



Legislative Assembly Of Manitoba

DEBATES and PROCEEDINGS

Speaker

The Honourable A. W. Harrison



THE LEGISLATIVE ASSEMBLY OF MANITOBA

8:00 o'clock, Tuesday, March 12th, 1962.

MR. SPEAKER: Resolutions. The Honourable Member for Seven Oaks.

MR. A. E. WRIGHT (Seven Oaks): Mr. Speaker, I beg to move, seconded by the Honourable Member from Fisher, that, Whereas a Gallup poll was conducted a few years ago in the United States, Canada, Norway and the Netherlands revealed that nearly 80% of those polled favoured international language to be taught in the elementary schools; And Whereas at the time of the Treaty of Versailles one language was used, later the League of Nations recognized two. Today the United Nations uses five languages; And Whereas in this space age the ideal of world government is generally regarded as inevitable; And Whereas contrary to popular belief the language problem is not solving itself at a time in history when better understanding is so necessary; And Whereas Esperanto is being taught in 400 schools of 37 countries and 31 universities have lecturship chairs; Therefore be it resolved that this government consider the advisability of asking the University of Manitoba to create a lecturship chair for the teaching of Esperanto.

Mr. Speaker put the question.

MR. WRIGHT: Mr. Speaker, this resolution was not prompted by any knowledge on the subject, but by the realization that communication is so necessary to understanding, and understanding is a commodity we must cultivate or perish as a result of our prejudices and fears. I believe the need for better understanding is reflected in the great upsurge of interest in language studies throughout the world. In North America conversational French, Spanish, German, and even Russian are popular in adult education courses. Canada is a multi-cultural nation. In addition to the two major races a sizeable segment of our population is made up of people who came from many lands. They brought with them a priceless treasure of cultural heritage. This cultural variety which adds to the richness of the Canadian society should be preserved, and the most important key to its preservation are the languages. The concept of Canada as a multi-cultural nation is gaining acceptance among leading citizens and educators. Dr. Wilder Penfield has often stated that the child has a genius for languages and therefore the study of languages should begin at a very early age. Dr. P. H. D. Thorlakson, President of the Manitoba Council on Education, in his fine article on learning a second language has this to say, and I quote: "A step in the right direction was made recently in Manitoba when the provincial government decided to offer courses in the Ukrainian language in the high schools of this province. It is to be hoped that this opportunity and privilege will be extended to include other languages." Margaret Zeiman, Editor of "The Canadian Scene", writing in the United Church Observer, states in her article, "The News in Seven Languages" -- that there are 93 ethnic publications in Canada, printed in 29 languages and read by 1 1/2 million people. Mrs. Zeiman points out the importance of reaching the more than two million new Canadians who have come to Canada since World War II.

I believe, Mr. Speaker, that the learning of a second language can enhance a person's life, but I also believe that unless we do far more for world understanding than we have, there is a great probability there will be no lives to enhance. Esperanto or the universal language is not a new idea, or a new ideal. Last summer the 46th Universal Esperanto Congress was held in Harrogate, England. It was attended by 1,300 delegates from 35 countries. According to the National Esperanto Association there are four million living speakers of this neutral language. The largest Esperanto libraries are in London and Vienna and included in these are the works of authors from more than 50 lands. Dr. Ivo Lapenna, President of the International Esperanto Association and Professor of Law at the University of Zagreb, Yugoslavia, says that, and I quote, Mr. Speaker: "The movement is not based on vague theory but on the practical demonstration of an international language that is already beginning to permeate most countries of the world. The greatest strength of Esperanto lies in the influence it wields in an intimate personal way among thousands of individuals all over the world. It seems to break down all sorts of barriers, national, social, economic and intellectual. Esperanto cuts across other barriers. At the Harrogate Congress brown-robed Catholic priests from France reminded me that Protestants, Buddhists, Quakers and other religious groups find Esperanto a helpful means of communication. And there is even an International Esperanto group of chess players. It may

(Mr. Wright, cont'd.) well be that Africans will adopt this tool of international communication more quickly than North Americans. Nigeria's Education Minister says that Esperanto is a neutral language, and because of that, desirable. It must be taught in all universities so that the culture of the whole world will have easy access to it. And the Minister of Education of Samaria expressed feelings and added, and I quote: "We who belong to the smaller nations are obliged to learn the language of the larger nations if we wish to take part in the life and progress of the world and to have political, scientific, commercial and intellectual relationships. This is humiliating for the smaller nations. Only a neutral language like Esperanto can eliminate this cultural dependence."

Now, Mr. Speaker, those of us who speak English may not agree with the Minister or these Ministers of Education, but in our more realistic moments we must admit that there will be many trips to the moon before Americans could be expected to accept Russian or Chinese as a second language, and just as many more trips to the moon before the Russians would English. Esperanto is now being taught in 400 schools of 37 countries to 14,000 pupils and 31 universities have lectureship chairs. Twenty-five countries have radio broadcasts, including the Voice of America, have received 1,700 letters from 89 countries. Even though Esperanto went underground in the days of Hitler and was suppressed in Russia in 1926, it is now very strong throughout Europe. Experiments among children in England and Finland have attracted considerable interest among educational authorities. For three years children have had a second language added to their regular school program, plus Esperanto to assist them in their language studies. Reports indicate their school work has not suffered. In a Gallup poll conducted a few years ago in the United States, Canada, Norway and the Netherlands revealed that nearly 80% of those polled favoured an international language to be taught in the elementary schools. But idle talk and Gallup polls are not enough thinks Mario Pei, . . . , one of the world's leading linguistic authorities. Regardless of which language is chosen from the 3,396 that now exist, he feels the important thing is that one be chosen, and in a hurry. He believes that no universal language has the slightest chance of success unless it is approved by the governments of the world and its teaching encouraged.

Mr. Speaker, I would like to read portions from a letter I received from the President of the Canadian Esperanto Association, Mr. John Mayer who is with the Department of Philosophy, McMaster University, Hamilton. Mr. Mayer says, and I'll just read parts, Mr. Speaker, for the sake of brevity: "As an educator as well as the President of the Canadian Esperanto Association, I wish to assure you of our wholehearted support. One of the further educational advantages of Esperanto is that it serves as a propaedeutic in the learning of other languages. Several experiments in England, Holland and Norway have shown that if Esperanto is introduced as a first foreign language, the learning of French and German is greatly facilitated. For example, in England two classes were introduced to language study. One, the academically superior group was given three years of German; the other one year of Esperanto and two years of German. At the end of the three years both classes were given identical German examinations on which the academically poorer class out-performed the other by an average of two percent. The reason for this is that the grammar of Esperanto is minimum and necessary. Once it is mastered, the formal structure of any language whatever has been taught. Thus the details of any further language can be conveniently hung on to the skeletal grammar already known.

I would also draw to your attention the recent rapid growth of Esperanto in the schools. For example in Poland it is a compulsory subject in 50 schools as of this fall. When the number of competent instructors available will be greater, the number of schools where it is taught will also increase. In Norway Esperanto is available as an optional subject. Here in Canada McMaster University has introduced Esperanto courses into its Extension Department for two years now. The registration in the course has been less than desired, but a slow start is better than no start. And here at home, Mr. Speaker, we have a class in Esperanto. I was under the impression it was started by the "Voice of Women", I believe that they had something to do with it but it might not be entirely correct. But there are 30 people enrolled in this class. I heard about this through a phone call. The caller was delighted to hear of this resolution and expressed a desire on the part of the class to visit this Chamber and to hear the introduction of this resolution. Some of them, Mr. Speaker, are here this evening, and I wish to express

(Mr. Wright, cont'd.) my appreciation to them for their interest.

Mr. Speaker, I want to close by saying that there has never been a time when peace has been so desperately sought after, and perhaps the "Voice of Women" as an international movement together with a universal language will be the needed weight to tip the scale of destiny in favour of survival, and the eventual realization of the brotherhood of man.

MR. SPEAKER: Are you ready for the question?

MR. E. R. SCHREYER (Brokenhead): Mr. Speaker, I beg to move, seconded by the Member for Kildonan, that the debate be adjourned.

Mr. Speaker presented the motion and after a voice vote declared the motion carried.

MR. R. O. LISSAMAN (Brandon) presented Bill No. 8, An Act to amend An Act to incorporate Brandon Golf and Country Club for second reading.

Mr. Speaker presented the motion and after a voice vote declared the motion carried.

MR. SMELLIE presented Bill No. 25, An Act respecting the Canada Permanent Trust and the Toronto General Trusts Corporation for second reading.

Mr. Speaker put the question.

MR. SMELLIE: Mr. Speaker, this bill is interesting in several respects. First of all the Toronto General Trusts Corporation was incorporated in 1882 by a private act of the Ontario Legislature. The Canada Permanent Trust Company was incorporated in 1913 by a private act of the Parliament of Canada. This amalgamation is somewhat unusual because it purports to join a child of the Ontario Legislature and a child of the Dominion of Canada -- companies incorporated under two different jurisdictions. Under an amalgamation such as this, neither company is dissolved, but both will lose their identities in the new company. Because of their incorporation under separate jurisdictions the Parliament of Canada, by Chapter 77 of the Statutes of Canada, 1961, allowed the Canada Permanent Trust Company to enter into an agreement of amalgamation with the Ontario corporation. The shareholders of both companies were required to give sanction to this agreement and it was later approved by the Lieutenant-Governor-in-Council of the Province of Ontario and the Governor-in-Council of Canada. The amalgamated company came into being on the 1st of December, 1961, and was registered in the Province of Manitoba on the 8th of December, 1961. This bill is intended to cover the mechanics of the thing because, of course, the Canadian legislation cannot cover property of civil rights in the Province of Manitoba, and one of the things that this bill does is to transfer to the amalgamated company all the rights and privileges and all of the duties and obligations as well of the amalgamating companies.

I would like to draw to the attention of the House, Sir, that this bill purports also to transfer to the amalgamated company all of the assets of the amalgamating companies, and I would draw to the House also, Sir, the provisions of subsection 2 of section 4 of this bill. By this section there would be no fees payable in any registry office or land title office for this transfer of assets. The two companies together hold approximately 1,200 titles to land. These titles cover trust assets, they are not really the property of the companies themselves, but they are the property, they are trustee investments made by those companies for the estates for which they are responsible. In addition to this they have approximately 540 mortgages. They also have two properties in the City of Winnipeg, which are the beneficially owned properties of one of the amalgamating companies; the remainder are all held for estates of the companies.

I have some reservations, Sir, concerning this section as I have mentioned to the House. I would request permission of the House for this bill to go to committee and it is my sincere hope, Sir, that before this bill appears before committee that some arrangement will be made, or some offer of arrangement will be made by the amalgamating companies for some arrangement other than that suggested in subsection 2 of section 4 of this bill, and with that reservation, Sir, I would request that this bill be sent to committee.

MR. HRYHORCZUK: Mr. Speaker, the honourable member just drew our attention to subsection 2 of section 4 and I had intended to raise an objection to this particular subsection. I don't intend to oppose the second reading of the bill, but I'll certainly expect something to be done about that matter in Law Amendments.

MR. SMELLIE: that this bill will probably go to Private Bills Committee in the ordinary course of things, but the arrangements can still be made.

MR. SPEAKER: Are you ready for the question.

MR. LYON: to the point raised by the Honourable Member for Ethelbert Plains, and say that certainly I have reservations about that section as well and hope by the time the bill gets to committee that some compromise arrangement can be worked out.

I should mention that it has been brought attention before and a similar bill is in process of going through the various legislatures in western Canada. Certain precedents are perhaps being set in those provinces, but I think we will have to look at the whole situation in Manitoba in the light of our own precedent here.

MR. GRAY: ask a very innocent question? Why all the incorporations; haven't they got the power now to carry on? Why come to the Legislature day in and day out with every incorporation. If they conduct a kosher business why do they have to have the approval of this House?

MR. SPEAKER: Are you ready for the question.

MR. CAMPBELL: an innocent question also to ask. I have been approached on behalf of several people who are in the position of having leased mineral rights to companies, one or both of the companies that are participating in this amalgamation, or to individuals whose business or estate are being handled by one or the other of these companies. The question that has been put to me in that regard is, will the passage of this bill and the amalgamation of the companies in any way prejudice any rights that any of the former owners who have leased those rights have given.

I have replied that I am perfectly sure that that would not be the case. I feel perfectly sure that the bill will make provision for not only any debts or responsibilities being taken care of, but for anything that might happen in the future. But in looking over the bill however, I notice that in section 3; subsection 3, the wording is "no suit, action, appeal, application or other proceeding being carried on" etcetera. And over in section 5, I notice that nothing in this Act affects the rights of any creditor of, or of any person having a claim against, and so on. It seems to me that as I read the bill that it's kept always in the present tense. I would want to be sure that even though no action is pending now, that if anything should in connection with these be brought up in the future that it also is covered, and I would like the assurance of the sponsor of the bill that that is already the fact, or that that will be made abundantly clear in the committee stage.

MR. SPEAKER: You're closing the debate.

MR. SMELLIE: My apologies, Mr. Speaker, for having risen before. In answer to the question of the Honourable Member for Inkster, the Parliament of Canada has no power to legislate concerning property in civil rights which is within the sole jurisdiction of a provincial legislature, and although the Parliament of Canada can pass legislation to say that these two corporations may be amalgamated the Parliament of Canada cannot say that the assets of one of the amalgamating companies, or either of them, shall be vested in the amalgamated company when this amalgamation is complete because this comes within the jurisdiction of each of the separate provinces; therefore a bill such as this is being introduced in each of the provinces where either of the amalgamating companies carry on business. With regard to the question raised by the Honourable Member for Lakeside -- it is the intention of this bill that all claims either past or present against either of the amalgamating companies shall become the responsibility of the amalgamated company, that it will assume anything that on the date of the amalgamation could have been charged to either of the amalgamating companies. I was satisfied, Sir, that this was abundantly clear in the bill before the House and I would give my honourable friend assurance that I will check again and give him the assurance he requests in committee.

