

THE LEGISLATIVE ASSEMBLY OF MANITOBA

2: 30 o'clock, Wednesday, May 27, 1970

Opening Prayer by Mr. Speaker.

MR. SPEAKER: Presenting Petitions; Reading and Receiving Petitions; Presenting Reports by Standing and Special Committees; Notices of Motion.

INTRODUCTION OF BILLS

MR. SPEAKER: The Honourable Member for Churchill.

MR. GORDON W. BEARD (Churchill) introduced Bill No. 99, The Thompson Charter.

MR. SPEAKER: The Honourable Minister of Education.

HON. SAUL A. MILLER (Minister of Youth and Education)(Seven Oaks): Mr. Speaker, I would ask leave to have this matter stand. (Agreed.)

HON. SAUL CHERNIACK, Q. C. (Minister of Finance)(St. John's) introduced Bill No. 107, An Act to amend The Motive Fuel Tax Act. (Recommended by His Honour the Lieutenant-Governor.)

MR. CHERNIACK introduced Bill No. 108, An Act to amend The Gasoline Tax Act. (Recommended by His Honour the Lieutenant-Governor.)

INTRODUCTION OF GUESTS

MR. SPEAKER: At this point I should like to direct the attention of the honourable members to the gallery where we have with us 75 Grade 6 students of the Neil Campbell School. These students are under the direction of Mr. Langstrodt, Mr. Gutnik, and Mrs. Odaguchi. This school is located in the constituency of the Honourable Member for Kildonan. And 60 Grades 5 to 8 students of the Duck Bay School. These students are under the direction of Mr. Paul Kolada, Principal, Mr. Serwa, Mr. Gluska, Mr. Maslechko, and Mrs. Kolada. This school is located in the constituency of the Honourable Member for Swan River.

On behalf of all the Honourable Members of the Legislative Assembly, I welcome you here this afternoon.

Orders of the Day. The Honourable Member for La Verendrye.

ORAL QUESTION PERIOD

MR. LEONARD A. BARKMAN (La Verendrye): Mr. Speaker, I'd like to direct a question to the Honourable Attorney-General. I wonder if the Honourable Minister could confirm the fact that the Falcon Beach Liquor Control Commission store is not in operation any longer and in fact that another store outlet has already -- a private owned outlet has been provided.

HON. AL MACKLING, Q. C. (Attorney-General)(St. James): I'll take that as notice, Mr. Speaker.

MR. SPEAKER: The Honourable Member for Rock Lake.

MR. HENRY J. EINARSON (Rock Lake): Mr. Speaker, before the orders of the day, I'd like to direct a question to the Minister of Agriculture. I'm wondering, in view of the bill before us on the veterinary clinics throughout the province, has the Minister held a meeting with all the veterinarians in the province at one time, that is all together?

HON. SAMUEL USKIW (Minister of Agriculture)(Lac du Bonnet): Departmental people have, Mr. Speaker.

MR. SPEAKER: The Honourable Member for Birtle-Russell.

MR. HARRY E. GRAHAM (Birtle-Russell): Thank you, Mr. Speaker. My question is for the Minister of Youth and Education. Has the Minister indicated any support for an arts school run by Mr. Breckner and Mr. John Waddell who have claimed they are running into financial difficulty in their school in Winnipeg here?

MR. MILLER: Mr. Speaker, I'll have to take that question as notice.

MR. SPEAKER: The Honourable Member for Riel.

MR. DONALD W. CRAIK (Riel): Mr. Speaker, a question to the Minister of Industry and Commerce. Can he advise us of the arrangements that are announced in the news media regarding an agreement between the Manitoba Development Fund and the Western Flyer Coach regarding financing equity position and the use of Part II of the Development Fund Act?

HON. LEONARD S. EVANS (Minister of Industry and Commerce)(Brandon East): Mr. Speaker, I intend to make a complete statement with respect to Western Flyer Coach in a day or two.

MR. SPEAKER: The Honourable Member for Gladstone.

MR. J. R. FERGUSON (Gladstone): Thank you, Mr. Speaker. I'd like to direct my question to the Minister of Agriculture. Could he indicate how many of the graduating vets this year are locating in Manitoba?

MR. USKIW: How many will be locating this year? I have no idea, although I can find out for my honourable friend.

MR. SPEAKER: The Honourable Member for River Heights.

MR. SIDNEY SPIVAK, Q. C. (River Heights): Mr. Speaker, my question is a supplementary to the Honourable Member from Riel. I wonder if the Minister of Industry and Commerce can indicate whether the government was involved along with the Manitoba Development Fund in the negotiations with Western Flyer Coach, the terms of which, at least partially, have been announced by them today.

MR. EVANS: Mr. Speaker, that is a very general question, have we been involved with Western Flyer Coach. I can inform the members of the House that I've had several meetings with the President of the company with respect to many matters involving the expansion of that company, involving what the honourable member is so concerned about, involving the matter of creating more jobs for Manitobans. As I explained a moment ago, there will be a complete statement issued in a day or two.

MR. SPIVAK: Mr. Speaker, I then direct a supplementary question to the Minister. Would he indicate whether the government was involved in a temporary acquisition of 25 per cent of the company?

MR. SPEAKER: I'm wondering if it may not be preferable, in view of the fact that the Honourable Minister has indicated twice that he intends to make a statement on this matter, to reserve any further questions until after the statement has been made. It may save considerable time on the part of the House. The Honourable Member for Rhineland.

MR. JACOB M. FROESE (Rhineland): Mr. Speaker, I'd like to address a question to the Honourable Minister of Education, or the First Minister, I'm not just sure who to direct it to. Has the Provincial Government of Manitoba made any agreement or entered into any agreement with the Federal Government in connection with the results of the B and B Commission? I understand that the Federal Government is making \$50 million available for the instruction of languages.

MR. MILLER: Mr. Speaker, there's been no agreement entered into between Manitoba and the Federal Government.

ORDERS OF THE DAY - MOTIONS FOR PAPERS

MR. SPEAKER: Address for Papers. The Honourable Member for Ste. Rose.

MR. BARKMAN: Mr. Speaker, in the absence of the honourable member, I beg to move, seconded by the Honourable Member for Assiniboia, that an Humble Address be voted to His Honour the Lieutenant-Governor praying for copies of any agreement made between the Manitoba Government and any of its Boards, Commission, Agencies and Departments and any person, persons and corporations with regard to MacDonald Airport land and/or buildings.

MR. SPEAKER presented the motion.

MR. SPEAKER: The Honourable Member for River Heights.

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

MR. CHERNIACK: Mr. Speaker, just on a point of order, my impression is that the opportunity is given now for the Minister or the government to indicate whether or not it will accept or to have it put over, but I think that the honourable member's motion now is such as would preclude the mover of the motion from making an address if he so wishes. May I suggest that the proper procedure would have been to stand this over for next Private Members' Day in the name of the mover of the motion.

MR. SPIVAK: Mr. Speaker, on the point of order, my intention is to debate this item and therefore I can't debate it until it's Private Members' Day and thus I moved the adjournment. I'll indicate now, and withdraw the motion, indicating that it's my intention to debate it and therefore the mover then can speak at that time.

MR. CHERNIACK: Mr. Speaker, I'm sorry to get involved in this on a point of order, but I believe that the rules provide that if the government is prepared to accept the order then there shall be no debate.

MR. SPEAKER: Are you ready for the question?

MR. SPIVAK: Well, Mr. Speaker, on the point of order, my understanding is that the matter now will be referred to Private Members' Day to allow the mover to speak at that time.

MR. SPEAKER: Very well, that this be stood over until Friday. Address for Papers. The Honourable Member for Ste. Rose.

MR. BARKMAN: Mr. Speaker, could we have this matter stand? (Agreed.)

MR. SPEAKER: The Honourable Minister of Finance.

MR. CHERNIACK: I beg to 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 and the House resolved itself into Committee of Supply with the Honourable Member for Winnipeg Centre in the Chair.

COMMITTEE OF SUPPLY

MR. CHAIRMAN: The Department of Industry and Commerce, Resolution No. 62. The Member for River Heights.

MR. SPIVAK: Mr. Chairman, I enter the debate again to deal with one matter that was covered by some of the honourable members before but I think requires some additional clarification. This has to do with the problem essentially of transportation and who has that responsibility in Manitoba. I've suggested before that there is a moratorium on transportation matters in the province. I suggest as well that there is a moratorium in economic development, and there's no better example of that than the information that has been given to this House by the Minister of Industry and Commerce, and in fact an examination of the course of action of the government with respect to air matters and the support by government for transportation items with respect to air which would directly affect our economic well-being in this province and our ability to be able to add to the additional services that are now provided to our people and the opportunity for many of our business people to enter into the markets that are relatively unknown in the mid-western part of the United States through our manufacturers.

I'd like to make reference, if I can, to Frontier Airlines and to the information that has been supplied to this House by the Minister of Industry and Commerce, and even by the First Minister, which I suggest is rather misleading. Questions have been asked in this House by members on this side with respect to Frontier Airlines' application to provide service into the mountain area of the United States, and it was believed at that time that the Airline was requesting support from the government for its application for a trans-border crossing from Bismarck in the United States to Winnipeg so as to provide an alternate service to the mountain area, particularly to Denver and to the other areas in the southern part of the United States that it serves. The information that was presented to the House by the government indicated that the support for this position would have to be given in the United States because they would require Civil Aeronautics Bureau support in the United States. But the truth of the matter and the facts, as I've now been able to determine, are not as represented in this House. Frontier has a right for a trans-border crossing into Canada. It does not need or does not require permission from the Civil Aeronautics Bureau in the United States. What is required is permission from the Canadian authorities for this trans-border crossing to take place. The government in its representations, in answer to questions, suggested that they were not supporting it because the application was really one that was taking place in the United States, but the facts are . . .

HON. ED SCHREYER (Premier)(Rossmere): Mr. Speaker, I rise on a point of privilege, because if what the Honourable Member for River Heights said were the facts of the matter, then I would say that he is right and that I was wrong or we were wrong. But I think the honourable member will recall the way the question was put, whether or not the Government of Manitoba would support Frontier Airlines' application before the Civil Aeronautics Board and in that context the answer was given. Now I believe that my recollection of the question and the answer is the correct one.

MR. SPIVAK: Mr. Chairman, one of the problems of not having anybody really responsible for transportation matters is that we have just a little bit of confusion from the various ministers, including the First Minister in connection with it. Even if assuming that there was a technical answer given to the questions on this side, what was really asked of the government

(MR. SPIVAK cont'd) was whether you were intending to support Frontier's application so in fact there could be air service provided to the mountain area from Winnipeg. Now this was really the question that was asked, and I suggest - and the Honourable Minister is ready to rise in his seat and there'll be an opportunity to answer this - but I suggest that in this matter, as in many matters dealing with transportation items in this province, the government has no clear-cut policy, nor have they one Minister who is concerning himself with this particular matter nor do they have a group of civil servants who are charged with the responsibility, and as a result of this, you have a hodge-podge in terms of the transportation matters.

