "No, we refuse to endorse that view." But they did endorse it and, in doing so, endorsed the fact that part of it was based on the social and economic development of The Pas. When they were considering Saunders Aircraft, it was left to the Board of Directors to decide. They knew that the government wished, both federal and provincial, to do something with the Industrial Park at Gimli. But if their judgment was relied upon as to whether this decision should be made . . . and that, Mr. Speaker, was a complication and put the Board of Directors in a difficult position, because they felt that they were being responsible for making social judgments when they were not selected to the board on that basis. So we, Mr. Speaker, went to the Board of Directors and said, "We are prepared to issue guidelines. We would like to discuss them with you, but we are prepared to say that we want you for your business sense, for your business judgment. We want you to confine yourselves to business judgment. And when any judgment requires the social and economic input, that will have to be done by the government and it will be made clear that it is done by the government."

So the Saunders Aircraft judgment . . . The honourable member says that people are confused. They should not be confused. We accepted full responsibility for the moneys that are advanced to Saunders Aircraft after the board said we can no longer accept full responsibility for this. Now, under the old system, the government and the board could have got together and said, "Well you go ahead and do it," such as was done with CFI, such as was done with Sprague Forest Products, with Columbia Forest Products; such as was done with Simplot Chemicals.

Now we were the ones who introduced to the Board of Directors the concept that we are no longer asking you to accept responsibility for anything but business judgment. And the Board of Directors, Mr. Speaker, as indicated to the honourable member by the chairman, welcomed finally a clear delineation of responsibilities in this area. And this is thrown back by the Member for Fort Rouge as having created confusion as to lines of authority. I tell the Honourable Member for Fort Rouge that you can only get competent business people to accept the kind of work, first of all, that is involved in that Fund; secondly, abuse, which is involved in their assuming their responsibilities, on the understanding that they are not going to have to accept responsibility for social judgment, that that is a governmental responsibility, and that it has to be clearly indicated. And that is what the board is now doing. And we have, Mr. Speaker, a remarkable team of very able people working on that board, of all political parties, the honourable member will agree. Nobody has ever come into this House and said, "Well, you have done a very bad job of selection for the Board of Directors of the MDC."

The Board of Directors of the MDC includes Mr. Steward Martin of Aikins MacAulay & Company, a lawyer and a businessman; Mr. Andy Schwartz, a businessman whose politics I do not know; Mr. Alan Shnier, a businessman who I have no real knowledge of, whether he has a commitment to politics of any kind; Mr. A. Thiessen, who was a candidate for the Conservative Party; Mr. Jim Hansen, who was a strong advocate of the Member for Sturgeon Creek or the Member for St. James - I cannot remember which, but worked actively in their campaign; a former - he's deceased now - a former bank manager with the Royal Bank of Canada. And these people, these people, you know, they owe me nothing; they owe this government nothing; but they accepted for two reasons; because they believed that there is a social responsibility for people of their capability to act, and they know that they are not going to be interfered with in their judgment.

There has been one resignation from the Board of Directors of the MDC - not one resignation, one resignation in protest. What was the protest? That the Minister would not interfere. The man protested because I would not interfere and direct the board to do certain things with regard to American corporations or the direction of the Board of Directors with regard to a particular plan. That was the resignation. Now if I had done the reverse - is Steward Martin going to be pushed around by the Minister of Mines? Is Abe Thiessen going to be pushed around by the Minister of Mines? Is Jim Hansen going to be pushed around? I mean, talk reasonably. There is now a clear delineation. There was not up until now. The member is shaking his head. I tell him that there is now a clear delineation, that up until now there was no clear delineation, and if I have done anything which I am most proud of with regard to the Board of Directors of the Manitoba Development Corporation, it is having made that distinction, because I believed that that distinction must be made; that when it was a political

BILL 17

(MR. GREEN cont'd) decision, it must be made by the politicians; that when it was a business decision, it must be made by the businessmen. And we say that the MDC is essentially a business organization, and we are going to rely on the business judgment for those decisions, with one exception. The one exception is that if they are adding money to a previous loan, then we want to at least have the authority to say, "We won't want to go any further." Because everybody, everybody, politician or a businessman, will from time to time have a tendency to say that we've gone this far, we should go further. And we haven't even said that they shouldn't. All we said is that we'd like to know and we'd like to approve of it. And you people accuse us of that. You say we've gone this far in Saunders so we should go further, and of course we admit that, and the public will have to make an adjudication as to what we have done.