MR. CAMPBELL: ask a question though. Did the honourable member not notice that I was speaking of future claims as well? That is the -- (Interjection) -- that's right, in case anyone -- as an example, in case anyone wanted to contest the position with regard to the lease that had been signed on the mineral rights.

MR. SMELLIE: Mr. Speaker, if I may answer that question. There cannot be any future claim against either of these companies because all of the obligations of either of the amalgamating companies become the obligations of the amalgamated company on the 1st of December, 1961. This is rather like the waters of the Red River and the Winnipeg River flowing into Lake Winnipeg and you still have the same water but you don't call it the Red River or the Winnipeg River any more, it's Lake Winnipeg. And in this case the obligations of either of the amalgamating

(Mr. Smellie, cont'd.) companies will be taken over by the Canada Permanent Toronto General Trust Company and it will be fully responsible for anything that either of the amalgamating companies would have been responsible for before this amalgamation. I trust it is now abundantly clear.

Mr. Speaker presented the motion and after a voice vote declared the motion carried.

MR. W. B. SCARTH, Q. C. (River Heights) presented Bill No. 9, An Act respecting Capital Funds (I. A. C.) Limited, for second reading.

Mr. Speaker put the question.

MR. SCARTH: Mr. Speaker, I don't contemplate quite as much difficulty as the last honourable member who presented a bill. -- (Interjection) -- We'll hope. In this connection Capital Fund (I. A. C.) Limited was incorporated under the laws of Quebec. Section 321 of our Companies Act, that is the Manitoba Companies Act, reads as follows: "No trust company or loan company incorporated other than by or under authority of an Act of the Legislature or the Parliament of Canada shall carry on business in the Province of Manitoba unless authorized to do so by a special Act of the Legislature." Under these circumstances, Mr. Speaker, in order for this company to do business in the Province of Manitoba they must appeal to this body and there is no other source by which they can be authorized to carry on business.

MR. PAULLEY: Mr. Speaker, I want to raise one or two questions in connection with the bill. First of all I would direct a question to the honourable sponsor of this bill as to what I. A. C. means in connection with the bill itself. Secondly, Mr. Speaker, I wonder whether or not that we haven't reached the position here in the Province of Manitoba, notwithstanding whether or not loan companies are authorized to operate in other jurisdictions, a saturation point in respect of loan companies.

It seems to me, Sir, that as one looks about us; as one reads our papers; listens to our radio programs and watches our TV shows that there is an ever-increasing appeal to the people of our province to take loans at the present time with uncontrolled interest rates, which to me, Sir, indicates that in possible years ahead that many of our peoples are going to be in great difficulties. Almost each night without exception, particularly of recent weeks, we have seen that many of our peoples, particularly those in the low income group, are before our courts because of the fact that they have gone over their heads in debt. In recent weeks some of our magistrates in the City of Winnipeg have pointed this problem out to us very forcibly. They have found it necessary in some instances because of the attractiveness of so-called easy money, and because of individuals defaulting in their payments in respect of loan companies, to sentence individuals to gaol.

Now then, Mr. Speaker, I'm not raising objections because of this as a particular company. The Honourable Member from River Heights who has introduced this resolution, I'm sure, does it in all sincerity. But I do say, Mr. Speaker, I'm wondering whether or not, whether it is in regard to this company or any loan company, that we have not reached the saturation point. And I respectfully ask that all members of this House give consideration to this point. It might be well said, Mr. Speaker, that this is matters for individuals to make a decision themselves. It may be well said that if people are gullible enough to listen to singing commercials on TV; if they're gullible enough to pay attention to the propaganda that is constantly being placed before their eyes, particularly on TV, that the easy way out is consolidation of debts. In respect of loan companies, the inference definitely is why have problems of paying for your TV set, your house, your refrigerator, your car -- consolidate with us and you'll have no more problems. I say many people will disagree with me when I raise this point, that if people are gullible enough to accept these types of loans, and this type of propaganda, it is their own fault and the consequences are simply theirs. I disagree with that type of an approach, Mr. Chairman, because of the fact that this is in my opinion tending to undermine many families in our province.

I'm not going to object to the passing of this bill to second reading, but I do want to take this opportunity with the presentation of another bill to set up another loan company here in the Province of Manitoba, to appeal to all of the members of this Legislature to give serious consideration to the ramification of additional sources -- and I'm not suggesting in this particular case this company may be one -- but to additional sources of so-called easy money. There's no such thing. The government has announced in its Throne Speech that it is going to place before us a proposition in respect of interest rates and having revealed on sales contracts the

(Mr. Paulley, cont'd.) amount of interest that people have to pay in respect to sale contracts. I have requested already in this session that in addition to any total amount of interest being disclosed that it should also be on the basis of simple interest compounded annually, or simple interest annually. I made a request at the time when I was referring to this matter in the Throne Speech that if at all possible that the government should give consideration to a limitation of interest rates. My honourable friend the Attorney-General says that that is not within the jurisdiction of this provincial government, and I must accept that.

MR. SPEAKER: Would the honourable member speak to the principle of the bill please.

MR. PAULLEY: Yes, Mr. Speaker, I believe I am, because this is dealing with the question of loan companies and the whole question of loans and when we discuss the question of loans of necessity we must discuss the question of interest rates being charged. And this to me, Sir, is very vital. It's a very pertinent part of the jurisdiction of this Legislature, and I want to appeal that while I have said that I have no objection to this bill going to the committee on private bills for its consideration, I sincerely trust and hope that the members of this committee and this Legislature will give consideration to the difficulties, to the problems, which I raise on the second reading of this reading of this bill.

I wonder, in conclusion, Mr. Speaker, whether or not we need any more additional loan companies in the Province of Manitoba, which in some respects at least have proven detrimental to family life here in our fair province.

MR. GRAY: Mr. Speaker, as probably you know, I am not a financial wizard, otherwise I would have been invited to become the Treasurer long ago. But paragraph 2, which I cannot understand and I would like to have an explanation, it reads: "unless the company is authorized to issue 200,000 common shares of \$5.00 each." Does that mean that a Quebec company wants to come to Manitoba because they already probably exhausted all their customers in Quebec -- to come to Manitoba and get permission to sell to the people a million dollar shares in a province in which they were not organized, they have not functioned, they have no authorization. In other words, is this bill solely to come to Manitoba and sell to the people -- and people buy anything; people buy all the bargains; Eatons will tell you that -- and to come in and sell a million dollar shares in Winnipeg in addition to what they have already done in Quebec. In other words it's this; they come here, get incorporated -- I don't know what incorporation costs -- \$100 or \$200 -- in order to get customers to sell them a million dollar shares.

MR. MOLGAT: Mr. Speaker, I was very interested in the approach taken by my honourable friend the Leader of the NDP in this matter. It seems to me that if there's something wrong with loan companies then the solution is to put restrictions on the type of loans that they can make, or the rate of interest or whatever we think should be done. The government has indicated this year that they are proposing to do this at some stage or other. My colleague, the Member from Selkirk, has previously spoken on this in the House. Surely the solution isn't the same as to stop companies from coming in. The mere expensive nature of the business is the one that is going to probably cause a reduction in rates, and certainly it isn't by giving a monopoly to those who are here now, that we will achieve any protection insofar as the public is concerned. I'm just as concerned as my honourable friend is in the public interest in this matter, but I submit that public interest is not going to be served by saying "there are so many companies here now and the solution is to stop other companies from coming in." I think the very reverse would happen. I recommend that if this company is prepared to come in to the Province of Manitoba and follow the laws of the Province of Manitoba, that we should encourage them to come in. If we find that our laws with respect to small loans, with respect to instalment loans, to all these types of credit, are not satisfactory, then let us proceed to change the law regarding that and affect all companies. Let us not encourage monopolies for the companies that are here now.

MR. SPEAKER: Are you ready for the question. The honourable member is closing the debate.

MR. SCARTH: to answer two questions. Well, one question and then a narration from the Honourable the Leader of the NDP. I would say that I. A. C. stands for Industrial Acceptance Corporation. It is a large body, a very large loan company doing business in every province of Canada. The Capital Fund of I. A. C. Limited is an offshoot of it which has been incorporated in Quebec. As to the second portion of the Honourable the Leader of the NDP --

(Mr. Scarth, cont'd.) what he said about loan companies -- there is no one more interested in looking into the sharp practice of certain money lenders. I spoke on that matter before and I understand that there will be, according to the Throne Speech, a bill coming forward, then I shall have a lot more to say on our money lending tactics insofar as they affect certain unconscionable loan sharks within our fair city. As to the question of the Honourable Member for Inkster, I would say that it is very doubtful if Industrial Acceptance Corporation is interested in selling any of its securities in Manitoba, but if it did desire to do so, it would have to get permission of the Public Utilities Board, which would be a safeguard for the intending purchasers.

Mr. Speaker presented the motion and after a voice vote declared the motion carried.

MR. M. E. MCKELLAR (Souris-Lansdowne) presented Bill No. 18, An Act to amend An Act to incorporate the Union of Manitoba Municipalities, for a second reading.

Mr. Speaker put the question.

MR. MCKELLAR: Mr. Speaker, this bill is self-explanatory. There is only one paragraph, and I'll read it to you, which explains the whole bill itself. "Any municipality may apply for membership in the Union of Manitoba Municipalities, and on becoming a member they pay their annual membership dues therefor and expend municipal monies in paying the expenses of duly accredited delegates attending district annual and special meetings of the Union of Manitoba Municipalities." That's, in a few short words, what the bill means.

Mr. Speaker put the question and after a voice vote declared the motion carried.

MR. B. P. STRICKLAND (Hamiota) presented Bill No. 15, An Act to incorporate Russell Golf and Country Club, for second reading.

Mr. Speaker put the question.

MR. STRICKLAND: Mr. Speaker, this bill is very similar to a bill passed last year incorporating Breezy Bend Country Club. I think there is no substantial change from what has been done in the past.

MR. GRAY: Also authorized to sell shares. This is a sporting organization -- organization of brotherhood, sportsmanship, membership and everything else. Why sell shares?

Mr. Speaker put the question.

MR. STRICKLAND: The purpose of it is to make a Golf Club out of the one that is in Russell at the present time, Mr. Speaker.

After a voice vote Mr. Speaker declared the motion carried.

MR. SPEAKER: Adjourned debate on the proposed motion introduced by the Honourable the Minister of Welfare. The Honourable Member for St. John's.

MR. ORLIKOW: Mr. Speaker, rising to discuss this resolution I want to say that it is my intention to vote for the resolution. Having said that, I want to say that first of all I do it reluctantly -- I do it reluctantly because to me it is amazing that in March of 1962 we have even to discuss this matter. After all, the question of a contributory old age pension system was the subject -- one of the main subjects of debate in the last federal election, and the Prime Minister of Canada went across Canada telling the people that he was prepared to get on with the job. He hired an expert to make a survey of the United States system of social security and when the expert told him it would take a year or more to make the survey he fired the expert and got another expert -- Professor Clark of the University of British Columbia. Professor Clark made a survey and brought in a two-volume document of some 700 or more pages -- he brought that in in 1959. It's now three years later, and all of a sudden, in January of this year, the Prime Minister decides that maybe a constitutional amendment is necessary, and in January of this year he gets around to writing the provinces asking them to approve an amendment to the British North America Act. So I must say that I find it peculiar to say the least that when the Prime Minister was so determined that we get on with the job and that we start the program as quickly as possible, it took him three years to decide that we maybe need a constitutional amendment.

Now I'm not an expert, and nobody in this group is an expert. We have talked to some people who know constitutional law and they seem to agree with the Government of Canada that this amendment is necessary, and if there's a possibility that the institution of this program of a contributory pension plan will be held up because we don't have the necessary amendment, then far be it from the members of this group to vote against it. Lord knows, we've had enough

(Mr. Orlikow, cont'd.) excuses and enough delays in getting this contributory pension plan started, so we certainly have no intention of voting against it. Although I must say, Mr. Speaker, that I was disturbed by some of the quotations from the federal Minister's speech which the Minister used in introducing this resolution and which he quoted, I thought, I assumed with approval. The Minister said, and I read from page 254 of our Hansard, he quotes Mr. Monteith as saying as follows: "The government's objective in this regard is clear cut. Our aim is to have an integrated program of old age income security which in addition to the universal flat rate benefit will provide a graduated benefit for all those who can reasonably afford further provision for their old age and who have not already undertaken it under private pension plans or under contractual agreements." Well, Mr. Speaker, one of the biggest difficulties with the present private pension plans which there is, is the fact that the plans are usually non-portable. In other words, if people move from job to job they either can't take their pension with them, or even in the good plans if they can take their pension with them, they suffer very heavy losses in the amount they can take with them and very seldom can they take any of the employer's contribution with them. And this is one of the biggest faults with the present private plans and if the plan which is now being considered by the federal government excludes the private pension plans as Mr. Monteith's speech seems to indicate, then I think that the plan which is being contemplated by the federal government is not only too late but is defective even before it begins. But we in this group certainly have no intention of doing anything to hinder the beginning of a plan, bad as it may be, because a bad plan can be improved much easier than the beginning of a plan with all the difficulties which it has had up till now.