Now there have been requests made of the Minister to support Frontier's application. To the best of my knowledge the government have not at this point made a decision to support it. And why? -- (Interjection) -- Well, the information I have - the Minister says it's not right - the information I have is that isn't so. -- (Interjection) -- Well, if I have the wrong information the time will come in a very few minutes where the Minister is going to be able to stand up and say forthrightly that we are supporting Frontier's application, that we have made representations to the federal authorities, that we want the additional servicing to take place immediately.

Now I'm aware of the fact that in the course of the bilateral agreements that are now being negotiated between the United States and Canada there is some jockeying that is taking place between competitive carriers who are interested in trying to monopolize the servicing facilities to the American market through Winnipeg, but that jockeying that takes place, and that bargaining is not necessarily in the best interests of Manitoba and of Winnipeg. We require alternative services to be able to get to the Dakota areas, we require alternative services to be able to get in the mountain area so that in fact those people who want to do business in Manitoba, and those people from Manitoba who want to do business in the mid-western area of the United States, are in a position to reach the main centres in one day, do their business and be able to come back, just as we want our American counterparts to be able to do the same thing. If we really are interested in the development of our export trade and if we really are interested in furthering our opportunities, then there should be absolutely no hesitation, no delay in supporting this application, and others that may very well come from airlines such as North Central from Duluth, so that we are in fact in a position to be able to maximize our opportunities and to provide reasonable accommodation, the best accommodation for our people to enter into the various areas.

Now Frontier's lack of support by the government isn't the only example. We have the example of TransAir. Now there are two situations with respect to TransAir. There is an appeal by Nordair to the Supreme Court, in which time there was competition between Mid West and TransAir in connection with this, and the government's position at that time, correctly, was that there should not be a representation between two competing carriers to the Supreme Court.

But there was another example in connection with TransAir's application for the Toronto run. After the amalgamation had taken place between TransAir and Mid West, the application was considered and permission was granted for TransAir to in fact have the Thunder Bay-Sault Ste. Marie-Toronto run. The Attorney-General of Ontario, Mr. Wishart, who represented Sault Ste. Marie, objected to that approval and the Ontario Government made representation to the Federal Government, to Mr. Jamieson, to reverse the decision of the National Transportation Commission. I must say as well that -- I might say that Manitoba did not see fit to make representations to the Minister and Manitoba was not represented in supporting TransAir's application.

If we want to talk about a lack of transportation policy, if we want to talk about the ineptness of government, if we want to talk about confusion that exists when you have a Minister of Transportation who truly is a Minister of Highways, when you have a Railway Commissioner who's really a Minister of Labour and Minister of Government Services, and a Minister of Industry and Commerce who can only give lip service to this, then you're going to have this kind of situation developing where in fact the interests of Manitoba are not being carried forward in the best manner possible.

We have another situation which is an extremely interesting one and one which the First Minister I think has -- (Interjection) -- I wonder if the Honourable Minister of Industry and Commerce would just wait, he'll have the opportunity - you know, he'll have the opportunity to say his few words; let him contain himself for a few moments and stop acting so immature.

(MR. SPIVAK cont'd)

Let me now deal with another matter of transportation which the First Minister is aware of and which really has a great impact on Manitoba and Western Canada, and that's the problem of rail line abandonment and the whole problem of freight rate increases and the costing order that is now in the process of being appealed in the Supreme Court. If we examine in detail Manitoba's participation now, I think we would come to the conclusion that the years of effort and leadership that was shown for Western Canada by the previous government is going down the drain because of inaction, inactivity and indecisiveness and -- (Interjection) -- what do you know about it? I wonder if the Minister of Industry and Commerce would just please sit down for a moment; you'll have great opportunity to answer any of these charges.

MR. CHAIRMAN: Order please. I'll hear his point of order.

MR. EVANS: On a point of order, the honourable member is now discussing rail matters and as he himself has been so critical, as he critically stated a few minutes ago, the matter of rail transportation is not in the Department of Industry and Commerce. He knows that there is a Railway Commissioner. This is not an item to be discussed in the Department of Industry and Commerce. Therefore, the honourable member, I submit, Mr. Chairman, is out of order.

MR. SPIVAK: Mr. Chairman, on the point of order, I think it's rather pertinent because I'm going to discuss transportation matters and I'm going to make reference, as I already have, to the lack of policy in air and the reference to rail is important for an indication of lack of policy, and just as important, the problem of freight rate increases . . .

MR. CHAIRMAN: Order. Order please.

MR. SPIVAK: . . . and the problem of costs of it are directly related to economic matters.

MR. CHAIRMAN: If I may, I realize we allow a lot of latitude in discussing the Minister's salary, but I would ask the member to make his remarks relative to Industry and Commerce.

MR. SPIVAK: Well, Mr. Chairman, my remarks are relevant and I intend to follow through on this unless there is a ruling to the contrary, at which point I will challenge your ruling. It's my intention to discuss economic matters and I must suggest to you that the cost of bringing goods into market and the cost of taking goods from Manitoba to other markets. . .

HON. JOSEPH P. BOROWSKI (Minister of Transportation)(Thompson): Mr. Chairman, on a point of order . . .

MR. SPIVAK: . . . are in fact part of economic matters and part of the Department of Industry and Commerce.

MR. CHAIRMAN: Order please.

MR. BOROWSKI: Mr. Chairman, the Member for River Heights is now challenging and seems to be arguing with the Chair, and I respectfully suggest that he cease and desist.

MR. SPIVAK: Mr. Chairman, I must congratulate the Minister of Transportation for his improvement in language. -- (Interjection) -- I know it's from listening to me, you should listen a little bit more often. -- (Interjection) -- Possibly for you, but not for him.

The problem of cost of goods is something that industry has to be concerned with, because it becomes pretty obvious that if in fact the cost of transportation increases then our consumer prices will increase for those goods that we have to import and the cost of goods increased, and those goods that are being manufactured here and being shipped to markets in western Canada, to Canada, and even to the mid-western part of the United States, are in fact going to be increased and our competitive position will be challenged, and along with the general depression that now seems to be taking place in our province simply because of the inaction of the government in economic matters and the introduction of its new development plan of nationalizing industry, along with that, I think we have to address ourselves to this problem. And the problem is a very simple one. There is no one charged with the primary responsibility of transportation. -- (Interjection) -- Mr. Chairman, he has no point of order and I wish the Minister of Industry and Commerce would sit down.

MR. CHAIRMAN: Order, please. It's the prerogative of the Chair to decide whether he has or not. I'll hear the member and I'll rule whether it is a point of privilege or not.

MR. EVANS: The honourable member referred to a development policy of nationalizing industry. There is no development policy for nationalizing industry and therefore he is making an inaccurate statement. We have not stated a development policy in that respect.

MR. CHAIRMAN: Order please. I'm sorry, the member has not a point of privilege. Will the member continue please.

MR. SPIVAK: I don't know why you should be sensitive about nationalizing industry; that's what you're doing. You know, you might as well recognize the facts for what they are.

MR. SCHREYER: Mr. Chairman, on a point of order. Earlier, earlier it was suggested that if the Member for River Heights persisted in discussing rail policy matters in the estimates of the Department of Industry and Commerce, that inasmuch as rail matters do not come under the purview of the Department of Industry and Commerce, that the Member for River Heights, therefore, was suggested out of order. The Member for River Heights indicated, in turn, that if such a ruling was made by the Chair he would challenge it. I suggest to you, Sir, upon reflection of the matter, that that statement by the Member for River Heights, that he would challenge such a ruling and saying so in advance, constitutes, if I may say so, contempt for the Chair. Anyone more respectful of the Legislative Assembly would not directly or indirectly try to intimidate the Chair by indicating in advance whether he would challenge a particular ruling. I don't make more of the matter, Mr. Chairman, except to ask you to ponder whether a statement indicating in advance whether a ruling would be challenged, does not constitute contempt for the Chair.

MR. SPIVAK: Well, Mr. Chairman, before you so rule, may I say to you, my contempt isn't for the Chair; my contempt is for the members on the other side who continually attempt to block a legitimate discussion during a period of estimates of the Department of Industry and Commerce. My contempt is for those who suggest that freight costs are not part of the Department of Industry and Commerce nor are they the concern of the Department. -- (Interjection) -- I'm on the point of order and if you'll allow me to finish - unless you have a point of privilege, I'm on a point of order. A point of privilege?

MR. BOROWSKI: Yes. Mr. Chairman, the statement made by the Member for River Heights, he knows very well is out of order and improper in this Chamber and I should be the last one to bring it to his attention. I'd ask him to withdraw the statement and to apologize to the Chair.

MR. SPIVAK: Well, Mr. Chairman, there was no point of privilege and if you allow . . .

MR. CHAIRMAN: That is the prerogative of the Chair to determine whether it is or is not. I'm hearing the member on the point of order that was raised by the First Minister.

MR. SPIVAK: Well, let me just continue, Mr. Chairman.

MR. J. DOUGLAS WATT (Arthur): On the same point of order, I point out to the Honourable First Minister that according to our rules the Chair, or the Speaker in his Chair when we are in the House, actually is constantly subject to challenge with no indication of contempt for the Chair in either case, whether it's the Speaker or the Chairman of committee.

MR. SCHREYER: Mr. Chairman, I don't want to assist in making things difficult for the Chair, but I just point out that while it is of course understood that all members here have the right to appeal a particular ruling of the Chair - we all recognize that - but for anyone to indicate in advance to the Chair that a particular ruling will be challenged, is a statement that I know of no precedent for and does constitute a form of intimidation of the Chair. I am not raising this now formally as a point of order to be ruled on, but I do ask honourable members and the Chair to ponder that.

MR. CHAIRMAN: If I may, I appreciate the comments of the First Minister and his experience in these matters. I didn't personally take it as a challenge to the Chair at that time and I ask the Member for River Heights to continue and to make his remarks relative to Industry and Commerce. I did say at that time that if he did digress and if I thought he was digressing too far, that I would call him to order at that time, and if it was his intention to challenge my ruling at that particular time, it is his prerogative to do so. Will the Member continue.

MR. SPIVAK: Well, Mr. Chairman, may I suggest that it was not an intention of in any way showing contempt of the Chair or in any way trying to intimidate the Chair, and for that reason I will withdraw those remarks so that the record will be clear, and if there is any feeling on the other side, then I want it clear that this was not intended.

But there has been, I think, a pretty deliberate attempt on the part of the government to try and protect the Minister of Industry and Commerce and, in turn, to try and throw roadblocks to a thorough and detailed discussion of economic matters, and I don't think it serves the purpose of this House very well to suggest that the Railway Commissioner, who is not in his seat, whose experience in railway matters is limited to his experience in the CNR Shops, is the one

(MR. SPIVAK cont'd) In charge of the items referred to with respect to rail matters. I have indicated that freight costs continue to be one of the very important positions that we must concern ourselves with if we are going to be able to be competitive in selling our products in other markets.