But as to delineation of authority, there has never been a clearer delineation of authority with regard to the MDC than there is at the present time:

Determining whether or not the Corporation should make financing available, the following factors should be taken into consideration.

The viability of the project on a straight business basis. If the project is not viable on a straight business, the economic and social benefits that will accrue to the province, and the question as to whether these are sufficient to justify the higher risk involved.

The net increase in Manitoba productive multiplier factors, whether or not the province is already being served in a reasonably competitive fashion by existing operations. If so, the Corporation should not be engaged in financing new ventures.

The capacity of the project to create productive employment opportunities. Now there is, Mr. Speaker, one feature, that the project, if not viable on a straight business basis, they are entitled to consider the economic and social benefits to see whether these justify the additional risks. And that is the one feature where they do make that judgment, and they have accepted the willingness to make that judgment.

Now then, Mr. Speaker, the board is told the government expects members of the Board of Directors to lend their best efforts to the successful operation of the Corporation, that success accrues to the political advantages of the government as an advantage which the government would expect to commend itself to the people of Manitoba in the same way as the failures of the Corporation are expected to be attributed to the government.

In exercising its function, the Board of Directors is expected to give consideration to the matters before it and it is not expected to - the honourable member will listen to this; it's in writing - is not expected to in any way consider the political position of the government.

That is the direction to the Board of Directors and I assure you they do not, and they are not expected to.

So that particular feature of the debate, Mr. Speaker, is the one that probably made me feel that somehow there is either less understanding on the part of the honourable member, or less fairness in putting its position, because that is the first time it was done. It was never done before. And I really do not think that that should be criticized.

The honourable member says that, you know, that in labour relations, that of necessity this is going to mean that if the Crown corporation is involved there will be more labour troubles. And he says that I said that I will stop them. I did not say that I will stop them. I said that I will not encourage them, and I will not encourage the people to think that they can come into this Legislature and get a better deal than dealing with the Fund. The honourable member would, I'm sure, say that that is completely reasonable. But he said that of necessity this is going to happen, that you cannot stand back and say hold back the waves. Well, Mr. Speaker, I am not sure that of necessity it would happen. Of course, I've only been involved in industrial relations for 20 years, and I suppose the honourable member has a much better background in that area than I have and therefore he's able to correct me on that, and I welcome his correction. But the fact is that Manitoba Hydro has had . . .

MR. SPEAKER: Order please. Order please. The Member for Radisson should contain himself. The Member for Fort Rouge also.

MR. GREEN: Manitoba Hydro has had reasonably good labour relations, the Manitoba Telephone System has had reasonably good labour relations, in both cases better than the average in private industry. The Civil Service as a whole, the direct employees of the government, have had outstanding labour relations. I believe that some of the new concepts in labour

BILL 17

(MR. GREEN cont'd) relations which I have avoided and tried to avoid, are what is creating problems in labour relations in the Civil Service; that you are structuring labour unions, you are structuring the institution of labour unions. You have done so with laws, that they never needed to exist, that the civil servants have always had the right to withdraw their services, and the reason that they have not withdrawn them is not because it's against the law, but it happens to be a pretty good job and they have met pretty good conditions. And it is not so, that necessarily, because the public is involved, that there will be a deterioration of labour relations. The public wasn't involved in the pullman strike; it wasn't involved in Brandon Packers; it wasn't involved in the most vicious strikes that have occurred in North America, and where the public hasn't been involved there has been comparatively less labour . . . So we point to England where there have been strikes with the coal miners and that this was done against the government. There are examples of each, but it is not axiomatic, as the honourable member has put it. The fact is that it is possible to encourage labour relations difficulties by behaving in a certain way, and if the government hid under the table or bent its knees every time a union employed at one of its plants had a problem, then there would be more labour relations problems. And that's all that I said yesterday. I didn't go any further.