Mr. Speaker, I think I would be somewhat derelict if I didn't say just a few words about the speech made by the Honourable Member from St. George. With the part of his speech in which he dealt with the constitutional aspects, I agree partly -- I agree as I have already indicated that it's too bad that the Prime Minister of Canada took so long. With the part about whether we need the constitutional amendment or not, I prefer to leave this to the constitutional experts to debate. But I thought, Sir, that I couldn't let this opportunity go by of commenting on just one sentence which the Honourable Member from St. George said in his speech, and members will find it on page 571 of this year's Hansard. He says, and I quote: "As far as social security is concerned, I am proud to say that the Liberal government at Ottawa have had a brilliant record in dealing with problems of social security." Well, Mr. Speaker, I don't know what the honourable member meant by that -- I would have thought that that was a subject better left unsaid. After all, Mr. MacKenzie King, in 1919, when he first assumed the leadership of the Liberal Party had this to say, and I quote from the 1919 Liberal program, and this is what they said - "That insofar as may be practical, having regard for Canada's financial position, an adequate system of insurance against unemployment, sickness, dependency in old age, and other disability which would include old age pensions, widows pensions and maternity benefits, should be instituted by the federal government in conjunction with the governments of the several provinces," and so on and so on. Well, Mr. Speaker, that was over 40 years ago -- 44 years ago -- and the Liberal Party was in office in Ottawa for 30 of those 43 years. I think my calculations are right -- they may have been in office a year or two more. They had all the opportunity in the world to put into effect Mr. King's proposals -- and they moved where? And how much of that program have we got? It must have been a good program because in the year 1953 Mr. Pearson is still peddling most of the things which Mr. King was proposing in 1919. So why the Honourable Member for St. George wants to talk about the brilliant record of the Liberal Party in this respect, I don't know.

The fact is, Mr. Speaker, that there is no country in the world, probably, which has as poor a system of social security as Canada. There's no country in the world which has such a patchwork of services which meet the needs of a few people and miss the needs of most of the people, and members of the House who doubt this can consult any authoritative text on the question of social security and see that nearly every other country has moved in this field generations ago. By 1939, there were state schemes of old age plans, survivor insurance in 28 countries; compulsory health insurance in 27 countries. That was in 1939, Mr. Speaker. In 1935 the United States passed a social security act which covers social insurance, public assistance, child welfare, public health, vocational rehabilitation. In New Zealand, in 1935, they passed a plan which covered social insurance, social assistance and medical care. The Liberals are

(Mr. Orlikow, cont'd.) starting to talk about medical care in 1962. I suppose if we give them another 25 years we may get some action in this field. The British adopted a comprehensive plan beginning in 1945 which covers social assistance, social security, medical health care sickness benefits, unemployment insurance, maternity benefits, retirement pensions, death grants and benefits for dependents and for widows -- (Interjection) -- Well, I can do that on another occasion. The Member from Morris can find that if he wants to take out a book from the library on the Beveridge report he'll get all the details. I don't think it's necessary here because I think it's going to be -- if we leave it to the Honourable Member from Morris it will be 25 years before the people of Manitoba will start to think about what the British did in a poorer country 15 years ago. So I don't think I have to go into much detail today -- (Interjection) --

Mr. Speaker, I think I've said sufficient to indicate that we in this group will support this resolution, not because we think that it's anything new, not because we think that it's anything which ought to surprise the people of Canada, simply because we think that it's something which is long overdue and that there ought to be no more excuses for moving on with this job.

MR. PREFONTAINE: I would just like to say one word with respect to the good record of the Liberal Party with respect to services to the people of Canada. It's a record of 30 years in power, and it's a record of having started most of the services of which all parties in Canada are very proud to try and improve possibly. Times have changed, John Glenn did not circle the earth some 40 years ago nor 30 years ago nor 10 years ago. Family allowances were brought in -- of course old age pension first -- family allowances, unemployment insurance and so on -- disability pensions and so on, by the Liberal Party. Certainly some improvements have been made. That's natural -- absolutely -- and the Liberal Party will be there to make some more improvements before very long.

I certainly, Mr. Speaker, cannot understand the CCF Party to speak as they do speak at the present time. When the people of Canada know very well that this party, after having changed names, will go down and down. They have gone down very materially from a peak of some 40-odd, I believe, down to seven. I just don't know how many they will have next election. But you watch the smoke of the Liberal Party after the next federal election, and you'll see that the Liberal Party will be there doing effective work for the people of Canada as they have done in the past with the full support of the people of Canada.

MR. D. M. STANES (St. James): Mr. Speaker, I beg to move, seconded by the Honourable Member for Birtle-Russell, the debate be adjourned.

Mr. Speaker presented the motion and after a voice vote declared the motion carried.

MR. ROBLIN: Mr. Speaker, we have now reached government items on the Order Paper and I would be obliged if you would call, first of all, the proposed resolution standing in the name of the Honourable the Minister of Education with respect to uniformity of curricula.

MR. SPEAKER: Resolution standing in the name of the Honourable Minister of Education.

HON. STEWART E. McLEAN, Q. C. (Minister of Education) (Dauphin): Mr. Speaker, I beg to move, seconded by the Honourable Minister of Labour, Whereas there is concern in Canada with the problem encountered by citizens and their families moving from one province to the other, and finding that there is difficulty in the children of school age fitting into the school system of the new province; And Whereas this difficulty arises because of the variations which exist between the curricula and text books and standards in the various provinces of Canada; And Whereas the Honourable the First Minister of Manitoba made reference to this problem at the Conference of Premiers held in Charlottetown, Prince Edward Island, in August 1961; And Whereas under the provisions of the British North America Act, each province is, subject to certain exceptions autonomous in matters respecting education including curricula, text books and standards; And Whereas it is in the best interests of all citizens that steps be taken to provide some degree of uniformity in curricula, text books and standards consistent with the constitutional rights and obligations of the provinces; Now therefore be it resolved that this House do approve in principle the formation of a body of commissioners for the promotion of uniformity of school curricula and text books in Canada; and that the Minister of Education be authorized to propose the formation of such a body to the Ministers responsible for education in the various provinces of Canada.

MR. SPEAKER: Are you ready for the question?

MR. McLEAN: Mr. Speaker, in the leading editorial of the Winnipeg Free Press

(Mr. McLean, cont'd.) appearing on March 10, 1962, referring to the recently concluded Canadian Conference on Education, there is one paragraph which I should like to quote, and I now quote: "But delegates failed to agree on two of the most important matters affecting education in Canada today. The financing of education and the steps that might be taken toward a more uniform curriculum. Indeed, the matter of a more uniform curriculum seems virtually to have escaped discussion. It was involved in the discussion of some other subjects but appears to have received little attention on its own." Now, Mr. Speaker, while I do not always agree with some matters appearing on the editorial page of the Winnipeg Free Press, I do agree with the importance attached by this editorial to the matter of uniformity in the curricula of the various provinces of Canada. We are all, I'm certain, familiar with this problem. It is one with which some of us have had personal experience; it's one about which we have often heard, and certainly one that we understand. It is a problem that has become more of a problem as we have become more mobile in the moving about from one part of the country to the other.

Now everyone gives lip service to the idea of uniformity of curriculum. I think most people, if they think about it, agree that it's a good idea. This is equally true of senior people in education and I have been at meetings of Ministers of Education or Ministers responsible for education where in a sense, I suppose one might say, that there's agreement with the general principle that there should be a greater degree of uniformity. But when you begin to discuss with a group such as that, getting down to the work of bringing about a greater degree of uniformity, it seems difficult to agree on any action. I have concluded that the problem is associated with the fact that the discussion generally begins by the question of "will we agree to have uniformity in a particular field." In other words that it's the difficulty of agreeing in advance on uniformity without knowing what exactly it is that one is agreeing to. So I have presented for consideration by the House, a slightly different approach, and this is not a new idea or a novel one, because it has been followed by the legal people for many years with great success and great benefit certainly to the common law provinces of Canada, in the commissioners for the uniformity of legislation, and this, quite frankly, purports to follow the general principles which are followed in the work of that body in respect of statutory legislation throughout Canada.

Briefly, what the uniformity commissioners on legislation do, is that they working together, and they are representatives of the various provinces, the departments of the Attorneys-General, they will prepare a statute on a particular subject, and then those provinces that consider that the statute is a satisfactory one will adopt that as the statute on that subject in their province. So you find as the years have gone by that a large number of our statutes dealing with the common problems and matters are uniform throughout many of the provinces of Canada, to our benefit. Now not all statutes are adopted in all provinces and there may be cases where six provinces will adopt a particular statute; other cases where there will be nine adopting it; and others perhaps a fewer number.

Now the proposal here contained would work somewhat on the same basis, and it would be my suggestion that we might seek the approval of the formation of a body of commissioners who would begin by outlining in satisfactory terms, curriculum in certain subject fields, and then it would be open to any provinces that wish to do so, to adopt that as the curriculum in that particular subject or that particular subject field in their province. We would hope that the work would be of sufficient merit that it would attract the attention and the support of a large number of provinces and certainly there would be public pressure to do so because of the interest that people have in a greater degree of uniformity.

This field is one that I think might well begin in the elementary grades. I think there's a great deal of merit in what the Manitoba Teachers' Society has been advocating for some time. That is, that there be larger degree of uniformity in what are generally known as the "core" subjects in the elementary grades; and I, myself, feel that that would be the proper place to begin. I hope that no one would think that this would be an easy matter, because it wouldn't. It would require a great deal of time and attention of those particularly fitted in the field of curriculum, and it would require support and understanding and, of course, also support after programs would be devised and developed. I must make it quite plain that there are those, of course, who feel that in certain areas that there should be greater flexibility, and of course, greater flexibility means less uniformity, but generally speaking, I think that we are agreed upon the desirability of a greater deal of uniformity. I do not know, and I have no way of

(Mr. McLean, cont'd.) knowing, whether this particular approach will receive the approval of other Ministers responsible for education in their respective provinces because it is an idea which has never been presented insofar as my knowledge runs. I would hope, however, that it would prove a rather different approach and one that they might feel could be accepted. I think that it is a worthwhile attempt to solve what is a difficult problem and if we can do so it would be to the benefit not only of our citizens in this province, but I would hope, the citizens of other provinces as well.

MR. HAWRYLUK: Mr. Speaker, I would like to take part in this discussion and commend the Minister of Education for this resolution, because speaking as a member of the profession for many years, experiencing very difficult situations where from time to time, we've had people move into the province, particularly during the war period and after, service personnel moving with their families, staying for a period of a year or so in a certain area and then moving to other parts across Canada. It was bad enough that we had to contend with a variety of different textbooks which at that time one had to foot the bill, where fortunately in this province we are able to supply to our youngsters across Manitoba. But the big factor was that due to the different curricula that each province has across Canada, and the standards -- the big problem was that we had, in many cases, unfortunate experiences where these youngsters would come into certain grades badly prepared, inadequately prepared and, say, a lack of the standards that we have had in the Province of Manitoba.

I think this is a very constructive idea. It's going to be a tough chore for the Minister to introduce at any conference, and I could assure him that he will get the full support of the Manitoba Teachers' Society who have from time to time introduced resolutions of a similar nature. But I hope within a short period of time that we will have standard books accepted across the province and also that the curriculum for the grades set would be pretty much the same so that when we get a youngster from British Columbia or from the Maritime Provinces in Grade VII that particular youngster could carry on quite favourably in that particular grade. Once again I wish to commend the Minister and the government on this resolution and I certainly want to wish you every success in this venture.

Mr. Speaker put the question.

MRS. C. MORRISON (Pembina): Mr. Speaker, I beg to move, seconded by the Honourable Member for Cypress, that the debate be adjourned.

Mr. Speaker presented the motion and after a voice vote declared the motion carried.

MR. ROBLIN: I move, seconded by the Honourable Minister of Industry and Commerce that Mr. Speaker do now leave the Chair and the House resolve itself into a committee to consider of the supply to be granted to Her Majesty.

Mr. Speaker presented the motion and after a voice vote declared the motion carried.

MR. SPEAKER: Would the Honourable Member for St. Matthews please take the Chair.

MR. CHAIRMAN: Department 14.

MR. MOLGAT: Mr. Chairman, before we enter into discussion of any particular estimate, I'd just like to make some general comments. Last night the First Minister at the close of the session made some comments about the progress that we were making and I didn't get up then to make comments because I thought I would make them this evening. While it's true that when one compares the progress that we made last year on the general estimates with this year, I think we haven't been going along as quickly. I think it should be pointed out, Mr. Chairman, that from year to year the emphasis on various departments does vary. For example, when one looks at last year there was one department that went 25 hours; other department went 14 hours; another department went almost 11 hours; another one eight hours. We had a very complete discussion at that time of certain items. I can recall, for example, in the Department of Agriculture rather an exhaustive debate on the matter of the Bangs program, and I suspect that this year we may not need to go into quite as much details on that particular appropriation, so I really don't think that there's too great cause to worry. There's certainly no attempt or desire on the part of ourselves to delay the estimates. We had some particular questions to ask on the things that came up this year and we may have less questions to ask in other departments because of the fact that last year we covered some of the items so thoroughly.

So I just want to assure the First Minister that I don't think that there's really cause to worry when one looks at the over-all picture last year and compares it to this year, that I think

(Mr. Molgat, cont'd.) we'll be getting along with our work quite well. Certainly so far as we are concerned, we are not at all interested in delaying the matters. On the items where we have specific questions, we want answers. On other items where we got answers last year, we will not be spending as much time as we did then.

MR. ROBLIN: Mr. Chairman, that's the best news I've heard for some time. I'll just remind the committee that last year it took us about half the time that we have taken so far to get as far as we have in the estimates; but, on the other hand, I appreciate the force of what's just been said--that the emphasis may come on different departments in different years and perhaps we can make up for the time later on. I have no desire to impede members in their examination of the estimates. I want them to be free as they always are to ask questions if they desire to ask. My only thought last night was in keeping perhaps a little closer to the subject matter under discussion we could get along. But I'm glad to accept my honourable friend's comment at its face value and I trust it will work out well.

MR. PAULLEY: Mr. Chairman, on this point I suggest to the Honourable the First Minister that last year we did take a considerable amount of time in the Department of Agriculture if he recalls, and I think that lasted almost two weeks. Now today we had an amendment to a resolution dealing with agriculture, but if that is thoroughly debated, I don't think we'll spend too much time with the Honourable Minister when we're doing his estimates and thereby we'll catch up rather rapidly.