Now I think we are aware of the fact that the Premier of Saskatchewan and other ministers have made representations both at Federal-Provincial Conferences and when other ministers have been present, indicating that freight rate costs are inhibiting their ability to develop their industrial activity and suggesting that there has to be some compensation given to them in connection with it. I think, if I'm correct, the suggestion has been made that there's really no point in considering a program under the Regional Development Expansion Program of the Federal Government unless there is a clear kind of policy that will take care of the rise that occurs in connection with freight rate matters. I'm suggesting that we can't afford to have government departments split in connection with these matters, because while the Minister of Industry and Commerce may want to say that this isn't a department matter, the truth of the matter is that it affects every one of the 1500 to 1700 manufacturers who do business in this province; it directly affects all our consumers who must buy products that are brought into our markets from other areas and who must pay part of the cost of freight; and therefore, of necessity, it is a matter which we must seriously consider in this House.

Now just to refresh everyone's memory, there is a costing -- (Interjection) -- Yes, I will at the end. There is a Costing Order that now has been appealed by one of the railway companies. Manitoba showed the leadership in connection with challenging that Costing Order because that Costing Order will set the ground rules for freight rate increases for this decade and everyone in this House and everyone in Manitoba will be directly affected by the outcome that takes place in connection with this matter. Based on the observation and performance so far in connection with rail line abandonment where the rules of the game are now being worked out, and our performance at this time, I would suggest to you that the affairs of Manitoba are not being handled in the best way, and to a large extent this comes from the fact that no one is really charged with that major responsibility of transportation. And I'm not going to go into the argument again, but as I have already indicated, the Minister of Transportation is truly a Minister of Highways, and what is really required is a Minister of Transportation, someone who will in fact have a very wide perspective of transportation matters and will be in a position to direct all those forces in the government who are concerned with the matter properly so that we do not have a situation where Frontier's application isn't supported and literally they have to beg the government for support; we do not have TransAir in a position where it does not receive support from the government - it should be forthcoming immediately; we do not have the situation where we are going to be faced with a costing order approved in connection with rail freight rate increases that will be an onerous burden for Manitobans and Manitoba manufacturers to bear.

Now there are a couple of other matters I'd like to deal with on the estimates in terms of the Minister's salary, but I think it would probably be appropriate, because the Minister is anxious to either ask a question or make a statement, to allow him to discuss this matter a little bit more fully.

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

MR. EVANS: Rather than ask a question to which I probably wouldn't get a correct answer anyway, I'd like to include it as part of my reply, if I may refer to it as that.

The Honourable Member from River Heights seems to be concerned about the fact that railway matters, railway line abandonment, railway transportation in general, affects the course of development of industry in this province, that it affects the course of economic development in this province. Well, indeed, railways have a very important function to play in the economic activity of this province, and he uses as an excuse, for really debating something that comes under another Minister, the fact that railways affect economic development.

But I ask, in a rhetorical way, the members of the House, just which department or the activities or the expenditures of any department of the Provincial Government do not have a bearing on economic development. The Department of Agriculture, are we suggesting that agriculture doesn't have an effect and a very important effect not only on economic development generally but on industry generally? Of course it does. Does the Department of Tourism not have an effect on economic development? Does the Department of Youth and Education and its activities not have a bearing on economic development? I can go on and name every

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(MR. EVANS cont'd) department, even the Department of Cultural Affairs has a bearing on the question of economic development. So I submit, Sir, that this is not a valid excuse for bringing in a matter which pertains to another department into the estimates of the Department of Industry and Commerce.

I would like to refer to the question of air transport, which is in the purview of this department, and say very simply and categorically that we do support the efforts of Frontier Airlines in establishing airline connections with the City of Winnipeg, and the department, the consultants, the transportation consultants in the department have given me various pieces of advice on this and we have been in communication with the Frontier Airlines. It's not as simple a matter as the honourable member likes to make out. We're prepared to support Frontier Airlines and will do so in the proper way, so it's not a question -- I really think this is the point of issue that the member is making, whether or not we do support them, and the answer is of course we support them, but it is a complicated matter and it does involve international negotiations, it does involve negotiations between Canada and the United States.

Now let me go on and refer to some other matters. I certainly will not accept the perpetual reference to a moratorium in development, and particularly so with respect to air development that the honourable member insists on referring to. I'd like to refer to a couple of examples. The case of Northwestern Airlines - I mentioned in this House a short while ago that I discussed the question of improved service by that company between the Twin Cities and Winnipeg. I had a very lengthy discussion with a Vice President of that company and we've asked for various improvements in service. That improvement has been since forthcoming. We have heard that Northwestern Airlines is building one loading bridge. The members of the House might be interested in knowing that we are attempting to have a second loading bridge built by Northwest Airlines and this might involve other air companies, but the fact of the matter is we're concerned about this and we're working on this; there's no moratorium. Not only that, but I think that Northwestern Airlines has been very receptive to our suggestion that they take opportunity of this being Manitoba's centennial year to point out to passengers on the aircraft that they are entering the province of a century as they approach Winnipeg as they cross the 49th parallel.

But let me go back to a company that has a very key role to play in the development of air transport in Manitoba, and that is the company named TransAir. The honourable member made reference to the fact that certain representations were not made at various times, and he knows as a lawyer at certain points representation could not be made, it could not be made as it was considered by the Supreme Court. But I would state categorically that the department has a very close relationship with TransAir in the matter of promoting this company in Manitoba inasmuch as it is our regional air carrier, that there is very close consultation between not only the members of my department but also between myself and the principals of that airline.

The fact of the matter is, although the member can look from the outside and say we're not doing enough to promote the interests of TransAir, I suggest to the honourable member that he phone TransAir or ask TransAir whether they're satisfied with the support that we've given that company. The fact of the matter is that we have had discussions with the Canadian Transportation Commission. I've spoken myself to Mr. Pickersgill and on occasion I have spoken to Don Jamieson, the Minister of Transport, and I would say, Mr. Chairman, that the proof is in the eating. The fact of the matter is that TransAir did get rights into Toronto and that's what really counts, and I certainly will not accept the fact that we have not been doing everything possible to enable TransAir to get into the important Toronto market. It's just damn nonsense to say anything otherwise, and I for one therefore am satisfied that we have been doing everything possible to promote the development of the regional carrier in this province.

MR. CHAIRMAN: The Honourable Member for Wolseley. The Honourable Member for River Heights.

MR. SPIVAK: Well, Mr. Speaker, I know the Honourable Member from Wolseley has a contribution to make and far be it for me to interfere with it, but just on this matter, may I say to the Honourable Minister of Industry and Commerce, the Attorney-General of Ontario was concerned about TransAir's application and he saw to it that the Government of Ontario took action and that there was a real possibility that there could have been a reversal made of the decision to allow TransAir to go to Toronto.

MR. EVANS: Do you think we didn't speak to TransAir about that?

MR. SPIVAK: Let me explain something. The fact of the matter is that I . . .

MR. EVANS: You just don't know. You just don't know.

MR. SPIVAK: Mr. Chairman, we're going to get involved in what information I know and what information you know. I can only go . . .

MR. EVANS: You just don't know, so why don't you sit down.

MR. SPIVAK: I won't sit down because I can go by your actions, and I can tell you that on the face of it, and based on the evidence that I know and the conversations I've had, the representations that are being made here are not entirely accurate. They give a point of view, your point of view, but I say that if we really examined them we'd find that although they give your point of view they also show inaction, indecision, and frankly, a lack of interest to a large extent, mainly because the expertise within the department is not available. You've made reference to your consultants. If you have consultants in connection with Frontier's application, I'd like you to name them. Tell us who your consultants are, who are not within the department but externals of the department, who are advising on this matter and I'll sit down right now. Name them.

MR. EVANS: Mr. Chairman, when I refer to consultants, the official classification of the members of the Economics and Transportation Branch is Economic Consultants and this is what I referred to; I wasn't referring to an outside consultant.

MR. SPIVAK: Mr. Chairman, as I tried to indicate, all that was required was support for Frontier's application. There were requests that were made; there was no action taken by the department or by the Minister and that's the actual fact. As a matter of fact, the Minister made representations in this House which were not accurate, and if I'm correct, he was informed by Frontier that his information wasn't accurate and they then requested of him assistance and co-operation so that in fact a trans-border crossing would be allowed. Now I want the Minister to say forthrightly at this point that official representations have been made on behalf of Frontier to the Canadian Transportation Commission. And I don't think he can say that, because you haven't made up your mind yet what your policy is.

MR. EVANS: Mr. Chairman, this is not a cross-examination process and I just don't think I should answer questions that are put in that tone of voice. You ask, what is your policy? The policy is as I've stated - and I'm not going to repeat, I am not a broken record as the honourable member seems to be, at least in his performance in this House. I said our policy was to support Frontier Airlines. I'm not going to repeat it.

MR. SPIVAK: Well, Mr. Speaker, I'm very happy that the policy is to support Frontier Airlines. Now I suggest to the Minister he should tell Frontier Airline, and if he tells Frontier Airline then possibly some action will take place and possibly in the next short period of time we will have flights flying from here to Bismarck, to Denver and the southern area. Now, that's all that's required. Now there's no point in haranguing me because I'm asking a pertinent question under the Department of Industry and Commerce estimates. This is really what we're here for.

Now, I would still say that based on the answers that have been given by the Minister and dealing, just not just with Frontier Airlines but generally, that one can come to the conclusion - and the honourable members opposite may not like this conclusion - one can come to the conclusion that in terms of transportation matters we are, as a result of the way in which it's operating now, we are not being as effective as we can. I suggest as well that there is not sufficient expertise within the government to deal effectively with a costing order that's now before the Supreme Court, and I suggest as well that unless government takes action on this matter immediately and unless the expertise are in fact assembled to be able to advise and guide them, that before we wake up in Manitoba the cost of goods to be purchased will be higher and the cost of our goods going to market are going to be extremely higher.

MR. CHAIRMAN: The Honourable the First Minister.

MR. SCHREYER: Mr. Chairman, the remarks made by the Honourable Member for River Heights prompt me to say a few words at this time, and I do so largely because of my interest and involvement in transportation matters in the course of recent years, and also because I happen to have some knowledge of the efforts made and the relative effectiveness of the efforts made by the Member for River Heights when he was the Minister of Industry and Commerce and by the previous administration. A few things that were said by the Member for River Heights prompt me to believe that he really doesn't understand at all the nature of bi-lateral negotiations and trans-border - and trans-border -- (Interjection) -- Well, if you do, I wonder why you would be urging us as a government.

MR. SPIVAK: I would have Frontier in here.

MR. SCHREYER: . . . to be supporting in a formal and public way an application by an airline from the United States seeking trans-border rights, because the honourable member should know, the nature of trans-border rights are such that there should be an expectation of reciprocity . . . -- (Interjection) -- Well, I simply don't think that it's good policy, Mr. Chairman, of a Canadian province to be supporting - in isolation I mean - supporting an application by a U. S. base carrier for trans-border rights, not knowing what would be the fate of an application for trans-border rights, reciprocal trans-border rights to alternative points in the U. S. by a Manitoba-based carrier such as TransAir.