Now, Mr. Speaker, the Member for Sturgeon Creek, I think, has sort of lent a little bit of colour to the debate, and I am going to try to pick him up on it, because he talks about the fact that the government was playing Monopoly, with the public belonging to the money. And I think that his reference to Monopoly, Mr. Speaker, is really quite an interesting reference.

Now, Mr. Speaker, the fact is that the members on the opposite side and the members on this side have different philosophies vis-a-vis government. There is no question about that. You know, the Honourable Member for La Verendrye says that none of the people on this side ever had to look at a balance sheet, and I have suggested to them that there are more on this side who had to look on balance sheets than there are on that side; that there are as many businessmen on this side of the House as there are on that side of the House, legitimate, and I am prepared to name them off and I did it two years ago, and I won't repeat because it becomes objectionable because it starts to deal with personalities. But he has done it and I tell him that there are more businessmen on this side of the House who have had to slug it out and run their own businesses than there are on that side of the House. And if we're going to include, you know, every farmer on that side, there are farmers on this side of the House too. I am not going to go into that kind of an argument, but there is a difference of philosophy and the honourable member says that we are playing Monopoly with the people's money.

Well, Mr. Speaker, the game of Monopoly is a very interesting social analysis of the system under which we live, and I will admit, Mr. Speaker, that I have gone into politics because I believe that there is a better way that society can organize itself than it is doing at present, and I am trying to make the way better; and to the extent that I will succeed, I will believe that I have fulfilled a useful life and to the extent that I will fail, I will regret it. But I will admit that we are trying to change things. And what is the game of Monopoly, say the game of Monopoly that we say are being played with the people's money?

Well, Mr. Speaker, it's a very interesting game. There are four players. They are each given a certain amount of money - or five players or six players. Each one gets a certain amount of money, and then, Mr. Speaker, they roll the dice and proceed to try to get everybody else's money to themselves. And there are interesting things that happen in Monopoly. For instance, if you roll the dice and by chance you land on a particular property, you can buy that property, and if you buy that property you can charge rent to anybody else who gets on the property. Now that seems reasonable enough, Mr. Speaker, but there are different features of it. And I want the members to try to relate this to what they know of our society, because the guy who made this game, he must have been trying to tell us something.

If you have two properties in a certain area, they could be the very same property, and you do not have to do anything to them but you can double the rent. And then, Mr. Speaker, if you put houses on those properties, you can charge more rent; and if you put hotels on the property, you can charge exorbitant rent. But if you are in a different area, Mr. Speaker, for the same houses, no . . . You can charge five times as much rent and what you are to try to do is to get everybody else's money. Now we come, Mr. Speaker, you go along to Mediterranean Avenue and you can buy that property and then you can collect rent from the other players. You come to the railroads. A railroad is a very valuable property. You get

BILL 17

(MR. GREEN cont'd) more rent from a railroad than you get from the houses. It's rather interesting. Mr. Speaker, if you own two railroads, if you own two railroads . . .

MR. JORGENSEN: You get a bigger subsidy.

MR. SPEAKER: Order please.

MR. GREEN: If you own two railroads, for the same ride you can charge twice the money. If you own all four railroads, for the same ride there is no change. If a person happens to land on that railroad he pays a lot more money than what he is . . .

Now, Mr. Speaker, the game continues and, you know, there are different things. Sometimes you do not land on the board. Sometimes, for instance, you land on a thing that says Chance, and you take a Chance and you go to jail. You take a Chance and you go to jail. But that's nothing serious, Mr. Speaker, you know. It's a reflection; you know, it's like the Harbour Gate. You take a chance; it doesn't work out; you go to jail; and eventually, Mr. Speaker, you have another card and it says Get out of Jail Free. This card may be sold, --(Interjection)--It could be lawyers, Mr. Speaker, lawyers or other people in positions of influence. But nevertheless that's one of the things that happens, or, Mr. Speaker, you pick up a Community Chest and you pay a school tax of \$150. I guess that there would be a lot of people who would be quite happy to pay that kind of a school tax.