MR. EVANS: Mr. Chairman, the member for Burrows and the Leader of the New Democratic Party together asked me a question about the outstanding loans or arrears in the Manitoba Development Fund, and I'd like to give them the following information. As at January 31st, 1962, loans receivable totalled \$5,660,584; payments in arrears of principle \$10,814; interest \$8,554 or expressed in another way, payments in arrears--that's the two combined as a percentage of loans receivable are .34%--about one-third of 1%; and the payments in arrears are by no means lost. My honourable friend may have noted provision of \$24,000 in the complete account for the first year, of \$24,000 to cover possible arrears, and so the reserve certainly by this time of this year, is much more than sufficient to take care of any loans--of any eventual losses.

My honourable friend from Emerson mentioned something to do with the Sprague Company. I have no information to give with regard to any individual borrower from the fund.

My honourable friend from Rhineland asked whether there were any loans to members of the House. The answer is, no. Is it necessary to have a reserve in addition to amounts written off as losses, as I understood the question correctly. Yes, it would seem wise to provide not only for the losses that have actually been incurred--and there are none written off yet--but in addition it is wise to provide a reserve against a possibly province-wide depression or a return of hard times. So it is prudent thinking to have a reserve, in our opinion. The earnings of the fund will, certainly for the time being, be added to the amounts of capital available for further loans.

MR. J. P. TANCHAK (Emerson): Mr. Chairman, I didn't quite catch the answer to my question. My question was: Is it a fact that the Manitoba Development Fund has been writing cheques, or is at the present time writing cheques to cover the payroll of the forest products at Sprague? I didn't catch the answer.

MR. EVANS: I have no information about any borrower from the fund.

MR. GUTTORMSON: Mr. Chairman, I listened with interest as others did in the House the other day when the First Minister said that this government would see to it that 200 men weren't thrown out of work at the Brandon Packers. He said this government would take action. Well, Mr. Chairman, I suggest it's just about time this government took action. The manner in which the government has bungled the situation at Brandon is disastrous. Let's look at the record of the government in the Brandon strike; a strike which seriously hampered the economy in western Manitoba. It took the government two weeks after the strike was settled before going ahead with the Tritschler Commission. Yes, two long weeks during which time they knew plenty was rotten inside the management of Brandon Packers. In spite of information the government has received from the Commission's Counsel, Morris Arpen, that something was amiss with the financial affairs of this plant, the Premier said, after the strike had been settled, the government is considering dropping the enquiry. In addition to the information

(Mr. Guttormson, cont'd.) provided by Mr. Arpen, the government knew about the public charges made by Archie Waddell who stated that Paton and Cox were afraid their dealings would be made public. Yet despite all this information, the Premier procrastinated and hoped that everyone would forget about the whole mess. I wonder who was being protected?

Mr. Speaker, if it hadn't been for the two Winnipeg newspapers, the Brandon enquiry would never have been held and this scandalous situation at Brandon Packers would never have been revealed. It was constant pressure with the news stories in both Winnipeg dailies and editorials who finally forced the hand of this government to let the enquiry go ahead. The CCF Leader also urged that the Commission be dropped. However, I can forgive him because he didn't have the same facts which were available to the Premier, although it was most evident to most people that something was wrong by the manner in which the strike was so hurriedly settled when the threat of an enquiry was hanging over the heads of the Brandon Packers owners. The only public figure to insist that the enquiry commission carry on was the then Leader of the Liberal Party, the member for Lakeside. He stated simply that once the charges against Paton and Cox had been made public, as they had, the Toronto men to serve their full hearing, either to acquit them or convict them. Of course the Liberal Leader didn't have a Minister of Labour who had promised that the unions wouldn't be investigated if they settled the strike. This information came to light when Norman Ridges, western representative of the United Packinghouse Workers of America, was subpoenaed to appear before Mr. Justice Tritschler. The quote appeared in the Free Press Wednesday, November the ninth, 1960: "During the first stage of the strike, despite violence which occurred in Brandon, workers' houses set on fire, bricks thrown through windows and women mauled, this government took little or no action." The Minister of Labour said he wanted more specific information. At the end of March, with the strike a month old, the union men who asked for more police protection, the Minister of Labour said: "Little can be done at this stage." Mr. Chairman, nothing has been done to this date and I think it's just about time this government took action to rectify a horrible situation.

MR. ROBLIN: Mr. Chairman, I seldom have heard a more ridiculous statement than the one that has just been made by my honourable friend. If it were parliamentary to categorically call him a liar I'd be glad to do so, but unfortunately it's not parliamentary to categorically use language of that sort and therefore I prescribe from doing so. But let me say that he is completely misinformed; completely misguided; and I gather from what he read, completely mislead in respect of the charges that he just made in the House that the government was engaged in making any deals with anybody in connection with carrying on the judicial enquiry into Brandon Packers situation. I never heard of a more far-fetched or farcical charge than the one that he just made, because it is completely and absolutely wrong, mistaken and untrue, and wherever he got it from I really can't imagine--I really can't imagine.--(interjection)--I certainly would be surprised, because nobody in his right mind would give my honourable friend that kind of information.

MR. GUTTORMSON: That gentleman would be insulted if he heard you say it.

MR. ROBLIN: All right. Everything I say in here is public information, and let the man that finds the cap comfortable wear it. I don't think, Mr. Speaker, that there's any need for me to say much more. I've made my position clear. We were under some pressure from the trade unions, from Brandon Packers, from some other people around here who suggested to us that we should drop this enquiry when the strike was settled, but it had been represented to us at the time that this is something that required the thorough kind of investigation that was made. As a matter of fact, I had one--or was it two delegations visit me from the Trades and Labour Council of Winnipeg, or the Manitoba Federation of Labour, in which they urged that the government should drop this matter. I knew, and I made no charges against them--let it be clear--I knew that they were probably not aware of the serious situation that was being uncovered in this particular area, and while I was not in a position, having no facts or having no reports of an official nature at my disposal to explain to them why we wanted to carry on, I simply told them that there were other aspects of the public interest apart from the question of the labour dispute which should be investigated and that for that reason we intended to investigate them and we did.

Now, Mr. Chairman, it would have been quite simple, I suppose, for someone to have done what my honourable friend suggests and that is to have abandoned this enquiry when the March 13th, 1962.

(Mr. Roblin, cont'd.) strike was settled, but it was not in the public interest that we should do so and we didn't do so. The absurdity of the whole situation is revealed when one considers that the proof of the pudding is in the eating. What was the course of events? The course of events was that the commission was instructed to continue their work, which they did, and as a result of their report, charges were preferred. Incidentally I mustn't speak about that further because, as everyone knows, the matter is now under review in the Court of Appeal and it's not appropriate that we should discuss it further, but the record is clear--it's a matter of history and everyone knows it. To say that we were persuaded to follow this course of action because of what was said to us in the newspapers or reports that appeared in the press, is certainly not the case. We were glad to find that we had some support for the action we were taking. We appreciated it and we thought that the comment was well taken, but we must accept the responsibility for having done this on our own hook and on our own responsibility and that's what we did. To intimate that there was any sort of deal that we contemplated with respect to any party in this thing; that it should be called off for reasons of the sort my honourable friend refers to; I repudiate entirely--I repudiate the--well, perhaps the simple repudiation is adequate under the circumstances.

Now as for the future of Brandon Packers, I must remind my honourable friend that he has certainly not quoted me correctly in his initial references to my position on the question of employment at Brandon Packers. Our position has always been, and is now, that Brandon Packers episode, as far as the company is concerned, is still a private matter in the sense that that company belongs to private individuals; and until they have sorted out their own affairs, it was not appropriate for the government to intervene. Indeed the mechanism through which any assistance could be given to Brandon Packers is through the Manitoba Development Fund and we have no intention of interfering with the work of that fund or instructing them as to what should be done. But I think I can say this, that the Fund has indicated that, in their opinion, there is room for a profitable packing industry in Brandon and that to that extent they were prepared to consider any applications that came to them for support. I feel sure that if any applications come to the Fund for support that they will receive consideration in the light of the facts, not in the light of politics or not in the light of any advice or instructions that we might attempt to give, and that is the situation.

Now at the present time members know that the Manitoba Pool Elevators have, as far as we know at the present, been the successful bidders for Brandon Packers. There has also been a news story around that as a result of their taking over the plant, it would in future employ about 25 people. When I read that story I had enquiries made of the Manitoba Pool Elevators and they informed us that that report was not correct, and that they had plans for the plant which went much beyond the employment of 25 people, although I must also say that they did not find themselves in a position at the present moment to make a public statement, or a further public announcement, as to just what those plans are, but we have been assured by them that in due course such a statement will be made and that it will be a more satisfactory one than the matter of 25 employees at Brandon Packers might be.

So that brings the question up to date so far as we know it, and I want to tell my honourable friend that up to the present time we do not have a publicly owned corporation operating a packing plant at Brandon. It's a private corporation and the initiative must certainly come from them in this matter, but of course he knows that perfectly well--no one knows it better than him--but that is the situation. That initiative, I am sure, will come from them in a manner which will be more satisfactory than what the early news reports have led one to believe. As for his original charge, that the kind of considerations which he placed before us prompted us to move, or that we were contemplating making a deal with anybody to close that judicial enquiry down, I repudiate it as completely false and, if I may say so, unworthy of a responsible government, to say nothing of the member.

MR. GUTTORMSON: Mr. Chairman, isn't it strange that the government took two weeks to decide to let this enquiry go ahead--two weeks--and they knew, as much as we know today, that there was something wrong there. Why did they take two weeks to let it go ahead? Why was he quoted in the paper as saying "the government is considering dropping the enquiry"? Why did he make that statement? He didn't deny it when it appeared in the papers. He said in the House early in the session that this government will not let 200 men go idle in Brandon. You

(Mr. Guttormson, cont'd.) made that statement, and yet you're contradicting yourself tonight. These are the questions that the people of Manitoba want answered and they weren't answered by your denial tonight.

MR. ROBLIN: My honourable friend, of course, makes so many assumptions that it's hard to keep up with them. He assumed that the government had information at a date which he is kind enough to specify. He has no grounds whatsoever for that statement and it isn't true. When we got the facts on this thing that persuaded us that there was a necessity for this to continue, then we decided that we should continue. Until we had those facts, and until the counsel of the commission had reported to us his initial findings, of course the matter was one on which we could not decide, when we had those facts we decided. He takes it upon himself to assume as to when we got them. He doesn't know a thing about it. He just makes that assumption, and on the basis of that completely unsupported guess on his part, he makes a remark which defames the character of the administration. Well it just isn't true.

MR. GUTTORMSON: Is the First Minister trying to tell us that he didn't know when the strike was over; that the enquiry had been started and that Morris Arpen had been appointed by your administration and he uncovered this and he didn't tell the government what he had found? Is the First Minister trying to tell us that the Crown appointee, Mr. Arpen, didn't disclose his findings to this government?

MR. ROBLIN: How can he be so silly, Mr. Chairman? Of course he did. Of course he did. How do you suppose we acted if we didn't have that information? But my honourable friend takes it upon himself to assume when we got it, which he has no foundation or right to do. This investigation went on for some time. Mr. Arpen was not in and out of my office reporting on what he found every day. He assembled his conclusions and he didn't approach us until such time as he had sufficient information on which he thought he could make a firm recommendation to us. When we got that information we acted upon it and the results are public knowledge.

MR. ORLIKOW: Mr. Chairman, I would like to suggest that if we're going to discuss the --well not the Brandon situation, it may be proper to discuss the operations of the Brandon plant at this time--but if we're going to discuss the Tritschler Commission, then I would suggest to the members of this committee that we do it at a proper time and place and that members who want to speak on it, and I'm sure that there are many members who will want to speak on it, be given some notice so that we can have some preparation. It may mean that the life of this session will be prolonged by several weeks or longer, but I suppose we could accommodate the Honourable Member from St. George on that. I don't think this is the proper place, nor, Mr. Chairman, do I think that the Honourable Member for St. George has all the facts right. I think there are members of the Liberal Party--I'm not going to suggest he go to the government for information--but there are members of the Liberal Party, possibly not in this House, who are not nearly as enamoured of all the work done by the Tritschler Commission as the Honourable Member for St. George. Now, I'm perfectly prepared to debate the conduct of the strike and the work of the commission and the findings of the commission, but I don't think this is the time.

I want to say just two things, Mr. Chairman. I'm sorry that it--of course I have to speak from memory as to what the honourable member said, but first of all I don't think, and I'm certain that the leader of this group or any other member of this group never suggested that there should be no discussion of what took place. What we did say and what we will continue to say, and I think that events have proven us right--now this is an opinion on my part entirely--that we would have been better served in this province had we had an industrial dispute enquiry rather than a judicial enquiry. That's first of all. And secondly, it seems to me that the honourable member suggested that there was some kind of deal agreed upon by labour that there should be no enquiry. Now that is completely wrong--(interjection)--I think you did say it--(interjection)--Well I can't read Hansard of what the honourable member said a few minutes ago, but I want to get on the record right now, Mr. Chairman, what the situation was. The Manitoba Federation of Labour, which is the official spokesman for all trade unions in Manitoba, all those affiliated with the Canadian Labour Congress, and that's about 95% of all organized labour in this province, said consistently that they were in favour of an enquiry by an industrial enquiry commission or that they were perfectly prepared to appear before a committee of this House to put their views. Now the vice-president of the United Packinghouse Workers of

(Mr. Orlikow, cont'd.) America, who is also the Canadian director, Mr. Dowling, was asked by Mr. Arpen during the hearing of the Tritschler Commission whether there was any truth in the suggestion made, I think, by one of the counsel for Brandon Packers, that a deal had been made between his union and the Brandon Packers management, that they agreed to no enquiry or they'd agree not to criticize each other. Mr. Dowling denied categorically that there was any deal made on behalf of his union and there was not one scrap of evidence, not one word, not one phrase, not one paragraph by any person appearing before the Tritschler enquiry, and I read the whole transcript, Mr. Chairman, which would put to any question Mr. Dowling's statement. I think that covers the position of this group and that covers the position of labour. We were not opposed to any enquiry. We certainly had reservations about the type of enquiry, and I think events have proven that we were justified in having these doubts, but if the members want to debate this in detail, we're prepared to accommodate them at the proper time.