If the Honourable Member for River Heights has such a great concern for TransAir, which is Manitoba based, he should not be getting up here and urging the Minister of Industry and Commerce to be taking a particular position on behalf of the government on behalf of a particular airline's application for trans-border without knowing first what fate was likely to befall the application of TransAir for trans-border rights. They would have to appear before the Civil Aeronautics Board in Washington before they could get trans-border rights to Milwaukee or wherever.

So it's not because we are unsympathetic or opposed - it's not that at all - that we are unsympathetic or opposed to an application that may be made by Frontier in this case, but what assurance do we have that after we do make a submission and support - and assuming hypothetically that the Transportation Commission does grant the licence - without knowing what the position - and we have no way of knowing - what the position of the Civil Aeronautics Board would be with respect to an application for trans-border rights by TransAir. The honourable member, I'm convinced, really has a superficial knowledge of trans-border and bilateral negotiations with respect to air matters, and I have no hesitation in saying so.

Now he made a couple of other points -- well, tried to make a point about the current matter of the railway Costing Orders and the fact that the Canadian Transportation Commission is going to have to rule on those. The Minister of Industry and Commerce tried to point out to the Member for River Heights that matters relative to rail came under the purview of the Railway Commissioner. I invite my colleague the Railway Commissioner to look into Hansard to see what comments the Member for River Heights had relative to his office, and I am sure that my colleague will. The fact remains that for all the years that he was Minister of Industry and Commerce and his colleagues formed the previous administration, they gave the outward appearance of engaging in a great deal of activity relative to the transportation. . .

MR. SPIVAK: Tell that to Art Mauro.

MR. SCHREYER: . . . but you know, Mr. Chairman, it was in the nature of this . . .

MR. SPIVAK: Tell that to Mauro.

MR. SCHREYER: . . . a great deal of sound and fury signifying nothing, because when it came just to the crunch, decisions were taken by the Canadian Transportation Commission and by the railways that didn't do any good to the economy of the provinces.

MR. SPIVAK: You were there, you were there.

MR. SCHREYER: You made a great deal of sound and fury about Air Canada's decision to move a certain number of personnel from Winnipeg to Dorval. I'm not faulting the previous administration for the fact that they couldn't stop it. How could they, because this was something that came under the purview of a Federal Crown agency. You know, they got maximum publicity out of all their efforts, but in the end it was sound and fury that signified, if not nothing, very little.

MR. SPIVAK: Mr. Chairman.

MR. SPEAKER: The Honourable Member for River Heights.

MR. SPIVAK: Mr. Chairman, I must say to the Honourable First Minister that I think our results in connection with the Air Canada matter will be much better than the results he's going to achieve in connection with getting the Fish Processing Plant in Selkirk, because that's sound and fury signifying nothing. And I must say as well that to have the gall to stand up here and suggest that those who were responsible for transportation matters in the last decade, in the last decade for Manitoba, did not influence correctly the way in which transportation matters were handled, and particularly the National Transportation Act - and he was a member of that committee of the House of Commons - to suggest that they did not make a significant contribution is unworthy of him, because it's not a reflection on me as much as it is on Arthur Mauro and the consultants who were hired, who he knows, without question for Western Canada and for Manitoba, made a significant and meaningful contribution that is to their credit as well

(MR. SPIVAK cont'd) as to the credit of Manitoba.

The only regret I have is that the government hasn't continued with that same kind of intent and same kind of spirit. The very fact that we have the emasculation of the Department of Transportation and the very answers that have been given at this point, and the fact that those who were experts in this matter have not been retained by the government is indicative to me of an indecisiveness and a lack of perception on the part of the government in this particular matter. Transportation matters are too important to have been relegated to the insignificant position they've been placed. As a result of the course of action that the government, in the Frontier Airlines' application, TransAir's, and the manner in which they've handled rail line abandonment at this point, the attendance at Guelph and the way in which the . . . brief was presented where the rules of the game on rail line abandonment were to be established, and the fact that at this point there is no apparent Manitoba position with respect to the Costing Order, I think are indicative of a concern that has to be voiced here, because ultimately in the long run the people of Manitoba are going to be paying for it.

MR. CHAIRMAN: The Honourable the First Minister.

MR. SCHREYER: Mr. Chairman, the remarks just made by the honourable member simply persuade me even more that he has built up in his own mind to far too great an extent his own sense of importance as to the role that he played in matters bearing on transportation policy in Canada. I say that because I happen to have had some experience with it. At the time of the passing of the Canadian Transportation Act, a great deal of time was taken in the Federal House - of course there were representations made by a number of interested parties, provinces. I'm not suggesting that some of the people that the previous government did not have working on this did not provide useful information as background information, but in the end the decision was taken by the Federal Parliament after many long weeks, in fact months of deliberation in the House and in committee, the Railway Committee of the House.

The Honourable Member for River Heights tries to make much of the fact that we have an arrangement under the present executive arrangement whereby rail matters come under the purview of one Minister to the extent that the province has any bearing on rail and air matters. One Minister answers for rail matters as they affect the province, another Minister relative to air policy. He finds that to be extremely unsatisfactory. I'd like him to just pause and reflect on the fact, and it is a fact, that for nine years that was the kind of arrangement they had when they were in office. If not nine, certainly eight - from 1958 on until 1966 at least, if not 1967, and if he is wailing, using such expressions as us having emasculated the Transportation Department, I want to say that during their years of office the so-called Transportation Department never really grew to be fully . . . either, because there was no Transportation Department per se, and then it began to exist on paper subsequent to 1967. And the Minister of Labour can vouch for that I think. It certainly wasn't true in the early '60's.

Therefore, what really is the point that the Honourable Member for River Heights is trying to make? This is not a matter of inadequacy of policy on our part, it is merely an administrative arrangement. And I want to let the honourable member know that liaison and coordination between different departments and ministers in this government, I am satisfied that the liaison and coordination is good, therefore there is no particular harm, no particular problem in having two or three ministers dealing with two or three different aspects of transportation policy. Of course if Ministers quit speaking to each other, as they may have done under the previous administration, then it might become a problem, having different aspects of transportation answerable by different ministers.

MR. CHAIRMAN: The Honourable Member for Wolseley.

MR. LEONARD H. CLAYDON (Wolseley): Mr. Chairman, it was not my original intention to speak in this debate nor would I normally speak in the manner in which I am about to, except that the Honourable Minister of Mines and Natural Resources changed all that when he spoke on Thursday evening. He attempted to make a mockery of my military service, which in turn makes a mockery of the military service of such members as the Honourable Member of Portage la Prairie who spent just under three years in a prisoner of war camp, members from Morris, Charleswood, Rock Lake, Birtle-Russell, Roblin . . .

MR. CHAIRMAN: I hesitate to interrupt, but I wonder whether it's in order for him to raise the question he's now raising. It seems to me that we're discussing Industry and Commerce. I'm not sure that his comments are in order at this time.

MR. CLAYDON: Mr. Chairman, I would refer you to Hansard, Page 2149, in which the Honourable Minister said the following: "You know, the Member for Wolseley says that he

(MR. CLAYDON cont'd) went to war to fight for freedom and he's not going to stop fighting now. Does the member really believe that when he went to fight the Nazis that he was fighting for private automobile insurance?" And he goes on on another subject. So by precedent, Mr. Chairman, he opened the subject and I feel I have a right to respond to it under this estimate.

MR. CHAIRMAN: The Honourable House Leader.

HON. SIDNEY GREEN, Q.C. (Minister of Mines and Natural Resources)(Inkster): Mr. Chairman, on a point of order, the fact that reference was made to something that I said at the time doesn't make what my honourable friend is saying now in order. He suggests that I made a mockery out of his military service, that I made a mockery out of the military service of the Member for Portage la Prairie who spent three years in a prisoner of war camp, and he is suggesting that the Member for Portage la Prairie spent three years in a prisoner of war camp in aid of private automobile insurance. I didn't make that suggestion, the Member for Wolseley made that suggestion. If you want to go back to the speech in which you made that suggestion I will, but I suggest to you that I did not make a mockery of his military service, he did.

MR. CLAYDON: . . . refer to my military service in connection with auto insurance.

MR. GREEN: Mr. Speaker, that is not correct. Mr. Chairman, that is not correct. He said he was speaking on the automobile insurance problem; he said that I went to fight the war and I'm not going to stop fighting now, and it was within the context of that debate that he said that he was fighting against private automobile insurance - public automobile insurance.

MR. CLAYDON: Mr. Chairman, the Honourable Minister is a master at taking out of context what anybody says. I was talking on the matter of freedom of choice and I spoke on that matter and that matter only.

MR. GREEN: You're saying you went to war to fight for freedom of choice in private automobile insurance.

MR. CLAYDON: And what I am saying, Mr. Chairman, is simply that these matters I am talking about are all relevant to good industrial development in our community, and I'll go on to say how ridiculous it was for him to suggest that my . . .

MR. GREEN: Mr. Chairman, on a point of privilege . . .

MR. CLAYDON: He has no privilege.

MR. GREEN: Well I have the same privilege as has every other members of the House, and I say, Mr. Speaker, that on a point of privilege the member has accused me of making a mockery out of the military service of the Member for Portage la Prairie and of other veterans and I deny that.

MR. CHAIRMAN: Before we proceed, there naturally is occasion when members deviate slightly or speak broadly in debate, but I remind the honourable members, and I address my remarks particularly to the Honourable Member for Wolseley at this time, that we are now dealing with the estimates of the Department of Industry and Commerce and with the Minister's salary and general policy for economic development in Manitoba, and I would ask him that if he is going to raise a general question that arose out of debate that he should only do so very briefly because we are really discussing Industry and Commerce.

MR. CLAYDON: Mr. Chairman, I do believe that having the statement that he made when he posed a question in his debate allows me the privilege to answer that question, when he said: Does the member really believe that when he went to fight the Nazis that he was fighting for private automobile insurance? And he was discussing this under the Minister's salary of Industry and Commerce.

MR. CHAIRMAN: I believe that is a separate topic, although perhaps in passing the member may have alluded to it.

MR. CLAYDON: Well he should have been called to order at that time, Mr. Chairman, because my remarks are relevant to industrial development and if I may go on you'll see I'll get to it very quickly.

MR. CHAIRMAN: Fine.

MR. CLAYDON: When I spoke . . .

MR. GREEN: Mr. Chairman, I have no objection to my honourable friend going on, but if he intends to go on in the vein that I made a mockery out of his war record or the war record of any other person, then I suggest that it's not only out of order but it's a breach of privilege.

MR. CLAYDON: Mr. Chairman, I suggest that when he makes a mockery of me or my service, he in turn is making a reflection on others.

MR. CHAIRMAN: I would ask the Honourable Member for Wolseley to proceed, bearing in mind that we're talking on Industry and Commerce. If he can relate his comments in some manner then it would be in order, but I ask him not to make a speech on his war record or the comments of the Honourable House Leader in reference thereto and vice versa.