Well, Mr. Speaker, let's continue. Here is one card that you pick up and you have a doctor's fee of \$50.00. Now, Mr. Speaker, you know, that's one of the things that we have changed from this game - that we have changed. There is no longer a doctor's fee of \$50.00 for the individual. You pay, Mr. Speaker--(Interjection)--You say that there will . . . The honourable member says that any doctor who wants to bill his own clients will be able to do so. That has always been in the Act, that has always been in the Act, but the doctors have found it to their advantage, not because they are humanitarians and not because they are being friendly, they have found it to their advantage to have the government act as their collection agency. It is much better; they have much less books; and they get their fees paid without any trouble from their clients.

Another one, Pay a Hospital \$100.00. Well, Mr. Speaker, those are a couple of things that we have changed with regard to this game of Monopoly, which is not really so much of a game, because many of the things which it says is the way our society operates. And the thing that it said, the thing that it said which is of most significant importance, Mr. Speaker, is that there is a little emblem that you have that can march around this board, it can march around this board which includes, I suppose, 48 squares or 40 squares, and if it gets all around the board and manages to not have to pay too much rent, and not pay too much to the electric company . . . By the way, there are two utilities, privately-owned. You can charge anybody who uses water or gas. That fortunately we do not have - well, we still have a gas utility; we do not have a water utility. But those two, Mr. Speaker, the rates, they're not regular. How does the rates work it out? Ten times the amount of the dice. It's completely accidental. And if you owned the two utilities, it is twice that, Mr. Speaker, and, you know, that's not far wrong. If you go in the States and find out where one person owns all the utilities, you will find out that it is not far wrong. You can charge more if you own all the utilities. That's economic sense.

But there is this little guy who, if he's able to get through and pay the rent and pay his electric bills and pay his parking fines and stay out of jail, if he passes Go, he gets \$200.00. Mr. Speaker, if he passes Go, he gets \$200.00. That's his wages. That's his wages. Mr. Speaker, that's what he gets for his . . . that is the symbol of the wage earner. If you have to live on those wages you starve, because you cannot go past the first property on the wages if there's a hotel on it. You cannot take a ride on the railroad - and you are required, if you happen to land on the railroad - on those wages. You must--(Interjection)--Because they are not enough. They are not enough. The rent is too high. The water works is too high. The railroad is too high. The fines are too high. The taxes are too high. You cannot live on wages - and there are people who are taking those things from you as you are trying to merely get around the board.

Well, Mr. Speaker, what happens is that when you run out of this money and your wages do not pay you and you may have a property - you can mortgage that property and get money from the person who gave you the advance on the mortgage, and then if you can't pay him he keeps that property - eventually you run out of money, and one of the players drops out of the game.

BILL 17

(MR. GREEN cont'd) Then another player drops out of the game. And finally some person winds up with all the money.--(Interjection)--Well the honourable member says the government. That is not what is happening. The game of Monopoly, Mr. Speaker, describes the society, not being played with by us using the people's money, but by those private people using the people's money. The game of Monopoly is being played every day of the year, but it's being--(Interjection)--Well, Mr. Speaker, but the interesting thing is the failure of the game. And, you know, has anybody ever finished a game of Monopoly? What really happens is that somebody runs out of money, and what then does the person with all the money do? He's really in worse shape than anybody else. He's got nobody else to take money from. So what do they do, Mr. Speaker? They redistribute the money. They throw back all the properties and they start again, and that is the only way that they can survive. That is the only way that anybody can survive, so in the last analysis--(Interjection)--What a wonderful game, Mr. Speaker. It's a great game and the honourable members . . .

MR. SPEAKER: Order please.

MR. GREEN: What we are saying, Mr. Speaker, to the Member for Sturgeon Creek, and I don't know how much of an accomplishment is made.--(Interjection)--Well the honourable member says that a different guy could win the next game. That's true. That's absolutely true. But, you know, Mr. Speaker, if the Honourable Member for Morris - and, you know, I think maybe he would accept it - does accept that this is the system that should operate, that Monopoly does properly describe what everybody is going through in our society, and that's the way he wants it, you know, I accept that; that one day it will be this guy who makes the million, and the other day it will be the other guy who makes the million, and it's the trick of the dice as to which one it will be. Because it's not really as the Member for Sturgeon Creek would like to think. He would like to think, Mr. Speaker, that it is really based on the courage, the initiative, the daring and the capability of the player. But it is much more based on the roll of the dice. It is much more based on which place you happen to land and which place you happen to fall, and on what you are required to pay. And I really believe that the fellow who invented this game did so as a sociological analysis of the way our society works.