MR. GUTTORMSON: I don't know where the member for St. John's was--

MR. CHAIRMAN: I think that we have had sufficient discussion on this question of the pros and cons of the enquiry. We're dealing with one specific item here, the Manitoba Development Fund, and not going into an argument as to anything related to the Tritschler report or anything of that nature. We'd be drifting here all night if we did, without making any progress.

MR. MOLGAT: Mr. Chairman, I think, however, that there is a direct relationship between the Manitoba Development Fund and this particular question of Brandon, because the First Minister himself brought the question up when he was speaking on the 22nd of February on the Throne Speech debate. He said then: "Does anyone think that we sit back complacently and see a plant with some 200 people not functioning, when it is the largest single plant in that area? No, sir." Now this is the statement of my honourable friend relating directly to Brandon Packers, so I think that a discussion of the situation there has a direct relationship to the fund.

MR. CHAIRMAN: This development fund, but not going over the old battle. We can discuss that some other day.

MR. MOLGAT: But a discussion of what my honourable friends intend to do about it and what they have done about it, I think is important. It's perfectly in order under the Fund, because that is what my honourable friend the First Minister was talking about on that evening.

MR. GRAY: Mr. Chairman, if I am out of order, please stop me. Under the seed city of Brandon, where can I ask, what item, and when, about our great investment in Brandon known as the McKenzie Seed Limited? How much dividend have they got from that? How much goes into the treasury? What are they doing? Who owns it? Who looks after it?

MR. ROBLIN: In answer to my honourable friend, I'd say that this always provides a fascinating debate--the question of the McKenzie Seed Company. I think probably under Brandon College, in the Department of Education estimates, would be a suitable time to deal with that matter.

MR. GUTTORMSON: I'm not going to continue the debate, but you allowed the member for St. John's to make allegations about what I had said that were incorrect, and I have a right to reply to them--

MR. CHAIRMAN: I rule against going back over that whole history of --

MR. GUTTORMSON: Well you didn't stop him from making the allegations though.

MR. CHAIRMAN: Order! We will consider that matter closed. I agree there is some relationship to the future and any financial help, as the Leader of the Opposition stated that point, but not to go back. We've dealt with that--we've had the complete answer from the First Minister and I think it should be considered conclusive. I would suggest that we proceed with this resolution.

MR. DESJARDINS: Mr. Chairman, that may well be, but yesterday the Leader of the Opposition made four speeches on disarmament, but now that it seems that this hurts the government a little bit and this is curtailed pretty fast. This is definitely when they say--the Minister of Industry and Commerce said a while ago that--(interjection)--just a minute--the Minister of Industry and Commerce said that they had refused, that this was refused by the Board. I'm talking about the Manitoba Development Fund. Am I out of order?

MR. ROBLIN: I think that my honourable friend should pause and hear what the Chairman has to say before he continues his remarks. It's not customary in this House to continue

(Mr. Roblin, cont'd.) making speeches after either the Chairman or the Speaker has called for order.

MR. DESJARDINS: All right. Go ahead with your remarks.

MR. CHAIRMAN: Resolution 87--pass?

MR. DESJARDINS: I was waiting for those remarks. Could I have those remarks? And then I'm still talking on this development fund. Maybe there should be a little more comprehension between certain people in here. There's no remarks forthcoming so maybe I should keep on. Yesterday, or the day before, the Honourable the Minister of Industry and Commerce said that this developing fund refused to help Brandon Packers, that they were treated like everybody else. A little earlier this evening the Leader of this House is more or less insinuating that this has never been done, and that whenever they ask for help, that things would be studied then. And that is continuing what my leader read just a little while ago. I think we're definitely on the business of developing fund because if we want to save 200 people from going out of work, I think it is very important. If this developing fund is not interested in that, there certainly is something wrong. The Premier denied this just a little while ago saying this, but the Honourable the Leader of the Opposition has just finished reading from Hansard.

MR. CHAIRMAN: You will remember that the First Minister said that they made application and said that that would be considered. Now that isn't turning anything down.

MR. DESJARDINS: The Minister of--I didn't know what we were in debating with the Chairman, but the Minister of Industry and Commerce said that they were turned down.

MR. EVANS: What I said, Mr. Chairman, was that Mr. Cleveland had brought a proposal to the Directors of the Manitoba Development Fund and I am informed they found it was not a satisfactory proposal and they declined to advance money to Mr. Cleveland. Mr. Cleveland is no longer the owner or comptroller of the corporation. It is now owned by the Manitoba Pool. If the Manitoba Pool have need of funds and wish to apply to the Manitoba Development Fund their proposition will be considered on its merits with no prejudice against it because of any previous operation at Brandon.

MR. DESJARDINS: Mr. Chairman, isn't that a different way of saying they were turned down? Did the Minister know, did he have advance notice that the Manitoba Pool were going to buy the plant? Apparently you refused Cleveland--wasn't that Brandon Packers then? It still is the case this was turned down earlier. You just finished saying it.

.....Continued on next page.

MR. ROBLIN: Mr. Chairman, I'm afraid that members have lost sight of the purpose of the Manitoba Development Fund and also have failed to see the connection between what I've been saying about Brandon Packers and what future developments may indicate. I think it would be quite wrong for the government to have told the Manitoba Development Fund that they should do business with Mr. Cleveland. They have to make up their own minds on that score and they did. The results of what they decided was public information because Mr. Cleveland saw that it became public information. He made a press statement and put it in the press that he had been to the Manitoba Development Fund and had been turned down by them. As events have turned out, perhaps that wasn't such a bad thing when one considers what has been the history of Brandon Packers in the recent past.

Now this situation at Brandon is not finished. Members, I think, are quite premature if they stand up and say that we know what is going to happen at Brandon Packers or that the matter is finished. I don't believe it is. I think it's just beginning. All that I am saying at the present time is that if Brandon Packers come before the Manitoba Development Fund under the new ownership, they will be considered and their application dealt with on its merit. Now as to the future of Brandon Packers, which is the essential thing in this business and which we shouldn't lose track of, that is not at the stage at the present time when the government believe that it would be proper for us to make any further statements about what should be done at that plant. The first thing that has to happen is that the Manitoba Pool Elevators have to decide what their plans are for the plant and take whatever action may be necessary as a result of those plans. We do not know yet. Until those plans are known to us, and we know what effect it will have on employment at Brandon Packers, it is premature for us to pledge the public funds. We certainly can't do it through the Industrial Development Fund because they operate independently, but if other measures are required over and above what might be possible under the Manitoba Development Fund situation, they will be considered in due course. We haven't yet reached the stage where that kind of consideration is either advisable or necessary.

MR. DESJARDINS: Mr. Chairman, nobody is quarrelling with the Leader of the House that Mr. Cleveland should have been accommodated immediately. That is not the point at all. Well this is the third time in two days that the Minister of Industry and Commerce and the Leader of this House are on the opposite side of the fence who are denying each other. They said this about this shelter in the school yesterday. That's not true. Well I'll look at Hansard tomorrow and I'll bring it back.

Now the Leader of this House stated that when they make proper -- they made not proper -- made application it would be considered. In other words, there was no application that was ever seen. Then he stated that the Member for St. George was misquoting him when he said that he would not see 200 people out of work. We're not saying that there is anything wrong with the Development Fund on this. But what did the Honourable Leader of this House mean when he said that? Was it just fake or did he mean it? If he means it, I think we're entitled. We don't profess to know everything. We don't profess to know everything but we're certainly entitled to know, and we're going to keep on asking --(Interjection) -- just a minute. You were talking about being in order. Wait until I sit down. All right. We're going back to those words now and maybe the Leader of the Opposition can read it again, to say that he will not see 200 people out of work. That is very important and it is our duty. You're always telling us what to do on this side of the House. It is our duty to fight for those people because apparently the government talks about it but doesn't do a thing about it. If you're going to do something about it, let us know and we'll be satisfied.

MR. ROBLIN: Mr. Chairman, I repudiate the honourable gentleman's implications entirely. The position of the government is perfectly plain and it's been a consistent position that we've taken all the way along, and that is that the Brandon Packer situation is one that has to develop as events transpire. We have a company that has been through this legal position that we know about; that it's been up for sale; that it's been purchased or we believe that it's been purchased -- even that is not clear at the present time as to whether it actually has been or not -- I think it has -- by the Manitoba Pool Elevators.

Now our position is this, that we feel that we should allow the Manitoba Pool Elevators an opportunity to form their plans as to what the future of Brandon Packers is. Based on what those plans are, we then will know whether we are called upon to take further action. We don't know it

(Mr. Roblin, cont'd) at the present time. But the point that my honourable friend is trying to make is, or that was made before when this thing started, was that we were sitting back without any interest in what was going on there with no intention of doing anything about it. The point I want to make is very simple, and that is we cannot decide what should be done about it until the facts respecting that plant are clearly revealed. Until we know the plans of the Manitoba Pool Elevator, we do not know what those facts are. When we have them, we'll look at the situation again, but we are not indifferent to what is transpiring there. If it is necessary in the public interest that we should take action as a government, that will be considered. That is the position we've always taken and it's the position today. But until we know what the plans of the Pool Elevators are with respect to this plant, it would be foolish of us to rush in and try and put matters to rights. Our job is to let them do their part as the owners of this company, to devise their plans, and we'll see where we'll go from there.

MR. DESJARDINS: Mr. Chairman, the First Minister a little while ago told us that he had somebody contact the Manitoba Pool Association, the new owners, he told us that they had plans for more than 25 men. Now he tells us that it is not even clear. He doesn't know if they bought it. Now I'm not going back to the past. Let the member from St. George fight his own battle. But I want to find out this: there's a lot of statements made here, and in the Speech from the Throne there was a statement that the government would not see 200 people out of work. Now you're saying: "Well let's see what's going to happen." The Manitoba Pool Elevators wasn't in the business then. I'm sure that the First Minister didn't know because he doesn't know now if they bought it or not. Now why that statement? You don't say things in a Throne Speech if you don't mean it, or usually you don't. We want to know, and this is our duty tonight, what is going to be done? If there is anything secret, if there are some secret documents or exchange of views with the owners and all that, we'll accept this. But there was a statement made and if the Leader of this House had not denied it, but he denied it and now he's not denying it, because the Leader of the Opposition just finished reading directly from Hansard. He tried to make a fool out of the member from St. George. He called him a liar -- he called him a liar -- he called him a liar. So this is the case. I'm not talking about the past. I'm not talking about the Tritschler Report. That wasn't even mentioned here. I want to know was that just a statement about this 200 people out of work because the people of Manitoba want to know that and those 200 people want to know that.

MR. ROBLIN: Well of course it's not just merely a statement. It represents our view on this matter, that we are not disinterested in what goes on in Brandon. We are very much interested. It is our hope that the Manitoba Pool Elevators will evolve a plan that will employ a substantial number of people in Brandon. If they don't and if the matter appears to be, as my honourable friends say, that no one's going to work there or only 25 people going to work there -- (interjection) -- All right, some people said it. I haven't said it. I'm not talking to my honourable friend, I'm talking to the House at large. I'm talking to you, Mr. Chairman. It's a very simple proposition, that we are very interested in the future of Brandon Packers and we intend to do our best to see that the plant continues as an operating plant in Brandon with substantial employment and occupying the position of importance as it does in that community. That's still our point of view. That is exactly what I said in the Throne Speech and that's what I mean. The point I want to get back to is that until the Pool Elevators have their plans developed for Brandon Packers, it is obviously premature for us to say how many people are going to work there or how many people are not going to work there, but we are interested in this plant. I, myself, have confidence that the Pool Elevators will evolve a plan that is satisfactory under the circumstances and satisfactory to the situation that we're trying to meet in Brandon. If they run into trouble, then we're prepared to stand behind them and to do what we can to help them. If it's done through the Industrial Development Fund, that's fine. If it can't be done that other way and we can do it in some other method, then this House will be asked to approve whatever steps we take.

MR. DESJARDINS: Mr. Chairman, we're getting something now. But this is what was said. Does anyone think that we sit back complacently and see a plant of some 200 people not functioning when it is the largest single plant in that area. No, sir. Now they've been talking about that they are interested. We're not denying that. Nobody is accusing you of not being interested. We hope you are. Everybody in this House is, and that you have hope. We have

(Mr. Desjardins, cont'd). hope too. But this was a statement that you would not permit it. This is the only point. I'm not talking about the past or anything now. You've gone a little further. I should direct my remarks to you, Sir. The Leader of this House has gone further and he says if that is the case that they will take matters in their own hands and see that something is approved. That's fine. But this is what we wanted from the start, not trying to deny it.

MR. ROBLIN: My honourable friend mustn't put words in my mouth. Read what I said again. Read it out loud. Well read it again because you obviously don't understand it.

MR. DESJARDINS: Well that's too bad. I thought you were addressing the Chairman.