MR. CLAYDON: Well, Mr. Chairman, when I spoke before I was speaking on matters of freedom. And this freedom comes in many forms. I spoke on the matter of freedom of choice; freedom of speech was another one, which allows the Minister to speak in this House. I ask him to tell me now what was his contribution to the fight that we fought for freedom and the contribution to maintain and preserve that freedom today?

MR. SCHREYER: Mr. Speaker, I really hesitate, but I'm wondering if honourable members on both sides wouldn't agree that pursuing debate in this vein could be very harmful to the spirit in which the members of the Assembly try to perform their public work. I understand full well honourable members opposite, some of whom have fought with valour in the last war and who have a particular position on a given public issue, but I can look behind me, members behind me, at least two - at least two that I am aware of who fought also with valour and who have a particular position on a specific issue that may not be in accordance with my honourable friends opposite now. I really would beg honourable members on both sides to desist from trying to relate this particular issue to relative valour in the last war.

MR. PAULLEY: That's right. Many of us wore the uniform.

MR. CLAYDON: Well, Mr. Chairman, I would agree with the First Minister providing he had directed his remarks to the Minister of Mines and Natural Resources who started the issue in the first place.

MR. GREEN: Mr. Speaker, I will quite readily say that I do not regard the war record of any person in this House as being related to the issue of public automobile insurance. I want to correct the honourable member; he brought it up, I didn't.

MR. CLAYDON: You're the one that brought it up, Mr. Chairman.

MR. CHAIRMAN: I would ask the Honourable Member for Wolseley to proceed with his comments.

MR. CLAYDON: I will proceed, Mr. Chairman, by just simply saying that at another time I will bring this question up because I am very sensitive when it comes to any attack on me or any other person that served this great nation of ours.

Now let me say a word or two about job opportunities and industrial growth. To have both you must develop a healthy climate for industry to survive, not just to encourage the industry to come into our community and once you get them in here as a captive, tell them that they have to struggle for existence.

The Honourable Minister of Mines and Natural Resources made a statement which he attributed to me, and I quote: "If you elect Allan Wade the Chairman of Public Works Department, the contractors won't deal with the city." I never said that and you will not find any evidence that I did. What I did say was this: It will be a sorry day for Winnipeg if the committee falls into the control of the NDP. That's what I said.

And look at what is happening today. Look what happens when we deal with cement tenders in the City of Winnipeg. The NDP members of the Winnipeg Council are always nit-picking over similarity of prices. It was the City of Winnipeg that encouraged Inland Cement Company to come into Winnipeg and then they immediately started to play Canada Cement against them. What a sad day for Winnipeg when it becomes necessary for the employees of one cement company to have to beg for a share in the city's business. And what about the battles I've put up for a local Transcona manufacturer, and it became necessary for the employees to beg for a share of this business. And who were the main opponents to the sharing of business? Members of the New Democratic Party. Your Allan Wade wanted the city to go into the cement business against the two local private contractors. This is their thinking. They want to nationalize the cement industry. He's a member of your party and this is what he said. And he wanted to go further than that, he wanted to examine the books of the cement companies. In spite of the fact that the city buys cement direct from the manufacturer, not through a dealer, and they buy it at prices which are the lowest in Canada, in spite of this he's not satisfied, he says let's go into the cement business, let's make our own in competition against them, let's examine their books.

Now I also want to bring up the question of a major paint manufacturer. He commenced negotiations with Metro and the City of Winnipeg at a time when the Honourable Minister of

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(MR. CLAYDON cont'd) . . . Mines and Natural Resources was a member of the Metro Council. And what happened? Roadblock after roadblock until the company gave up and forgot the whole project. And what did this represent to Winnipeg? It was the equivalent of four factories, and not a word of help did I ever recall the Honourable Minister offering to try and save that venture. Not a word did I hear from him.

When we received a number of bids for contracts over the years - and I'm sure the Minister of Finance who I have very great respect for, and I've always had the greatest of admiration for him and my relations with him have been very pleasant - he will confirm that over the years when we put contracts out to bid we would wind up with five or six contractors that would pick up the forms and bid on the city's work. What happens today? Last council meeting we passed a shirt contract to an eastern firm, the only bidder. The local manufacturer was not interested. Why? High minimum wages, higher than in Quebec, and the adverse publicity associated with contracts. You can't come to the City of Winnipeg for a contract today without subjecting yourself to adverse criticism, so some of these contractors have simply thrown up their hands and said they're not interested, and yet in the case of the shirt contract, we are supposed to be in an area where we have a large garment industry.

So I say to you, if you want to encourage industry and create jobs, have all your party members - and that includes the members that are on the various councils - cease this adverse criticism of those who are providing the jobs and lend your efforts to creating a favourable industrial climate and thus make Manitoba an interesting and an exciting place in which to live and in which to develop a successful business. Get on with the business of a prosperous Manitoba and stop playing politics.

MR. CHAIRMAN: The Honourable House Leader of the Liberal Party.

MR. GORDON E. JOHNSTON (Portage la Prairie): Mr. Chairman, I wish to take part briefly in the debate on the Minister's salary. I think that I mentioned before earlier in the session that the Minister faces a very difficult task as the Minister responsible for business and industrial development in the province. I think one only has to take a look at the headlines of the recent Chamber of Commerce meeting at Flin Flon where the provincial Chamber held their annual meeting. When one reads the speech that was given in the name of the Minister where he asked the Chamber to come forward with certain ideas and proposals for the good of the province, and then when one looks at the other news story that came out of the same meeting where in effect the leaders of the Chamber of Commerce are alarmed at certain actions of the government and are even forming an emergency group to fight against some of the government policies. Now how the Minister intends to resolve this alienation between what his department wants to do and what the business leaders of the province think they may be doing, I say again he has an extremely difficult job.

As I look around Manitoba today, I see a very great unease of the business community. Perhaps some of it is unnecessarily there; perhaps it's been inflamed by certain wild statements; but I think the Minister has to act quickly if he's going to restore confidence of the business people of this province in what he is trying to do. I think it's a top priority job for him and his senior officials, and even for other ministers of the Crown. I think that he should be laying down some guidelines in caucus as to how certain members of his party should be responding, because at the time that he's making a speech asking for - and I quote some of the things that he's asking for the business leaders to do, and I'm quoting out of the article and I presume this is the wording of his speech: "The Industry Minister said he has placed the emphasis on the area of agreement, 'as I have no doubt in my mind that you will be quick to let me know when you want government programs and policies either modified or withdrawn'."

Well, not many days before that the Minister of Transport replied to a local branch of the Chamber of Commerce who did try to respond to a government program and they felt that they were honestly giving some advice or letting their views being known, and the Minister of Transport told them off in no uncertain terms. Also, the Member for Crescentwood, who seems to make many statements off the top of his head that could be embarrassing to the government from time to time. I think that the Minister has a real job on his hands to reassure the business community, and I think if this government have any more plans by way of intervention or nationalizing of a business, they should say so. They should say exactly what they have in mind so that the business community know where they stand.

Earlier in the session I tried to introduce a resolution which would have this matter

(MR. G. JOHNSTON cont'd) discussed and it was ruled out of order, but I still think the government has the duty to sit down with the leaders of the business community and tell them what some of their long-range plans are so that these people know where they stand. As a matter of fact, I think it would be a good idea if the Minister were to convene some sort of a conference that took into account all the leading communities of the province, and I mention for example -- (Interjection) -- no, I would say that you should invite some of the union leaders of the province who represent various fields in the labour field; you should invite some of the business and financial community who are representative across the province and some of the agricultural industry, and discuss the direction in which you think Manitoba should be going and let them respond and let them tell you what they think too. As it is now, it seems to me that the government is off in a corner away from the people who make decisions about jobs and about expansion, and the people who are looking on are wondering what exactly is going on in Manitoba.

Now I hope I haven't offended any of my friends opposite, but I'm sure that some of them will agree with me at least, that this has to be done. There has to be a sorting out of views between the government and there must be some sympathy and some account taken of the people who invest and provide the jobs in this province.

Later in the estimates I hope that the Minister would devote some time to the Churchill Forest Industries Complex. I don't think it does us in Manitoba any good to have stories go across Canada in newspapers that are unanswered. I'm talking now about the story that appeared in the Financial Post on March 28, 1970 and the headline says: "Should Manitoba Mills Really Cost \$135 Million," and the tenor of the article is that it had been made known publicly before, several months before that this particular complex was going to cost \$80 million, and then in the meetings with the Premier and other members of the government and this industry, it was quite obvious that there was a great divergence in views and it's quite obvious also that the taxpayers' money is being put in at a rapid rate. I believe this article says that more than half the original 90 million had already been paid out by the MDF and the rest will soon be disbursed.

Well, that was over a month ago, or two months ago, Mr. Speaker, and I think the Minister has a duty to explain to the people of Manitoba exactly what the government stand is and what is being done to correct anything that they think is wrong. And I might say I myself believe that there's some matters there that should be cleared up and I would certainly appreciate if the Minister could give some explanation on the two points I have brought up.

MR. CHAIRMAN: The Honourable Minister.

MR. EVANS: Thank you, Mr. Chairman. Well, referring to the last point first, indeed there have been many allegations made throughout Manitoba and throughout Canada with respect to the financial arrangements made by the previous administration with the group of companies often referred to as the CFI Complex, or perhaps more appropriately as The Pas Complex. As the honourable member knows, we have commissioned Stothert Engineering Limited of Vancouver, a reputable firm which has expertise in pulp and paper manufacturing, has a long history of experience, and that this company is at the moment intensely engaged in an examination of various construction costs and so forth, as the First Minister has indicated some weeks back. This study is still in progress so therefore I can say we are concerned that the taxpayers' money, the people's money should be protected, and I can only at this time assure the honourable members that all appropriate action is being taken.

Now, with respect to the matter of confidence in the government of Manitoba and the matter of confidence in the economy of Manitoba generally, I can just say this, that I really feel that the evidence of the last couple of weeks speaks for itself. There are several new companies which have announced plans to come to Manitoba or who have expanded. Jordan's was one of the most recent. There was a hosiery company a week or two before that, last week there was Macey Foods, and indeed there will be other announcements forthcoming so I think that speaks for itself. If there's an opportunity in the Province of Manitoba, an economic opportunity, business will come here.

I deny that there is alienation. Every day, no day passes when I do not have meetings with several important business people, people who are in the vanguard of development in the Province of Manitoba, and I really do not think that the recent Chamber of Commerce annual convention in Flin Flon reflected the opinion of this very dynamic sector of the business community - and I'm talking now about the entrepreneurs, the people with ideas who want to go

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(MR. EVANS cont'd) ahead and establish new business or established concerns who want to expand, because there are opportunities for profit to be made and there are opportunities therefore for expansion of their business.

I really don't think -- I think it is indeed unfortunate, as the honourable member made reference to, that some sort of committee, a resolution was passed with respect to taking action about government involvement in business, because the fact of the matter is that there are dozens upon dozens upon dozens of vital, growing, dynamic businesses in this province that are cooperating with the Department of Industry and Commerce, that are coming to the Manitoba Development Fund and saying in effect, we want to work with you, we want your assistance, we would like a loan or we would like you to partake in equity. This is the initiative that is being taken by the business community, the dynamic sector of the business community, that sector which is bringing about the expansion in this province or will bring about the expansion in this province. And really, for the Chamber to say that government shouldn't be involved in business, they're really taking a backward step because over the past years government's been involved in business and we continue to be involved with the business community.