Now the Honourable Member for Sturgeon Creek, he wants us to continue to be involved in this private game of Monopoly that is going on every day of the year for every citizen in our society, and that there should be no way of attempting to change it. Now I went into politics, Mr. Speaker, and many members on this side went into politics, because we felt that there is something better that can be done in society.--(Interjection)--Well the honourable member, I know, says that he hasn't seen it. I believe that we have made some good changes. I will concede to the honourable member, I will concede that I thought eight or nine years ago that I, as a person, the party to which I belong, would have been able to accomplish much more than we have accomplished. I concede that we have not accomplished as much as we want and that probably because I have had far too much faith in what I as an individual could do, and I as an individual associated with a group of people could do; that I was, you know, I was like the Member for Arthur yesterday, who said that I could move the waters from one place to another; that I felt that I could accomplish great things. Now I find that I can only accomplish little things, but I still believe that we have accomplished something and I do believe that the effort is worth making. And that's why, Mr. Speaker, when the member alludes to me playing Monopoly with the people's money, I did not need that. I and the Member for Sturgeon Creek do not need politics to survive. I could make a good living and look after, I believe - and maybe this sounds chauvinistic - but having a decent family life, without politics. But there is a compulsion on the Honourable Member for Sturgeon Creek, there is a compulsion on me, that we have a public service to render and we are going to use our life in public service to try to make things better, the honourable member in his way and myself in my way, and the public will choose what way they want to move at a particular time. And for periods of time it will be his way and for a period of time it will be our way, because that has been the history of the world and that will be the future of the world.

So that's why, Mr. Speaker, I say that with regard to the Manitoba Development Corporation that this bill is mainly an indication that we wish to have a change in philosophy of the Manitoba Development Corporation. We no longer say that the public money should only be used as a patsy to bail out difficult positions. The honourable member says it has done no good. Does the Member for Fort Rouge really believe that it has done no good or has done a

BILL 17

(MR. GREEN cont'd) negative good? You know, Simplot Chemicals, despite the fact that I think we should own it because we put up all the money, has done good. Mr. Speaker, the fact that it's been paid back, to me is not important. I would consider that we would get more back . . .

MR. SPEAKER: Order please.

MR. GREEN: Mr. Speaker, the honourable member . . . It's not all back but it will come all back; but if you judged Simplot three years after it started the way you are judging Flyer three years after it started, you would be saying it's a dismal failure.

MR. SPEAKER: Order please. Order please. Would the Honourable Member for Lakeside kindly keep quiet.

MR. GREEN: If you judged Simplot . . .

MR. SPEAKER: Order please. Would the honourable member sit down please. Let me get one thing straight once and for all. We will not have a crossfire. There's only one member allowed to speak at one time, and those who can't contain themselves, there are five doors on this place. Now let's get it straight. When I ask for order I expect to have order, and if I can't have it I won't stay in this Chair. Now let's get that straight too. I am sick and tired of having to call for order and nobody pays any attention. If you people want a chairman - and you elected one - then abide by the rules that you made. If you don't want them, run the place yourself. It's time we had some order in this place. The Honourable Minister of Mines.

MR. GREEN: Mr. Speaker, if Simplot Chemicals were judged three years after it started the way Flyer Coach Industries is now being judged, you would be saying the sametypes of things about Simplot that you're now saying about the Flyer. I believe that the concept of a Forestry Complex in The Pas is a good one, and I believe that it could be initiated through a public agency. I believe the philosophy that was followed by the previous administration is wrong. I believe that we were right to prevent Versatile Manufacturing from going under, that that has done good for society. I believe that we were right to prevent Killberry Industries from going under. I believe that there are a large majority of loans not in dollar figures but in number figures, which have been highly successful in terms of maintaining employment, providing entrepreneur opportunities, providing employment opportunities and we're bringing in new industries in the Province of Manitoba through the Manitoba Development Corporation. But I believe that there is an insistence on the part of some people that it not be recognized as having done these things. And we are merely saying that it has a right . . . we have a right to express a different philosophy. And that is what is being expressed.