MR. SCHREYER: I think, Mr. Chairman, that some of the exchanges here have taken place because of the result of some confusion and this confusion obviously -- members opposite laugh but they won't laugh after I'm finished. It seems to me that this confusion has been, in large part, the result of certain things that have been said in this Chamber by the First Minister and the Minister of Industry and Commerce several weeks ago. I haven't got the exact quotation from Hansard but, if I recall correctly, someone on this side asked the First Minister why the government had not seen its way clear to make or grant a loan to Brandon Packers when the application for a loan had been made some time ago. The Minister at that time, quite properly I suppose, said that this was an application made to the Development Fund and the government, did not feel that we should intercede. I believe that that is the gist of what he said at that time. Now that seems pretty clear-cut, but just a few days ago there was an article in the paper and a headline -- I realize that the government will say that they're not responsible for headlines -- but the implication of that article was that the government -- as a matter of fact that was the word that was used -- the government was considering making a loan, of taking steps towards granting a loan to Brandon Packers, as it might be reconstituted or reformed. Now the First Minister likes to talk about mugwumpery. He used that term last session and it seems to me that there's a bit of mugwumpery here, because in one hand they refuse to take any responsibility for the rejection of an application for a loan quite awhile ago, but now -- I notice tonight the First Minister was using the pronoun "we" and "us" -- the government obviously. Now what is the case? Is it the Development Fund or is it the government that will reject or grant loans or applications for loans in the past and in the future? I think we should have that cleared up.

MR. ROBLIN: Mr. Chairman, I'll be glad to try and clear it up, and after that perhaps my honourable friend the member for Brandon might say a word. The position is simply this and from our point of view we were at a loss to understand why there is this confusion, but let me try and clarify it -- that the Industrial Development Fund is on its own when dealing with Brandon Packers. They will either give them a loan if they require one or they won't. It's up to them. When that has been disposed of, if the situation is such that the Development Fund has not given money to Brandon Packers and they need it to operate, then we as a government may consider it as a separate matter and we can bring forward any measures that are necessary to deal with it. Now this is a procedure which has been done several times before. For example, the canning plant at Winkler was supported by a special act of the Legislature, which made funds available for it to operate under. That was before there was an Industrial Development Fund. Similarly, the Oil seeds plant at Altona was assisted by a special act of the Legislature in the same way. So we have two ways of dealing with this problem. Our position is that we should deploy the normal procedure of the Manitoba Development Fund for Brandon Packers. If that proves satisfactory then that settles the matter. If it doesn't prove satisfactory, we have the other option open to us if it's deemed desirable in the circumstances. That, I think, is the clear situation that faces us.

MR. LISSAMAN: Mr. Chairman, the Honourable Member for Brokenhead said there appeared to be a bit of confusion here. I'd go a bit further and I'd say that some members on this side of the House are just plain ill-informed. They don't know what they're talking about. You'd have to look back and understand the whole happenings to realize what has happened. I thought the other night that I had displayed to the House that -- in fact I made this statement that I conscientiously look after the interests of my community well enough, I think, that the members of the House would believe me when I say that I would have been the first one to criticize the government if I had of thought their actions had any shortcomings in connection with Brandon Packers.

Now the thing to remember is this -- just a brief rundown of what happened. After the

(Mr. Lissaman, cont'd) Cox-Paton episode, the company changed hands somehow and Mr. Cleveland and Mr. Holland appeared on the picture as major shareholders. Now it became obvious that they did not have adequate financial backing. Just how the machinery worked in which they acquired the plan -- there was an exchange of some building company or something I understand -- quite a complicated deal -- but nevertheless Cleveland and Holland did not have, quite obviously, adequate financial backing. Because of the previous episode, Cox and Paton and the trouble with labour unions and so on, the company was, because of these financial machinations, likely to be the victim of a lot of litigation between Great West Saddlery and Brandon Packers. As I pointed out the other night, I certainly would not criticize the Manitoba Industrial Development Fund for not loaning money under those circumstances because it might have been the case of deliberately throwing away public money and, as I pointed out, one must take the broader view of what's good for Manitoba and I found no fault with that.

Now then, the company was pushed into bankruptcy by the unsecured creditors and then subsequently the bondholders, having a blanket claim on all the holdings of Brandon Packers, then -- and I don't know the correct legal term, it escapes me for the minute -- but they had the courts appoint the National Trust as trustees for the bondholders. Now then, certain bondholders, myself included, realized that a company would not be operated in bankruptcy profitably, so we pressed, quite rightly I believe, the National Trust to advertise it for sale so that it could ultimately and most quickly get into the hands of owners who would eventually operate it and make it a profitable company. A group of local conscientiously patriotic citizens and I say patriotic advisedly because they were thinking of the interest of the community, got together and raised a considerable sum of money, or pledges for it, and put in a bid. Also, at the same time, Pool Elevators put in a bid. Pool Elevators bid was the highest by \$5,000.00. I think that the First Minister is quite right in saying that he doesn't know for certain whether Pool Elevators owns it yet because there is always room for appeal from the previous owners and so on. I suppose it will be maybe 30 days or more before we can be sure definitely who owns it.

Now the point is this, if members are conscientiously thinking that they're helping the situation by talking when they don't know anything about the circumstances, or apparently very little, they can only confuse the issue and cause bad feelings. Regardless of who finally operates this plant, they must have the goodwill of the Brandon people and community and vice versa. In addition to this, trying to assume whether the government must help now or not is like trying to put together a jigsaw puzzle with two of the pieces missing, that have fallen under the table. The pieces that are missing are that the Pool is not in a position yet, and I can understand this to quite a degree, to say -- first of all they're not certain whether they own the plant and they're not in a position to say just what their future plans may be. Certainly we held a meeting in Brandon Monday -- that was why I was absent from the House -- to discuss these very matters-- interested parties, Chamber of Commerce, City Council and interested people. As I pointed out there, we were trying to put together a puzzle with two of the pieces missing. Until we have the indication from the Pool Elevators as to how they're going to run this plant, in what manner, as a killing house only or as a processing plant. They themselves have denied the first public releases that appeared and promised certainly something better but what that better is, as the Premier indicated, we do not know yet. Until we know these things, no one can be criticized because it's within the Pool's hands right now, temporarily at least, and all this talk will accomplish nothing. We must wait for a while now to see what the actions of the Pool are going to be. Heavens knows, Brandon Packers has received enough bad publicity without stirring the mud up a little more and confusing the issue still further by people making accusations and statements in this House when they don't know all the ramifications of the situation. So, Mr. Chairman, I think at this time we should move on to the next item and leave this item till the Brandon Packers situation clarifies itself. This is out of our hands -- this clarification -- it must come from other parties.

MR. DESJARDINS: Mr. Chairman, before this is done, I would like to thank the Honourable Member for Brandon for his complete explanation. He did so a few days ago or last week -- and I think we understood then. Now I think that we should be clear that nobody from this side has criticized the Manitoba Development Fund. Nobody from this side has criticized the Manitoba Development Fund. Nobody from this side has criticized the Manitoba Pool Elevators. The

(Mr. Desjardins, cont'd)only thing that we wanted, and I think we've accomplished this and I think that it is important. Nobody is trying to give a bad name to Brandon Packers. The only thing -- I'm not debating the issue brought in by the member from St. George -- the only thing is that he was called a liar on this question of the Leader of this House stating that the government would not see -- I'm not going to read it again, we read it three times -- see people out of work. I think that was a very good statement, but why the secrecy? We went around and the Leader of this House told us that he hoped that everything would be all right -- we understand that. Finally, after being asked so many times, he did make a statement and he did make a commitment to those people tonight, and this is all we want. I'm not worried about Brandon Packers; I'm not worrying about the Fund; I'm worrying about those people that are left out of work. Now I'm many miles away from Brandon and I don't know too much about that, but there's still some people interested there enough to phone me and ask me about this, if there is a chance that we'll have some work -- even in St. Boniface and that's many miles away. I was very surprised when I got that phone call. This is what I want. It's easy to say, "Well, we'll come at the right time", but the people need hope. I was talking about that this afternoon. This is what they need. The statement that the First Minister made in his Throne Speech was a good one, and I don't know why at first this evening that he pretty well denied that; then he came back and made a good statement, that he was going to follow the proper ways. We agree with that. Nobody is saying that there was anything wrong in that, at least I'm not, and then if that was the case they would find another way to do it, but they definitely wanted to help those people. I think, call it a misunderstanding if you want, but I think it was well worth it, if the people that are out of work realize that the government and the members of this House are interested in them and are looking after their welfare. That's all there is to it. Nobody is trying to hurt Brandon Packers.

MR. ROBILIN: Mr. Chairman, I'm not content to leave the matter where my honourable friend would like to leave it. I must point out to him that in my remarks about the Honourable Member for St. George I was referring to his charge that we had made a deal with anybody with respect to the conduct of the Judicial Enquiry Commission in Brandon and not with respect to the statement that's been attributed to me with respect to the Throne Speech on the future of the Packers. But now that we're on that subject, I'm going to read what I said at that time -- in full on this occasion and it wasn't read in full previously -- because I think that what I have said tonight stacks up very well with what I said on the previous occasion, and this is what the statement was: "Somebody said a little while ago, 'Why don't you use it', meaning the Industrial Development Fund, " to help the situation in Brandon and Brandon Packers?" Does anyone think that we sit by complacently and see a plant of some 200 people not functioning when it is the largest single plant in the area? No, Sir, but we cannot step in and make political decisions in the operation of the Industrial Development Fund. That is something that has to be dealt with on an economic decision. When the affairs of the company are placed on a sound economic footing, as I have every confidence that they will be within a short time, then I feel certain they will be able to present a sufficiently attractive proposition to the Industrial Development Fund that they will be assisted in restoring that very important industry in the City of Brandon. But I do not think it would be wise, and I am sure that members will agree with me on reflection, that it would not be wise for us to step into the centre of this particular problem until the financial re-organization of the company has been carried out in some way that meets the desires of the people who own it and is realistic under the circumstances. But when that is done, the assistance of the Industrial Development Fund will be available. I do not wish to indulge in the gratuitous exercise of prophesy, but I have every hope that perhaps before this House rises we may see that important industrial institution going again in Brandon and for the assistance of the people of Western Manitoba." Now that's the statement that I made on the Throne Speech debate. It is fully consistent with what I've said tonight, and it does not seem to me that it should have in any way given rise to the confusion which some members have endeavoured to plunge this matter into.

MR. DESJARDINS: Mr. Chairman, that might well be except for one little thing. Tonight the Minister said: "This is all on the assumption that the Manitoba Development Fund will do something", and then we had that contradictory remark by the Minister of Industry and Commerce on the same thing a few days ago. But tonight the Minister, and as I say it's well worth it, the Leader of this House went a little further and he said that if that wasn't done and if they couldn't

(Mr. Desjardins, cont'd) qualify, or if that wasn't done under this, they would find another way, that it was done in other instances -- they will find another way to try to help those people. The fact that there's still 200 people -- now they might ask for help from this Fund for 25 -- I'm not saying they will, I'm just saying that the First Minister mentioned that himself, that somebody had mentioned 25. I never heard that. But now tonight the Leader of this House did state that if this failed they had some other chances that everything wasn't lost, and that is what I'm interested in. I'm not saying that anything he said was wrong -- just tonight that he practically denied -- and he did call the member from St. George a liar and he did try to say that he was misquoted when he mentioned this 200 people out of work.

MR. ROBLIN: Mr. Chairman, that is emphatically not correct. My references to my honourable friend from St. George was with respect to his statement that we tried to make a deal on the Judicial Enquiry Commission. Now that is the fact.

MR. MOLGAT: The important thing, as far as I'm concerned with Brandon Packers is whether we get this important industry going again in Brandon at the full level at which it was going. This is, I am sure, what the Brandon people are interested in. Now there are some negotiations going on. Is the government at present in consultation with the Pool Elevators? Is it in co-operation with the, trying to work this matter out, or is it simply waiting back to find out what the Pool are going to do? I would suggest that they should take a positive action in this matter and try and work out with the Pool now -- not wait until it's too late. Are they doing that?

MR. ROBLIN: Mr. Chairman, I covered that point quite thoroughly I thought in my previous remarks, and that is when I saw the newspaper report that the Pool was only going to employ 25 people at this plant; I had contact made with them and I asked them to give me a statement of their policy with respect to it, because it is something in which I am very interested. They have not been able to do that yet, but I sincerely hope that they will be able to do it before long.

MR. S. PETERS (Elmwood): I think I would like to say a few words on this question. Right along, everybody has been stating that there is 200 people involved in this Brandon Packers. When they went on strike there was 135 people involved. That doesn't make the situation any less serious than it really is. I know very many of them personally; I've talked with them; and I think it would be a serious blow to the City of Brandon and the people that work in that plant if it doesn't come back with full production and to the rate of production that they were in before the strike happened in Brandon. I think that the most important thing is to get that plant going again and get those people back to work. I've talked to many of them; they're thinking of moving away because they don't feel that the plant is going to open again and I think that would be a very serious blow to those people.

MR. FROESE: Mr. Chairman, I've been wanting to get up all evening, and I'm going to change the subject slightly from what we've been discussing here right along. One of my questions that I put to the Minister last weekend was whether members of this House had made loans from the Development Fund. I was given an answer to that, but there was another part to the question and that part was whether any companies or organizations, which members of this House would be the principle shareholders, had made loans from the Development Fund. I'd like to have an answer on that.

Further, in going over the financial statement, I see that the fund has made earnings of \$61,507 but in the expenses listed there is no item given to cover interest on shares. After all, the government has put \$2,400,000 into share stock in the fund and I'm just wondering how much that costs -- what it costs the government to put that shared capital into the fund and they're not getting anything in return. Is the fund operating at a break-even or are we losing money in the fund? How much does it cost the government to operate that fund?

Then the other questions, I think, were answered why the allowance of \$24,000 for the bad loans and also reserve. I still feel that one fund is adequate. You don't have to have two funds set up for the same purpose. After all, they're both there for the purpose of writing off bad loans. Then a further question -- the government must have observed the boards operating the fund and granting loans and so on, and I would like to have an opinion from them as to whether they feel that this board is liberal, or is it conservative in granting loans? -- certainly not. These are both for the small capital. I'd like to have an answer on these before I go on

(Mr. Froese, cont'd) with any further questions.