As the honourable member should know, there are many many grants that are made by various departments, particularly by the Department of Industry and Commerce, to aid business. We do all kinds of feasibility studies and market studies, various types of grants are paid to business, and in effect we are already - and have been under previous administrations, including the Liberal administration that existed in this province many years back - in business. To say categorically that government shouldn't be involved in business is really nonsense, because the fact of the matter is government is involved in business and can't avoid being involved in some way or fashion in business.

Mr. Chairman, I say to you, it is sad that the Chamber of Commerce takes such a doctrinaire, ideological point of view. They are the ones who are taking the doctrinaire point of view, saying there must be absolute 100 percent free enterprise. We're taking the point of view of the pragmatist; we're saying we want to develop the Province of Manitoba and there are various ways of doing it.

One way of doing it is to partake of some equity in expanding companies that cannot raise capital through other means, and those companies who are in the process of expanding or are on the verge of expanding, as I suggested a moment ago, are coming to us, asking the Manitoba Development Fund, asking myself as Minister of Industry and Commerce if we are interested in being partners with them to help Manitoba grow, and I think we would be doing a disservice to the cause of economic development if we were to say no, we're not interested in being partners in making Manitoba grow.

There's no doubt about it that the dominant ownership of industry in this province is private and will remain so for generations to come, but I submit, Sir, that there is a role where government can work with private enterprise to bring about the job creation that we want. And I don't think that this is anything revolutionary. As a matter of fact, you can refer to many many expanding economies in the world today - look at Japan, look at Germany, Italy's expanding, look at France, and you'll see that business and government have shared in enterprises and this partnership, this cooperative arrangement has resulted in significant growth. France has experienced significant growth; Germany's experienced significant growth; Italy's experiencing significant growth. I listened to a talk at noon hour on the Miracle of Japanese Economic Expansion and the government there is taking a role, sharing a role with private enterprise to bring about the necessary development.

Therefore, we on this side do not take the negative attitude that is taken by certain members at least of the Chamber of Commerce unfortunately. I don't really think that they are in tune, as I said a moment ago, with the dynamic sector of this economy of ours, with the dynamic business leaders, because these people, the people with ideas and the people who want to expand, the people who want to create jobs, the people who want to see Manitoba grow, say to us, and say to me as the Minister of Industry and Commerce, we want to cooperate with you, we want the government to cooperate with us to make things happen. And this is our policy. It's a policy of pragmatism. It's not a doctrinaire policy; it's not an anti-laissez faire policy nor is it any other type of ism; it's a very practical policy that in my opinion will bring about job creation and bring about a higher standard of living for the people of this province.

MR. FRANK JOHNSTON (Sturgeon Creek): Mr. Chairman, would the Honourable Minister permit a question?

MR. CHAIRMAN: The Honourable Member for Sturgeon Creek.

MR. F. JOHNSTON: Why doesn't the Minister loan them the money?

MR. EVANS: I don't loan money, but the Manitoba Development Fund loans money every day.

MR. F. JOHNSTON: Why don't you loan instead of buying equity?

MR. EVANS: I'm sorry; would you repeat what . . .

MR. F. JOHNSTON: Why don't you loan instead of buying equity?

MR. EVANS: Mr. Chairman, as I tried to explain, the initiative for the equity or the partnership role that government has been asked to play, or the Development Fund more precisely has been asked to play, has come from the business sector. This has come from individual businesses. Now, the fact of the matter is that if you have a new idea or if you're expanding for the first time into a new field, it is not unusual - and I hope the honourable member is listening - it is not unusual in business for losses to be experienced in the first two or three years of operation. That's not unusual, in fact that's the more normal course of events for any significant investment, and for the government to take an equity position in effect we are lightening the role, we're making it much easier for the company involved in going over, or going through rather, this very crucial period.

If they were confronted with a heavy loan payment at that point where interest has to be paid, where loan payments have to be paid by the month or by the quarter or whatever the arrangement is, this puts a heavy burden on that fledgling company, on the new company or on the expanded enterprise. If finance came by equity, no moneys need be paid out until such time as the company was in a position of profit, and therefore the burden of development is made much much easier, there's no doubt about it, by us saying to business, sure, we'll lend you money if you have a viable enterprise but we're also prepared to take a little bit of equity if that's going to help things happen. And I say again, this initiative -- we're not running out looking for companies to take equity positions, the companies are running after us, asking us to take equity positions, and in doing so we are making things happen.

MR. F. JOHNSTON: Could the Honourable Minister tell me what's new about the companies he's taken equity in?

MR. EVANS: I'm sorry I didn't -- I'm not sure whether I heard . . .

MR. F. JOHNSTON: Could the Minister tell me what is new about the companies you've taken equity in? I don't think they were new companies.

MR. EVANS: Well, Mr. Chairman, whether they're new companies - I was making a generalization - but whether they're new companies or existing companies that are expanding, doesn't matter to me. The fact of the matter is their expansion does create the jobs that the Honourable Member for River Heights continually refers to. The fact that we have taken an equity position with a couple of existing companies is just as significant as doing so with a brand new company.

MR. CHAIRMAN: Before we continue, may I just point out to members that we have now spent 9 1/2 hours on the Minister's salary. We of course are at liberty to exhaust the entire department's estimates on this particular item but I'd just like to point that out to members. There are about eight hours remaining in the debate and we have spent considerable time on this one section and some members may prefer to proceed or deal with the remaining departments. The Honourable Member for Riel.

MR. BEARD: . . . ask the Minister one other question.

MR. CHAIRMAN: The Member for Churchill.

MR. BEARD: If the Minister wouldn't mind listening for a minute, I'd like to pose a question. In respect to this choice of picking up options on company shares, I'm just not aware of what the responsibility of a government would be, but as I understand it, if you have an option for shares, then if the company goes bankrupt you're responsible for the number of share options that you are holding, are you not?

MR. CHERNIACK: Mr. Chairman, I wonder if I could just answer that one question, because I'm quite sure that I know that if you have an option it's just the right to the person to whom the option has been given to exercise it or not as he sees fit, and if the company should go broke, as the honourable member said, before the option is exercised, you just don't exercise your option.

MR. CHAIRMAN: The Honourable House Leader of the Liberal Party. Pardon me, I should say that the Member for Riel did have the floor.

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MR. G. JOHNSTON: Well, it'll only take me a moment.

MR. CHAIRMAN: The Honourable House Leader of the Liberal Party.

MR. G. JOHNSTON: I don't think the Minister actually answered the question that I raised. I agree that there are many business people who are interested in doing certain things and they will no doubt deal with the department regardless of what government is in power, and when he says that he regrets the Chamber of Commerce attitude and the resolution that they passed, well maybe he regrets that you can't sweep it under the rug; it has to be dealt with. And I would like to quote the preamble of the resolution, and I would think that the Minister should answer them, let them know where they stand. The preamble also states: "WHEREAS members of the Manitoba Legislature and members of the Cabinet of the government have made general statements indicating specific interest in government participation in industry and business; and WHEREAS the government of Manitoba introduced a bill in the Legislature to provincialize auto insurance," and so on.

Now it is a fact, it is a fact that certain members of the NDP Party, either inside or outside the House, have suggested the government get into certain businesses, and if the government has no intention of doing that, then I think that they should say so and let these people know, because after all, most people in the province only gain their information through the newspapers. They're not here day by day and they have other things on their mind, and they only go by what they read or what they hear.

And while we're talking about a government inspiring confidence in the general population, I wonder how members of the NDP Party would feel if they were in opposition and the government of the day proposed to put through some contentious legislation, and they held a closed meeting with, say, the Chamber of Commerce, to plot a plan on how this was going to be done and to bring in people from outside to assist the government to sell their point of view, I think there would be quite an uproar from the opposition benches over that, and of course now I'm talking about the closed meeting and the heading is: "NDP Huddle with Labour at a Day-Long Closed Session, and two Cabinet Ministers were present, and the sole purpose of the meeting was to sell, or try to sell the government a proposition. I think that this is wrong. Surely anyone who has been in politics very long knows enough that if he accepts undue help from a certain segment, or a certain person or a certain group, well some time the bill has to be paid, and it may have to be paid by way of favours that the government may not wish to grant, and I think that when a government has a plan that they want to put through, they have plenty of tools and weapons in their arsenal without calling on special groups. I think that they're leaving themselves wide open, wide open to the charge some day that if and when it appears that a favour has to be paid back then the charge would be made, and when a government has to resort to special groups to push forward a plan that they want, then some day there's going to be an accounting and they're going to be very sorry. I would no sooner want help from any special group if I were in government. I would make very sure that I was not only trying to do the right thing but that I was giving the appearance also of taking an independent course for the good of all of the people, and I think that the confrontation that is going on in auto insurance today partly comes from the method which the government has used to further their views on this situation.

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MR. CHAIRMAN: The Honourable Member for Riel.

MR. CRAIK: Mr. Speaker, or Mr. Chairman, I want to make some comments on the Minister's Salary. First of all, the usual introduction, I wish him well in the very difficult task he has undertaken. I was very interested in listening to the debate on his salary, to hear his interpretation of the role of government and presumably of the Manitoba Development Fund with respect to taking equity positions in companies, in addition to the usual practice of the Manitoba Development Fund, become involved in loan capital to companies. I think there's probably a fairly fine line between making a loan and taking an equity position under certain conditions, but the definition, or the interpretation that he has given of this "pragmatic approach" that he has, I don't think is in any way in keeping with the legislation that was provided for Part II of the Manitoba Development Fund in 1966, and I don't suppose there are that many people who are in the Legislature now that were present in 1966, but if I might just go through this first statement of Part II, and Part II is entitled "Extraordinary Operations," and Section 41 says: "Where, in exceptional cases, the Fund concludes that it is feasible to develop an industrial enterprise that is urgently required for the economic development of Manitoba or any region thereof, and that private industry is not ready to proceed with the development of such an industrial enterprise, the Fund shall, pursuant to the directions given from time to time by the Lieutenant-Governor-in-Council, do all things necessary to establish and carry on or to promote the establishment or carrying on of any such industrial enterprise." I think, Mr. Chairman, that the Minister would agree that there is quite a difference between this and the Minister's interpretation of the role of the Department of Industry and Commerce and the Manitoba Development Fund during his tenure of that office.

MR. CHERNIACK: Would the honourable member care to read the next section?

MR. CRAIK: Well, I've read the next section here, and I don't think it adds a great deal, but this is essentially the reason for Part II coming into the Manitoba Development Fund Act, and certainly the philosophy which he is espousing here, the pragmatic so-called philosophy, of the government getting involved at will in an existing operation is not what was intended in the legislation that was passed in 1966. Quite frankly, from a personal point of view I agree with the legislation, although I was not a member of the Legislature at that time. But I think that government's role in business should essentially be restricted to the role of the "extraordinary operations" that entitled Part II of this Act, and I suggest to you, Mr. Chairman, that the role that the Minister had, is taking now, is not in keeping with the intent of the legislation at that time, and that he may well be considering bringing new legislation into the House which we do not have, but certainly the cases where the equity position has been taken now or he has indicated will be taken, is not in keeping very closely with that definition.