Now taking to the nth degree the twisted thinking of people in the business community, relative to the Manitoba Development Corporation, was the position taken on this corporation by the old faithful - God I love them because they make my job so much easier - the Chamber of Commerce? If it wasn't for the Chamber of Commerce I couldn't get elected to anything, because when the Chamber of Commerce makes idiotic and stupid statements and they are known to be the great supporters of the Liberal and Conservative parties, then the people say we've got to go somewhere else. What did the Chamber of Commerce say with regard to the MDC? They said do not let them be anything but a lender of last resort, that's what they were set up for. But since they have had difficulty doing that, we now conceive of a different view from the MDC. The Member for La Verendrye is a businessman. Listen to this one from the Chamber of Commerce; I'm sure you will find this tremendous business expertise. That it should not be permitted to take any paper, that what it should do is only loan out that amount which the bank will not lend out because it's more than the security that the bank . . . because it does not have enough security so that the bank will take it. In other words, a person comes to a bank loan, he says, "I need \$100,000." The bank says your security is only good for 50. The Chamber of Commerce says that the MDC should not consider, that they should guarantee to the bank the excess beyond that which the bank will loan because of the security. So that the banks should lend out 100, the MDC should guarantee repayment to the bank, the bank should receive the interest if it is paid, and the MDC should lose the money if it is lost. Not only, Mr. Speaker, not only will they not let you be a lender of last resort so that if this last resort loan happens to make it you get your interest back, at least, they are saying that the bank is entitled to that interest, not the government, even though they have guaranteed the loan. That is the business judgment.

Now I ask the Member from Sturgeon Creek, should we listen to that type of nonsense

BILL 17

(MR. GREEN cont'd) coming from the leaders of our business community as to what should be done in terms of public funds? --(Interjection)-- Pardon me? --(Interjection)-- You say that that is the position of the waffle group. Well, Mr. Speaker, you know it's often been said that we should be listening to the businessmen, that we should be listening to the mining companies, that we should be listening to those people who have shown that they can make it. And that those are the people that we should listen to. I'm going to read to the honourable members a statement that was made by an eminent economist about the advice that is given by the business community. He said as follows: --(Interjection)-- I'll let you figure that out.

"It is by (referring to the business community) it is by this superior knowledge of their own interest that they have frequently imposed upon his generosity and persuaded him to give up both his own interest and that of the public from a very simple but honest conviction that their interest and not his was the interest of the public." That means not the citizens' interest but the business interest was the interest of the public. "The interest of the dealers however in any particular branch of trade or manufacturers is always in some respects different from and even opposite to that of the public. To widen the market and to narrow the competition is always the interest of the dealers. To widen the market may frequently be agreeable enough to the interests of the public, but to narrow the competition must always be against it and can serve only to enable the dealers by raising their profits above what they would naturally be to levy for their own benefit an absurd tax upon the rest of their fellow citizens. The proposal of any new law or regulation of commerce which comes from this order (that is business) The proposal of any new law . . ."

I wish the honourable member would listen to what the Speaker said so that I could be heard, because I'm going to say something very important.

"The proposal of any new law or regulation of commerce which comes from this order ought always to be listened to with great precaution and ought never to be adopted till after having been long and carefully examined not only with the most scrupulous but with the most suspicious attention. It comes from an order of men whose interest is never exactly the same with that of the public, who have generally an interest to deceive and even to oppress the public, and who accordingly have upon many occasions both deceived and oppressed it."

Now . . . --(Interjection)-- Mr. Speaker, I . . .

MR. SPEAKER: Order please.

MR. GREEN: I have read this passage into the House before and the Honourable Member for Lakeside, who indicates to me, and I agree with him, has a good memory too, has heard it repeated and recognized it. When I first read it to the House I asked who said it, and I was certain that the majority of the people thought that must have been said by Karl Marx. That was said by Adam Smith who is the economist and the political philosopher, who all free enterprise go back to when they are trying to justify the interests of their system. Now I believe that Adam Smith made a lot of good sense but Adam Smith said - and whatever I believe about free competition, and if one reads Adam Smith he will tell you that when an industry becomes administered and not subject to the free market, that industry should be public. When it can administer the price it no longer follows his rules. But Adam Smith's main admonition is, never listen to the businessmen, their interest is to deceive and oppress the public, and I'm going to believe what Adam Smith said.