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MR. EVANS: Well, my honourable friend, there are, as far as I'm aware, no members of the Legislature who are on boards of directors of any organization that is the borrower from the fund -- as far as I'm aware; as far as I have been informed. Now the cost of the shared capital or the cost to the government of the shared capital is worked out in the annual report. Perhaps it isn't in the annual report itself, but to date, I think the advances from the Treasury to the Manitoba Development Fund have included \$4 million in the purchase of shared capital, and interest is charged on that money by the Treasury to the Board at the same rate as money is charged by way of straight loan. You asked concerning the cost of operating this Fund to the government, and I refer my honourable friend to the resolution that we're voting on now, which provides the amount of money calculated for the coming year. My honourable friend refers to whether it is liberal or conservative. It is progressive and helpful and of great assistance to the Province of Manitoba and is therefore conservative.

MR. HRYHORCZUK: Mr. Chairman, would the Honourable Minister tell us what the fund will use these Manitoba contributions for? What will they use them for -- this item of \$457,000. What use will the fund make of that sum of money?

MR. EVANS: That is the cost -- the \$457,000 is the interest cost of the money that the Treasury has advanced to the Manitoba Development Fund by way of capital amounts. This is the cost of that money. Then recoverable from the Fund in payments on the loan is \$198,000, and the net cost then to the Treasury for the coming year will be \$258,000.00. This is the cost of the money that has been advanced on capital account.

MR. HRYHORCZUK: That I understand is what -- \$2 million? What is the advance now?

MR. EVANS: There was \$2 million loaned and \$4 million in the purchase of capital stock. Share purchases are \$4,300,000 for one year, and a further \$700,000 for a half a year so that the total purchases by now are \$5 million, or the total amount of capital stock in the fund, and advances are of the amount of \$4,600.00.

MR. HRYHORCZUK: Mr. Chairman, am I correct in assuming then that the government will carry the fund until such time as the fund is self-paying?

MR. EVANS: That is right. They will pay the difference in the cost of money until it is completely self-sustaining.

MR. HRYHORCZUK: Eventually, will this money be paid back to the province, or is that going to be a complete loss?

MR. EVANS: Well of course, there will be no loss. The difference between the cost of money and the recoveries -- at the moment -- there is no present plan covering that contingency. The money that will be recovered will be the full capital amount, and as time goes on, the earnings on the fund will be sufficient to carry the complete interest cost. I'm not able to look forward and see what the future estimates will be or what provisions will be made, if any, to recover the difference that is noted in the estimates this year.

MR. MOLGAT: the government is subsidizing the Manitoba Development Fund to the extent of a little over a quarter of a million dollars. Correct? The borrowers from the fund are actually being subsidized by the government at this stage.

MR. EVANS: The borrowers? No.

MR. MOLGAT: Well it must be. If the government is putting more into the fund than what is coming back, then surely the government is subsidizing eventually the borrowers.

MR. EVANS: I think my honourable friend should note the operating expenses of the Board as well, and the fact that in the operating statement that he has seen here for the year just completed, there is an operating profit of some \$60,000.00. There is an excess of income over expenses, after all reserves for bad debts and depreciation, in the amount of \$61,507; and after meeting salaries and other expenses, of \$84,580.00. All those expenses are met out of the earnings of the fund itself, so it is not a subsidy of that amount.

MR. MOLGAT: I appreciate that, but still the government is this year going to provide to the fund a quarter million dollars. Now it's true that the fund will, on the basis of last year's experience, will show--the rates of last year, that's taken from the rates of last year all the way through then. Last year the government provided some \$213,000.00. The fund made a profit, or let's say an extent of income over expenses of '61, so the net cost to the people of Manitoba -- taken fund and province together -- would be 213 less 61, which would make it \$152,000.00. Is that not correct?

MR. ROBLIN: Mr. Chairman, I think that you might look at the problem this way. The fund have so much money that they obtain from the government. We're the sole source of capital at the present time and they are charged interest on that money. In turn, they lend it out to various borrowers, and I believe I'm correct in saying that all of them pay higher rate of interest -- not very much perhaps -- not less than a half more than the rate they get the money from us. In addition, they have an income of that interest money out of which they pay the interest they owe us plus their operating expenses. But the way this thing is working is that the fund do not wish to pay back to the government any surplus that they may make over and above their interest and operating expenses because they want to set up various reserves, and also they feel a certain amount of the capital should be treated as equity capital as far as they are concerned. So they're allowed to keep that surplus and, as members can see, it's gradually building up and before long it may be quite a substantial sum. Now during the period of accumulating a reasonable surplus, we have a period of deficits insofar as the provincial treasury is concerned and, therefore, we subsidize the fund for the amount shown in the estimates. I would guess, but I don't wish to be held to any firm prophecy on this, but I would guess that within a reasonable period of time, several years, the fund will probably accumulate sufficient surpluses for their purposes, and unless we desire them to retain the money to lend out again to other people and thus avoid coming on the government for more capital, that money will be available to come back into the Consolidated Fund. If at any time the fund were wound up, then that money would also be available to come back to the Consolidated Fund. But while it is an operating concern, and one would hope that it will be an operating concern for some time, they will be in the position of retaining that money and putting it in the reserve account; but, in fact, they will of course be lending it out again and making it turn over; so that we face this situation that for a certain length of time, until such time as the fund builds up a reasonable reserve, that we will be making these contributions from the expenditures of the department, which are by way of subsidy, if one wishes to look at it that way.

But I want to make this point, that the subsidy is to the fund, not to the lenders -- not to the people who borrow money. They are not being subsidized. The fund is simply hanging on to any surplus it gets from the revenue it receives from them instead of turning it back into the Consolidated Fund as might be done under other circumstances. They're keeping that money now because they wish to build up -- and I think it's a wise business practice and they should be allowed to do so. They operate independently, and they put the case to us that a certain amount of their money should be considered as equity capital. The statute provides that that is the case and they are treating it as equity capital, and that accounts for the fact that there is this element of subsidy in the Public Accounts. We think that it is wise that we should show that. We feel that it is wise that the sum should be shown there so that the members of the House and the general public may know exactly what the situation is. This, I think, does give them a pretty clear idea of what is going on with respect to it. So the point I'd like to get across is that while there is a subsidy to the fund while they are building up their reserve surpluses, and they'll probably continue doing that for some time, there's no subsidy to the borrowers who are charged rates of interest which are at least a half of one percent over the rate at which the fund borrows.

MR. MOLGAT: Mr. Chairman, the result is still that the borrowers are getting eventually a benefit from this fund because the government is putting more money into it than what it gets back in interest on the loans. If you take the estimates of last year, the estimates read differently at that time. They read, "Debt servicing charge, \$273,000; less net earnings on loans, \$60,000; net cost, \$213,000.00." Now my honourable friend can say: "Well it goes into the fund, it doesn't go straight to the borrowers," but the fact is that if he were operated strictly on a cash basis, then the charge to the borrowers would have to be more than it is at present. If the charge to the borrowers is as low as it is, it is because the government is prepared to put in at this stage a quarter of a million dollars.

MR. ROBLIN: Mr. Chairman, I think that it's quite true that if we charged the borrowers more money, a higher rate of interest, then the fund would have more money coming back in, but they are borrowing at rates which are certainly full commercial rates -- in some cases above commercial rates. I'm not sure but I think the fund charges as high as 7% on some loans. So that if you consider the fact that the public money is being lent at a rate not less than one half

(Mr. Roblin, cont'd) of the cost to the fund, I think one gets a clear picture of it. I really don't regard that as a subsidy to the borrowers because if they were borrowing from other commercial institutions they would probably get about the same rate, so that they're not getting any special favours in this respect. So I maintain my position that the subsidy is to the fund, not to the borrowers and that there is a difference in this respect.

MR. MOLGAT: Mr. Chairman, presumably if they're coming to the fund it's because they can't borrow in other localities or in some other sources. Surely they only come to the fund either for one of two reasons: one, that they can get more money from the fund; or (b) that they can get their money cheaper from the fund than they can get elsewhere. If one or the other doesn't apply, they'll go to other sources.

MR. EVANS: Mr. Chairman, that's perfectly true. That's even required under the Act, that the borrower must be able to show that they had not been able to get their requirements at reasonable prices from other sources of capital, and only in those circumstances is the fund available. I think it's true to say that these subsidies are to be provided in the early years of the fund until it is sufficiently established on a sufficiently large size, with the repayments on loans coming in at a rate which will then recover the investments and return that money to the revolving fund.

MR. PAULLEY: Mr. Chairman, am I right in presuming that this figure of \$258,000 represents at the present time the debt servicing charges and as such, at the present time technically it's a charge on the taxpayer of the province. Then after the fund has been in operation for some time and utilizing the full amount of the money that is authorized for them to have, the additional \$10 million I think it is, that we're going to approve as a loan to them for this year, that this item, similar items will eventually show as a revenue item to the Treasury of the Province of Manitoba. Is that the general idea?

MR. EVANS: Yes.

MR. MOLGAT: Mr. Chairman, I presume the accounts of the Development Fund do not appear in Public Accounts. Is that correct? I haven't checked specifically. In that case, I would suggest, Mr. Chairman, for next year possibly the fund would give us a more detailed accounting than what is given here. There's a substantial amount of money now in the hands of this fund which is public money. I find, for example, when we take the statement "Income and Expense" that it doesn't appear to me to detail sufficiently the items in which we might be interested. And specifically when we come along to the statements of "Reserves" the movement of funds out of the income expense statement into the reserve statement, it's not a big amount but, nevertheless, I think we should have the figures. It shows in 1960, for example, excess of income over expenses, \$19,000; and yet in the statement "Reserve", the balance at March 31st, 1960, is only shown as \$10,000.00. As I say it's not a big figure, but if we're going to be dealing with this fund and the public funds are invested in it and my honourable friends are asking for more money for it, then I suggest that we should have a more complete accounting of the whole fund for next year.

MR. PAULLEY: Mr. Chairman, should not these items be shown as a liability to the Industrial Development Fund? The items such as we're dealing with this evening of \$258,000.00. Because if eventually it's going to be paid back from the fund to the Treasury, should it not be shown in the books of the fund as an amount owing to the Provincial Treasury or the taxpayers of the province?

MR. ROBLIN: Mr. Chairman, that would be quite possible but we think it's better to show it as a current expense rather than capitalize it, which would be the result of taking my honourable friend's view of this. We think it's better to charge that as a current expense rather than to capitalize it.

MR. PAULLEY: Mr. Chairman, would it not be true though that at all times the members of the House would have the true picture before them. The way it is now, we're dealing this year with the figure of \$258,000.00; last year we dealt with the figure of \$213,000, or almost half a million dollars. But unless we go back over the years to pick out these figures, we won't have a true picture before us in any one particular time as to the total amount that, in effect, the province has paid or advanced -- technically advanced to the fund.

MR. FROESE: Mr. Chairman, last year -- the statements we have here from March 31st, 1961, the government issued 9,000 shares for that year. In order to use up this \$258,000

(Mr. Froese, cont'd) which is in the estimates, how many more shares will be issued during the year in order to take up that \$258,000.00?

MR. EVANS: For the coming year, I think my honourable friend should understand that the money going to the Fund from the government goes in two forms. One is by way of the purchase of shares in the Manitoba Development Fund, and by the end of this year all of the \$5 million worth of capital stock will have been purchased by the government. But there are further sums that go from the government to the fund in the way of loans in addition to the purchase of stock. Now during the present year, it's expected that the purchase of shares will have been completed. There will have been -- \$4,300,000 will have been paid in at the end of the year and an additional \$700,000 during the current year, which makes \$5 million worth of stock that they will have purchased. Then, in addition, during the current year it's expected that some \$4,600,000 will be the total of advances to the end of the current year.

MR. FROESE: Mr. Chairman, will the loans be treated the same way as share stocks?

MR. EVANS: Well no, one doesn't treat a loan the same way as the purchase of share stocks.

MR. FROESE: The interest will be paid on the loans, I assume.

MR. EVANS: Interest at 5 3/4% is paid on the loan. Of course on the purchase of capital stock you own the company as it were, and if there's a surplus there, it's possible that the fund might at some time consider dividends -- I don't know -- or to return the surplus to the government although there is no plan, as I understand it, at the present time for that to be done.

MR. MOLGAT: Mr. Chairman, before we pass this item, the Minister is going to ask us, as has already been indicated to the House by the resolution that has come in and the bill that was announced, for further money for the Manitoba Development Fund. Now the other day I was asking certain questions with regards to the borrowers from the fund. My honourable friend said that this was not information that was available. I have since checked the Act, and frankly, Mr. Chairman, I cannot see where in the Act the government is prevented from giving the information that I was requesting. I appreciate that the government could not give me details and I was not asking for such details on the finances or any details of any kind about the firms who borrowed from the fund, but I don't see where in the Act the government is prevented from giving us the information that I was requesting, namely, the names of the borrowers and the amounts that they borrowed. I'm quite willing to forego the other question that I was asking, and that is the amount of arrears -- simply the names of the borrowers and the amount that they borrowed. Now, as I say, I don't see in the Act where this is prevented. And if it were prevented in the Act, Mr. Chairman, how come is it that the First Minister himself, when he's out making speeches at the opening of some of these plants, himself mentions the people who have borrowed from the fund. Because speaking at Steinbach sometime earlier this year at the opening of a plant there, the news report is that he said: "speaking to the business men of Steinbach and their visitors, Premier Roblin said that both the millworks and the Concrete Products Plant had been assisted by the Manitoba Industrial Development Fund." Now the First Minister states there that these people have obtained assistance. Later on he said that the fund had lent money -- he was opening as well the Sprague plant and the fund had advanced money to the Sprague plant -- Now there the First Minister gets up and names three companies who had borrowed money, yet we here in the House who request the same information are refused to be given exactly the same details. The Minister tells us that it can't be done under the Act. Now I just can't understand what the policy is. I would appreciate if the Minister would clear this up.