Now again, from a personal point of view, that if it is necessary for the Development Fund to become involved, fine; but if it is a matter of policy for them to become involved by design in industry in an equity position, it's a position that I do not support, because I feel that private capital, private industry is thus capable of running its own affairs within the legislation, the framework, the matrix that is provided by government legislation, which allows the individual enterprise system to operate. I can agree fully with one statement that the Member for Crescentwood has made, when he suggested in this House that government or business, business should be allowed to do their own thing. Now his interpretation of that is not exactly how I am interpreting his statement, but certainly from that point of view the Member for Crescentwood, if I can take him out of context, would find that that is a statement with which business can well agree with him, and by and large which I think the majority of the citizens of Manitoba would agree with as well, that is that to as large an extent as possible, that business "be allowed to do its own thing within the framework of the legislation that is established by this Legislature within which all people, all companies and corporations operate."

Mr. Chairman, I want to go on to another topic here now, but before doing so, I think that we have to assess what the real role of the Department of Industry and Commerce is in Manitoba. I submit to you that it has an important role but I think that it is a far less important role than you would interpret from listening to the debates that go on in this House. By and large, the amount of capital, the amount of influence that the public sector is going to have on business development in Manitoba is fairly limited, regardless of the policies that you're going to institute. I think the Department of Industry and Commerce can have a fairly significant impact on the mood or the esprit de corps and so on provided for the business community in Manitoba and creating an external image from the Province of Manitoba.

I think it was the member for Gimli, and I might be wrong - you can correct me if I am -

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(MR. CRAIK cont'd.). . . . suggested that to some extent the Department of Industry and Commerce was acting as a welfare department -- (Interjection) -- the Member for Crescentwood. I'm sorry, it was your seatmate. It was the Member for Crescentwood again who said it has acted as a sort of a welfare department to the business and industrial community of Manitoba. This is a very, very backward reactionary sort of a view to take of the role of the Department of Industry and Commerce. I think you have to take the realistic role and realize that Manitoba's industry is basically small industry. We know from the impact, the statistics developed in the White Paper impact on business in Manitoba that 67 percent of the employees, people who hold jobs in Manitoba, work for companies that under that definition come under small business, and the average for Canada is 40 percent, so we're talking about a province that has a predominance, a large predominance of so-called small business, and if the Department of Industry and Commerce can help this group, then they will certainly have performed a function, so the question is: how can they help? Can they help by their injection of capital? Can they help by advice on markets? Can they help by offering technical advice? Can they help by creating an external image or an internal image? These are the questions that have to be answered with regard to the Department of Industry and Commerce. But again, within this context to say that the department itself is going to have an overbearing effect on the well-being of industry in Manitoba, would be I think stretching the point a bit.

Now, I think again, if we take the predominance of the small industries in Manitoba, we have to look at the anatomy or the structure of the small business. By and large, the vast majority of them are not capable of providing many of the services they require. Many of these services are economic and the Manitoba Development Fund is set up to service that requirement, but where the great void lies with industry in Manitoba, the so-called small industry, is their internal ability to provide their technical needs. We have a situation that exists in the province where we have the productive capacity through our educational institutions, be it the university or the technical institutes or even now our high school system as it's developed its vocational capability, we have the ability there to provide far more than our industrial community has been capable of absorbing.

We know from the reports of the Manitoba Economic Consultative Board two or three years ago, when the last thorough public assessment was done - although there are more manpower studies proceeding progressively and the Economic Council of Canada has done these as well - we know that we're losing probably over half of our technically trained people, capable people. When they finish their training they leave the Province of Manitoba and go elsewhere for job opportunities. Now is it that we don't need them, or is it that there is no job for them? The answer is that we most definitely need them. The answer also is that the job opportunity with that training so far has not existed, otherwise we would not have the situation.

We know that the likes of the National Research Council handle, from this small industry group, over a thousand enquiries a year for information, technical information. We know from the follow-up to it that the majority of these never get implemented into the structure of the industrial firms, and the reason is that there is not the capability in small industry and small business to actually put into implementation existing knowledge. It's not new scientific knowledge, it's simply knowledge that is well proven, accepted, has been developed in more industrialized parts of Canada and of the world, but is not implemented in Manitoba because the companies by and large, growing as they are from probably starting from a shoe string operation, growing successfully, may fall under this category of the dynamic operation even that the Minister has referred to, but in fact do not have the capability to carry through and implement much of the new knowledge that is available to them.

So how do you get at the problem? Well, the Minister has under his jurisdiction the Manitoba Export Corporation which assists him to look at export markets. He has under his jurisdiction also a technical group who attempt to assist industry here and there. He has a Manitoba Design Institute who attempt to promote competition of design and pay recognition to good design in Manitoba, and it does a job which is limited by the numbers of people he has to carry this on. He has also a Manitoba Research Council which should be doing a job but which so far has been latent within his department and has not reached the potential that it should, because therein, combined with the Design Institute and operations such as the Manitoba Institute of Management with their work study group and their desire to implement modern management techniques into business, all working energetically but on such a limited basis that there is virtually no impact on the small industry group in Manitoba, to such an extent that basically there is very little likelihood of a real breakthrough in growth happening.

(MR. CRAIK cont'd.)

We have cases where one or two have happened. We have Bristol Aero Industries that grew out of the previous MacDonald Brothers Aircraft that started out during the wartime, converted to Bristol, got into a rocket program, developed their technology, and over a period of time made this leap into a modern-day industry, but they're more the exception, very much more the exception than they are the rule, and what we need are more of these industrial groups, and I'm excluding natural resource based groups; I'm referring particularly to manufacturing groups. We need more of this type of industry that is based on the science age industry than we have today. I would suggest to the Minister that if he can undertake - and I don't think this is going to provide him with headlines, I don't think it is going to provide him with any public relations breakthrough, but I'm going to suggest to him that if he in fact wants to service industry and gain their support in his efforts to promote industry, that this is an area in which he can do it; that is, to provide to the small industry a service that can cut across lines and do it through organizations such as the Manitoba Institute of Management, the Manitoba Design Institute, and the Manitoba Research Council.

Now furthermore, I want to suggest to him that I think it is impossible, I think it is impossible for a government department, whoever they are, to develop a complete rapport with industry and business. I think that it can be done if he is prepared to take this group, set it out at arm's length from his department, put it into the no-man's land that exists between industry, between the university and between government, and let them do their own thing, because they will develop, in concert with the university, with industry and with government, they will do what is absolutely necessary in the Province of Manitoba, act as the catalyst in bringing together the manpower that we already have being produced by our educational institutions, integrated with industry on specific projects that may be undertaken by a group, an amalgamated group, an amalgamated effort and with government's input to it. And I say with government's input to it because we have to acknowledge the fact that the financing for it is not going to come simply from the sale of the services. With small industry, it cannot be done; it has to be done in concert with government.

And he can look at other efforts and other provinces, and I might pick Alberta, B.C. and Ontario where this is successfully happening. In Ontario, the Ontario Research Foundation is effectively doing it. Their financing arrangement is that the provincial government will match dollar for dollar every research dollar that they can bring in from the private sector. As a result of this, the Ontario Research Foundation - and when I say "research" it's in quotation marks because the work they do, the majority of the work they do is not research, it is simply technical interpretation to industry. But they will match on a dollar-for-dollar basis every dollar that the Research Foundation can bring in from industry, and their role speaks for itself; the number of patent products industries that they have spawned certainly speaks for itself.

Now there is no agency in Manitoba that can do this. You can take British Columbia as an example, where they are almost self-sustaining through their private contract work to provide technical information to industry. A lot of that income comes from the United States because through their effort they've been able to develop sections of their effort that brings in the money for research contract. But it has a spin-off. It has allowed them to build up an expertise that allows them to spin off their scientific and technical developments to the local industry, and have a very good record of having done it. You have the Alberta Research Council which has done essentially the same thing. The Saskatchewan Research Council has done a good job as well, and again it involves many of the functions that the Minister of Industry and Commerce's department now attempts to undertake, although in Saskatchewan their efforts have been more devoted towards the natural resource section than they have actually to the industrial section.

But in Manitoba, the very clear and crying need in the interests of utilization of manpower in this province and the needs of industry, is in the manufacturing sector, and the concentration and effort must go in to that sector through the Department of Industry and Commerce and through the agencies which it now has existing in the department. And I would suggest to the Minister that I would like to support any efforts that he would attempt to undertake in this direction. I think that this is essentially a non-political undertaking, if there is such a thing, and that he would gain a great deal of support from all sectors of the community. In advocating this, I might also add that I've suggested that it has to happen outside of his department, basically at arm's length from his department's operation. I'd suggest also that it cannot happen by making a grant to a university. This practical application of knowledge does not take place in a university study. This is not the nature of the organization. What we're talking about is

(MR. CRAIK cont'd.). . . . essentially an organization that would be unique in Manitoba although not so unique in many, in fact all of the other provinces with the exception of Quebec. But, in the meantime, this has been very much lacking in the province of Manitoba. I would also suggest to him that if he looks a little more closely he will find that part of the financing for this will come from the Federal Government, who have always resisted making the basic grant to the Province of Manitoba because this organization exists within his department, and if it were set outside at arm's length, the grant would be made available to him. I'm sure that if he questions further, either within his department or without it, he will find that the grant is available to him and that this will be forthcoming.

With those remarks, Mr. Chairman, I had another couple of very important topics to talk about, but in the interests of the time factor I'll hold them over till we get to the specific items.

MR. CHAIRMAN: The Honourable Member for Winnipeg Centre.

MR. BUD BOYCE (Winnipeg Centre): I just wanted to spend a minute in this debate, Mr. Chairman, and it's refreshing to realize that the Member from Riel agrees with me on some things. I would just like to say that what he is talking about is my human resource research council that I've been beating my little tin drum for. It is a modification, I realize, of some of the research councils which have been established in Alberta and British Columbia. But I would caution the people also that when we're talking about industry and commerce, and we keep tossing around the term of true growth, some of the things we have to take into consideration is redundancy and things of that nature. For example, I was reading something the other day, that at the rate of 1,700 jobs a month, become redundant in the United States, so that when we're talking about development, we're not only talking about expansion of industry, that we have to really think in terms of the future, and I would ask our government to look really closely, as I know they are. But perhaps we could be a little bit more expeditious in the matter of looking at a human resource research council.

MR. CHAIRMAN: The Honourable Minister.

MR. EVANS: Thank you, Mr. Chairman. I appreciate the remarks made by my honourable friend from Winnipeg Centre. As he knows, the government collectively is looking at this.