QUESTION put, MOTION declared carried.

MR. JORGENSEN: Yeas and Nays, Mr. Speaker.

A STANDING VOTE was taken, the result being as follows:

YEAS

Messrs. Adam	Green	Pawley
Barrow	Hanuschak	Petursson
Bostrom	Jenkins	Schreyer
Cherniack	Johannson	Shafransky
Desjardins	Malinowski	Toupin
Doern	Miller	Turnbull
Evans	Osland	Uruski
Gottfried	Paulley	Uskiw
		Walding

Messrs. Axworthy	Enns	McKellar
Banman	Graham	McKenzie
Bilton	Johnston, G.	Minaker
Blake	Johnston, F.	Patrick
Brown	Jorgenson	Sherman
Craik	McGill	Spivak

CLERK: Yeas 25; Nays 18.

MR. SPEAKER: In my opinion the Ayes have it, I declare the Motion carried. The Honourable House Leader.

MR. GREEN: Mr. Speaker, there are two other bills on the Order Paper. Excuse me, one other that has not been called, and that is the Public Servants Insurance Act which is being held by the Member for Fort Garry. If he's not ready to proceed then I would indicate that I would be inclined to adjourn the House and when we come back this . . . or perhaps move into Committee right now would be more wise, and I did tell the honourable members I would be discussing Capital but that's not possible so we would go to Current Supply and the Minister of Health - that's just the problem, I'm sorry I thought we would be able to get to Capital but . . . I thought we would get there this morning. I suggest we call it 12:30 or excuse me . . .

I move, seconded by the Honourable Minister of Industry and Commerce, that the House resolve itself into a Committee of Supply to consider the supply to be granted to Her Majesty

MOTION presented.

MR. SPEAKER: Order. Order please. The Honourable Member for Morris on a grievance?

MR. JORGENSEN: . . . Mr. Speaker, that it is the intention of the House Leader to have both committees sit.

MR. GREEN: Yes.

MR. JORGENSEN: So we will be in Tourism as well as . . . and I might point out that before, maybe we could have that vote right after . . .

MR. GREEN: . . . vote, we either come back at 2:30, or we could have the vote right now, to go to Committee of Supply.

MR. SPEAKER: Is the motion agreed to go into Committee of Supply? Agreed. So ordered. The Honourable Member for Logan.

COMMITTEE OF SUPPLY

MR. CHAIRMAN: Order please.

MR. AXWORTHY: On a point of order. I gather the vote's been taken but because of the split meetings of two committees, some members - at least I can speak for myself - are not really aware of what the vote is on, and we've certainly not been party to the debate but we would like to have some explanation on this.

MR. CHAIRMAN: The Honourable. . .

MR. GREEN: No, we can't have a debate. Perhaps we can do it this way that the vote was only not taken in the Committee of Tourism because it was after 10 o'clock. No, it's still not right. No, on any vote, Mr. Speaker, it is . . . On any vote the understanding is that the bells would be rung and all the members would vote, and the honourable member will just have to deal with that question. We can't have a redebate of the question. The Motion can be put.

MR. JORGENSEN: The honourable member was trying to find out just what the vote was on. It was on the Film Classification and the vote is simply whether or not you approve the appropriation or vote against it.

MR. CHAIRMAN: The question before the House is the Manitoba Film Classification Board, Salaries, Wages and Fringe Benefits - \$9,700. Passed. Yeas and Nays? Call in the members.

A COUNTED VOTE was taken, the result being as follows.

MR. CLERK: Yeas 26; Nays 16.

MR. CHAIRMAN: I declare the Motion carried. The will of the House . . .

MR. GREEN: Mr. Chairman, 12:30.

MR. CHAIRMAN: The hour being 12:30 I'm leaving the Chair to return at 2:30 this afternoon.