MR. ROBLIN: Mr. Chairman, I can deal with the part with respect to myself, and that is that that information was given with the consent of the people who borrowed the money. It's quite a different proposition if they invite you to come and open their plant, as they did, in conjunction with the Industrial Development Fund. I don't think I'm betraying any confidences under those circumstances, if I appear and open a plant in association with the Industrial Development Fund itself. That is the circumstances under which those references to which my honourable friend has referred were made, namely, that it was with the consent, in fact on the invitation of the people concerned.

MR. PETERS: Mr. Chairman, the Minister of Industry and Commerce was at the opening of the Custom Abattoir at St. Boniface. Did they give him the consent to say whether they had borrowed money from the Industrial Development Fund or not?

MR. EVANS: Yes, if my memory is correct, the officer of the company mentioned it in speaking ahead of me. In all cases where the companies themselves have announced in public that they had borrowed from the Manitoba Development Fund, we or anyone else are quite free to refer to that public information. For example, Border Chemical Company themselves bought a full-page advertisement in the Free Press and acknowledged -- and I think in the Tribune as well -- and acknowledged right in that paid advertisement over the signature of their company that they had borrowed from the Manitoba Development Fund, had received assistance in this way. When a statement has been made in public by the company, we or anyone else are quite at liberty to refer to it.

Now with respect to -- I'm not going to rely on the legalistic interpretation of the Act as to whether or not we are prevented from referring to the names of the companies, I've announced it as a matter of policy. But just to refresh my honourable friend's memory on this: "that the Corporation shall not be required to produce to the Assembly or to any committee thereof, any application for a loan or other information furnished by an applicant or a borrower or otherwise obtained by the Corporation respecting the applicant or borrower or his business." Well, the statement that he is a borrower from the Manitoba Development Fund is information concerning the borrower and I don't think it really depends too much on a legalistic interpretation of those words. I have given my honourable friend the interpretation that we have put on it.

Now I'd like to set the record clear in this regard and mention again the facts that I ran over during the debate in introducing this matter into the Legislature. The fund is required to fill a gap which did not exist in the supplies of capital in Manitoba at that time. It is continuing to fill a gap for small and medium-sized amounts of capital, which are required for industrial development. Now the principles on which this fund were established were mentioned by myself, and I would refer to page 27, volume 1, No. 3, of the Manitoba Hansard of October 27th, 1958, and I said at that time, and "In the second place, there is the clearest direction in the language of the Bill to the Board to carry on their operations as an ordinary business corporation would do, in a businesslike fashion. We have tried to give as large a measure of independence to the Board as it is practical to do in circumstances where the government is providing public money of very substantial proportions. I suggest to you here that we had a middle course to find. There would be a good deal of attraction in saying to the Board, You are leading men, men of standing, men of experience in the business community. We want you to administer this fund in a completely independent way and so clear from anyone's mind a suspicion that this money was going to be dealt with in an unbusinesslike way, in a political way or in any other way that might be detrimental to the proper operation of the fund. That was a temptation. On the other hand, we found ourselves faced with the inevitable fact that public monies were involved here and we could not avoid the responsibility to see that that money was administered properly.

Now it does seem to me that the proper businesslike administration of this is going to depend on the men that we're able to attract to the Board. If they are indeed of leading stature and ability and have the right ambition to serve their province, I suggest to you that we will have a good and businesslike administration. That is the hope on which we rest. The thing that will guarantee it, as far as our purpose and intention is concerned, is that the government will not interfere with the operations of this Board. I would anticipate that this Board, when established, will have its offices downtown. "It did, in fact, have offices separated from the government offices." and I would like the point very firmly to be placed in their mind, and it will be that their decision with respect to individual loans will be final. If anyone should come to my office and say: 'The man downtown has refused me a loan', I'll say 'Well, I regret to hear it but the only man that you can see is the man downtown'. And I tell you that that will be the intention of the government and we will pursue it by every means that we can.

I'd like to mention to my honourable friend that I have checked the records of other public funds of like character and with the following results: The Industrial Development Bank of the Federal Government does not reveal any information as to the name or any other particulars about the borrowers. In Quebec, the fund is just being formed at the present time and I was not able to learn what their policy will be. Ontario Government has no fund of this character. British Columbia has no public fund of this character, although most of the industrial loans of this kind were made by the B. C. Electric, which is now owned by the government, and it is not their policy to reveal the names. In Saskatchewan, the names are not revealed by

(Mr. Evans, Cont'd....) the Saskatchewan Development Fund. In Nova Scotia, information as to the names of borrowers is not disclosed, and only totals for the year are revealed. In Alberta, Treasury loans--this agency operates in the same way as a chartered bank and deals are not revealed, according to my informant. In the marketing board with loans for inventory purposes, information is disclosed only by industrial categories, not by the names of the individual borrowers. The only American corporation that I was able to trace was Massachusetts. In New Brunswick, I understand that the names of the borrowers are revealed; and in the Province of Newfoundland. Well, in the overwhelming balance then of funds of this kind operating in a completely traditional way, we feel that we, although we began this policy ourselves and assume our own responsibility for it, are acting according to the best precedents that there are. It is a tradition in banking in Canada to preserve the names of the borrowers in complete confidence. I feel that this is the right way to conduct a businesslike operation of this kind. We assured in public the business community and financial community that this loan fund would be conducted on purely businesslike lines. We secured a Board of Directors of business men who were instructed to conduct this loan business in exactly the same way as they would a sound business venture.

I think, to summarize the points on it, it would break our understanding, if not our agreement---and I think I might be sufficiently justified to call it an agreement--with present borrowers who negotiated with the Development Fund under the explicit assurance that all dealings with the Fund would be on a confidential basis and that no information would be revealed to anyone concerning it. It would deter future borrowers to the point where I think you would reduce or destroy the usefulness of the Fund. We would almost certainly lose the services of our present Board and people of like standing, and it would be almost inevitable then that the administration of the Fund would have to be taken closer and closer into government hands and run more like a civil service department, and I think my honourable friends will agree that that would be the wrong position for that Fund to be placed in. In the last place, it's bad banking practice. It's not done by any other public funds, except the two that I mentioned, and we have set our policy to preserve the complete confidential nature of all dealings between borrowers or intended borrowers and the Manitoba Development Fund.

MR. PREFONTAINE: Mr. Chairman, I would like to carry on the line of questioning started by my Leader a few minutes ago. He asked two days ago for the information with respect to the borrowers and the amount of money each borrower had gotten from the government. Now we were told that this was definitely against the law--against our undertaking with the borrowers. Now my Leader reminds the First Minister that he told a crowd of people in Steinbach that the Fund had loaned money to two firms at Steinbach and to one in Sprague, and the reason for the information was that he had authority from the borrowers to give out the information. They gave it out, yes--but you gave it out yourself--you admitted that you stated the facts, with the permission of the borrowers. Now in answer to our request, why did not the government say: "We will give you this information if we can get the permission of the borrowers," like you do with respect to some other information that we were asking, when it concerns to another government--with certain reservations and with the authority of this government, we will give you the information. This could have been told us at that time--you might tell us now. If you can get the authorization of the borrowers, yes we will give you this information. It was not against the law apparently to make this statement in Steinbach--you had their permission. Well, with respect to all the borrowers, if you could secure the information, I think it would be proper to give it to the House--with the permission of the borrowers. And now will the First Minister try to get the permission in order to give it to the House if the borrowers are willing?

MR. EVANS: Mr. Chairman, I would not undertake to do that because my interpretation of the Act was that we are prevented from doing that. It was my intention to make the Act so explicit that the information could not be revealed by the government. So that is definitely a government intention--I'm not hiding behind the wording of the Act.

MR. MOLGAT: Mr. Chairman, in other words, the rule is that when it suits the government for political purposes to get up and make a speech and brag about the amount of money that the Development Fund is advancing to firms in this province they do so, and when the Opposition asks for the information, then it's not available.

MR. ROBLIN: Oh, that's simply not correct.

MR. MOLGAT: Well, what else did you do?

MR. ROBLIN: Well, you can flourish that clipping as much as you like but it simply isn't correct, because the situation is quite clear. We were invited by these firms to go out there and they--and I think on at least one occasion the information was given out in a public speech--I didn't even speak myself but the owner of the plant made a speech and he made the statement in respect of his borrowing from the Industrial Development Fund. But in the case of those visits we were invited by the people concerned to be present. We were present and there's nothing wrong in that, and if we're invited on subsequent occasions we'll be present then too, and we'll be glad to go.

MR. MOLGAT: My honourable friend said at that time. I read the first part. Now I will quote his very words. He went on to say, after saying that these people had been assisted, he said: "These people were unable to get the necessary capital from any other source and were loaned the money they required to bring these plants into production by this Fund. This money, much of it, came from the people of Manitoba who purchase Savings Bonds. Some people call this going into debt, but I call in productive investment." Now, Mr. Chairman, the First Minister made those statements there. Yet when we ask the information in the House we're told you cannot even find out the names of the people who borrowed from the Fund. He gets up on the public platform and says who borrowed from the Fund, and says that this government provided it. Now if that's not using the Fund for political purposes, I'd like to know what it is.

MR. ROBLIN: My honourable friend knows perfectly well that these people have to have made recourse to other funds that are available before they can come to the Industrial Development Fund. There's no secret about that--that's in the Act. It's a plain statement of fact and the people concerned invited us to go out there and to celebrate with them the opening of their plants on this occasion. They're the people who initiated the statements in connection with their association with the Industrial Development Fund, and under those circumstances there's absolutely no reason why I shouldn't. My honourable friend can make the statements himself if he likes.

MR. MOLGAT: All right--and the Minister now refuses to give us the same information that my honourable friend gave on the public platform.

MR. ROBLIN: But my honourable friend continues to overlook the fact that the people concerned were the ones that asked us out there to make the statements.

MR. MOLGAT: But you made it on a public platform somewhere else. When we ask it here in this House we're refused the information. Now what's the logic in this?

MR. ROBLIN: I'll make it on any public platform at all, provided that I have similar circumstances and the invitation of the people who are concerned.

MR. MOLGAT: But the Minister's not even prepared to go out and ask these people if they're willing to let us have that information. He just stated that this minute. My honourable friend has made the announcement about a number of firms. Surely if he was able to make the announcement elsewhere, he can make the same announcement in this House.

MR. ROBLIN: No, it's a quite different thing.

MR. CHAIRMAN: The Member for Elmwood.

MR. PETERS: Mr. Chairman, last night I asked the question of whether St. Boniface or the Custom Abattoir had a loan. The Minister told me that he couldn't give me that information. Tonight he said that the company, Custom Abbatoirs, had consented to give that information. Last night I said that in my opinion the Development Fund had made a mistake in giving a loan to Custom Abattoirs because there were three custom-killing plants in that area at the time. I still say, Mr. Chairman, that they made a terrible mistake advancing money to the Custom Abattoirs to open up a custom-killing plant because there were three plants there that were looking after the people that wanted cattle custom-killed. Now a point comes up here that the First Minister raised about they have to go someplace else--if they can't get it someplace else, then they come to the Manitoba Development Fund. Of the issue of the Tribune yesterday under "Business World", edited by Clare Fairburn, "the Industrial Acceptance Corporation offices this week expressed concern over the expanding activities of the Industrial Development Bank, stating the evolution of a state enterprise into the private sector must be viewed with deep concern". Now did these people go to the Industrial Development Bank? Did they go anywhere

(Mr. Peters cont'd.)....else to see if they could get a loan before they came to the Manitoba Development Fund?

MR. EVANS: I have no information to discuss with regard to the affairs of any borrowers.

MR. FROESE: Still on the Manitoba Development Fund statement of assets and liabilities, I see on the assets side, you're showing accrued interest of \$18,001. I assume that this indicates that you're working and operating on an accrual basis, therefore on the following sheet of statement of income and expenses, income is shown as \$146,087.00. I take it then, that this is not actual receipts. It's income including accrual income. Is that right?

MR. PREFONTAINE: In respect to a statement just made by the First Minister when he claims that he went to Steinbach and was invited to open the two plants, also with respect to the trip to Vassar--to Sprague. Now, Mr. Chairman, I'm following activities in Steinbach and the two plants had been open before. They were in full operation. There had been no mention at all by anyone down there that it was an official opening on the day of the visit. There was a trip made to go to Sprague. They stopped at Steinbach for dinner; there were political speeches made, the fact that the fund had provided some assistance to two firms; and I say that there was no official opening of these two firms on the day unless they put up a little kind of a show on the occasion of the visit of 40 business men. In Sprague, this plant had been opened four months previously. The government had been invited to assist there at that time. The government did not come. The banquet was held; the formal opening was held; later the government went to visit the plant and there was a second opening apparently. With respect to the opening at Steinbach, it wasn't at all an opening.

MR. HUTTON: I'd like to say that I view with some--(interjection)--would you mind leaving this matter open for further comments, Mr. Chairman?

MR. ROBLIN: It is now 11 o'clock. I have no objection to passing the item now, and I have no objection to having it stand open. I don't care which we do. But I'd like to point out to the Honourable Member for Carillon that the only invitation we received from the company, which underlines the whole point I'm trying to make, was the occasion on which we visited there. The other opening that he refers to was not one which we received an invitation from the company. Now that's a fact, and that's why we went on the second occasion because we were invited to go by them.

MR. CHAIRMAN: Committee rise. Call in the Speaker. Mr. Speaker, the Committee of Supply has considered a certain resolution, directed me to report progress and ask leave to sit again.

MR. MARTIN: I beg to move, seconded by the Honourable Member for Dufferin, that the report of the committee be received.

Mr. Speaker presented the motion and after a voice vote declared the motion carried.

MR. ROBLIN: Mr. Speaker, I beg to move, seconded by the Honourable Minister of Industry and Commerce, that the House do now adjourn.

Mr. Speaker presented the motion and after a voice vote declared the motion carried and the House adjourned until 2:30 Wednesday afternoon.