One can't help but agree with some of the suggestions made by the Honourable Member for Riel. He mentioned in particular the role of the Manitoba Research Council and the need to stimulate technological development, that this had a key role in economic growth. This is true. We need to help many small businesses which do not have the capacity for research and technological development. However, some of the suggestions he made, I can't but help smile at, because his administration had the Manitoba Research Council for over five years, and I'm wondering why your administration hadn't implemented many of the suggestions that you're making at this time. I'm not belittling your suggestions, but I'm just saying, you know. . . .

Now, the fact of the matter is that this government is giving much more support to the Manitoba Research Council than the previous administration. As a matter of fact, there is an increase in the budget of \$130,000; I repeat, an increase of \$130,000, towards product and process development assistance, and I think that this is going to make many things possible, including the appointment of a new director of product and process development. And indeed we're working on a number of specific projects which will help in the area of applied science or technology, if you will.

Reference was made to the Manitoba Institute of Management. I am pleased to report that we are working with the Manitoba Institute of Management. Reference was made to the role of the Federal Government. I am pleased to report that we do help small industry obtain federal grants for research. As a matter of fact, just recently a small medical electronics firm was helped by the department to qualify for extensive federal aid for technical research and application.

I would review a number of items that are now being taken by the department. The Manitoba Research Council tomorrow, for instance, is holding a seminar on quality control, and at least one hundred company representatives are expected to be in attendance. We have been providing assistance to the university in examining the possibility, the feasibility of establishing an Institute of Industrial Research, and we've carried on a program of extensive technical information to small business and a product licencing service.

Now I'd like to announce some new and expanded programs. I'd like to take the opportunity in my estimates to announce the following: Program of industrial enterprise fellowships.

(MR. EVANS cont'd.). . . . I agree that the industrial development in the 1970's, I agree with the honourable member, will depend to a large extent upon imaginative men who will integrate technology and managerial skill and thus provide adequate development and exploitation of Manitoba's resources. I think business must be distinguished by an entrepreneurial spirit if our economy is to flourish in this technical and scientific age.

We have noted what the New York Times has referred to as the Golden Semi-Circle - this is a great arc around the Boston-Cambridge heartland where there are headquarters and branches of some 700 companies. Many of these companies are new and the product of a remarkably fertile interplay between entrepreneurial enterprise technology and an adequate supply of fertilizing capital from the Boston bankers. I wish we had some of that fertilizer. What our great neighbours to the south have accomplished by military contracts, entrepreneurial and technological skills and private risked capital, we might hope to emulate, in a small way at least, by encouraging a combination of these entrepreneurial and technological skills of those who are trained at our universities and our community colleges and so forth, and we are therefore prepared to offer industrial enterprise fellowships to a team from any of our universities or community colleges.

The objective of the program is to create industrial enterprises in Manitoba, based upon technical innovation and economic feasibility. The projects will be judged under the auspices of the Manitoba Research Council. Fellowships worth up to \$20,000 in total will be granted each year to the members of the team selected. Projects for the first industrial enterprise fellowships will be accepted up to January 1st, 1971, and the winners of the award will be announced by March 1st, 1971.

Well, our second new program related to the Research Council relates to the topic of centres of excellence. We are now setting up four committees to identify a number of research projects appropriate to the Manitoba environment and which could lead to industrial production within the next five years. The committees will deal with (1) food products; (2) building materials and systems building; (3) electrical and electronic products; (4) material science. Each committee will have representatives from the private sector, the university, and from federal and provincial departments and agencies. The National Research Council has expressed an interest in the program and has already nominated representatives to each of these committees. Invitations have been sent out to other prospective members. The committees will define projects that would likely merit financial support from both government and industry. It is anticipated that the projects recommended by the committees will lead to development that will enhance Manitoba's reputation as a centre of excellence in each of the fields selected. I think this type of development will build upon the strength inherent in both the human and material resources of the province.

The third area of expansion is the increased funds that have been made available for research and development grants for product and process testing and in-house research for small firms. And we have material describing this in detail, which I would make available to any member who cares to have the material and to read it at their leisure. So I'm just suggesting to the honourable member that we are very concerned with this; that we have provided \$130,000 additional for this type of program and related programs, and that many things are happening. We'd like to do a lot more but there is such a thing as a limit to our budget, but I think the honourable members of the House will agree with me that this is a step in the right direction.

Now, if I could for a brief moment refer back to the earlier reference he made to the Manitoba Development Fund Act, with particular reference to Part II which is described as Extraordinary Operations. I would suggest that really the equity participation is still extraordinary in the sense that there are only two or three firms that have been involved in such a program. And, you know, the honourable member has the privilege of interpreting the Act any way he wishes, but the Act does permit for this equity participation and it permits a great number of things if the honourable member would read it very closely. It's a very broad -- the terms of reference of the Manitoba Development Fund are extremely broad, if you read the Act very closely. It enables that Fund to do many many things.

Now you say - you know, you talk of new policy and attitudes and so on, and quite frankly we will have a new policy, we will have new legislation and the new policy will reflect the statements that I made earlier, and that is that this government is prepared to play this partnership role in order to make things happen. One reason why we have to do that is the fact that there is a shortage of risk capital in the world today, and in particular in Western Canada, and

(MR. EVANS cont'd.). . . . somehow or other we have to look at ways and means of overcoming this shortage of risk capital.

The honourable member suggests that we should allow business to do its own thing. Well, indeed we are allowing business to do its own thing. As I suggested earlier, it is business that is coming to us, asking us to play a role, but they have the ideas; they know where they want to go; they're playing the entrepreneurial role; they're offering the management; we're offering to support them by -- we're prepared to support them by taking a piece of the action and by taking, indeed, part of the risk, and in doing so we are making possible the creation of more jobs than we would otherwise have.

I would remind honourable members, and particularly the Member from Riel, that the fact that the Development Fund at one point in time owned X percentage of shares in the company doesn't mean that it has to hold this X percentage of shares for time immemorial. It is quite possible that the company may wish to repurchase the shares at some subsequent date when it's in a stronger position, or possibly the Development Fund itself, if it's a public company with shares being offered on the market, may wish to divest itself of this equity and disposing of it on the public market and receiving cash to do another thing in cooperation, in partnership with business.

MR. CHAIRMAN: The Honourable Member for Riel.

MR. CRAIK: Regarding the Minister's statement about his programs, could he indicate first of all, regarding the standards of excellence, he's indicated that there'll be university, provincial and federal government participation in these studies that are going to go on for something up to five years. Can he tell us whether there's going to be an involvement of the private sector and to what extent the private sector will be represented on these groups, I presume, that are going to study these various areas.

The second thing is the specific topics. Many of them are related to possibilities in Manitoba but he's made no reference to the area of chemistry, and I think it's fairly well known that in Manitoba probably there are three outstanding potentials. One is in the electronic field, one is in the food sciences or food processing field, but one of the very outstanding ones is in chemistry, particularly related to plastics. The world market for plastics alone now stands at something like five billion - or the North American production is something like five billion tons a year and it's anticipated that this is going to grow by roughly one hundredfold by the year 1980, and five years from now you're going to be right mid-stride of that period and you haven't even mentioned the fact of a group studying particularly - well chemistry, but in particular the chemistry related to the development of plastics.

MR. EVANS: I could answer your first question first. Perhaps the honourable member didn't hear me properly when I made the statement. I stated that each committee will have representatives from the private sector, plus the university, plus the Federal Government, plus the Provincial departments and its agencies. The answer is yes to your first question, the private sector will participate in these committees and they will be drawn from the appropriate industries obviously.

The honourable member referred to the omission of chemical industry in particular, but I'm pleased to note that he seems to agree with some of the others. Well, there is a limit to our resources and we as a department reviewed the complete list, I can assure you, and these four seemed to offer four of the greatest potentials. Sure, there are other potentialities. I suggest material science however is rather a broad area, but I suggest that we have made a selection and those four areas are areas well worth exploring in our opinion. This is the advice, at least, that has been given to me by my department.

MR. CHAIRMAN: The Honourable Member for Assiniboia.

MR. STEVE PATRICK (Assiniboia): Mr. Chairman, I have already made my contribution before and I just have a few comments to make at the present time. My concern is that I've asked the Minister of Education some weeks ago about how many university students or high school students have been hired in total by the government. I was advised at that time that as far as any hired, there was none but there were three hired to do such things as placement, in assisting with placement and referrals for job opportunities for our university and high school students, which to me was not a very satisfactory answer and in fact I was very disappointed at the government in this area that they have done so little. The question that I pose for the Minister of Industry and Commerce, has he made any provisions or had a program of some kind during the past many months that during the summer holidays he will be able to take some university students in his department.

(MR. PATRICK cont'd.)

I understand that the Federal Government has committed itself to hire 12,000 students this summer, which is somewhat 27 percent higher than they did last year, and this is spread through all the departments of the government. I would hope that this government would have done something in a similar way, not that you create jobs for the sake of the job alone, but I'm sure that the government if they would have planned their work properly in the last while, and in the last year perhaps they have been able to program it in such a way that they would be able to take some students. I would like to know from the Minister if this is the case and will he or his department be taking any students this year, because, Mr. Chairman, I feel that the government has done very little to assist the students.

I think this year we've had many more students looking for jobs and they have a much more difficult time in getting any kind of job, because in the last while, I don't recollect in the last eight years that I've had as many university students and high school students coming to see me with requests and I'm sure it is the same with every member in this House. So up to the present time, with respect to the Honourable Minister of Education telling us that he's only hired three students to sort of program and take part in placement and referral opportunities for the students and nothing else has been done, I think this is very disappointing as far as this government is concerned.

Surely there must be areas where this government does need more people, and they could have planned it in such a way that more emphasis is placed, that they take some of these people during the summer holidays. I know the only one Minister that has mentioned - and I believe it was the Minister of Transportation - that he's prepared to take some students as Minister of Transportation and Highways, and in fact he said he'll be hiring some girls or women. I think this is good. We don't know how many numbers he's taken to the present time, but really, Mr. Chairman, it's getting very serious. I think the government has done very little and I think it is very important that the greatest possible assistance is available so that these students can continue their education.

I would be most interested to hear from the Minister to tell us if he is planning anything in this area and if he's prepared to do. I understand the other governments in the other provinces have taken this type of an undertaking, that during the summer holidays that each department will take some university students. All I can go by, to the question that I posed to the Minister of Education, and if this is true then I say this government has done very little in respect of making available to the students any kind of assistance in the way of employment.

MR. SCHREYER: Would you permit a question?

MR. PATRICK: Yes.

MR. SCHREYER: The honourable member is referring to the problem we face with respect to the summer employment of students?

MR. PATRICK: Yes.

MR. SCHREYER: Would he indicate to us what his view is as to whether or not this particular problem is likely to be more acute in Manitoba or less acute than in other provinces in the country.

MR. PATRICK: Mr. Speaker, I don't know, but I think surely we should do something to solve our own problems. You know, it's irrelevant to say it's more acute here or in Saskatchewan or Alberta, but I think surely we can do something to solve our own problems. What I have stated, I asked the Minister of Education a few days ago what he had done, and he told us he has hired three students to correlate and do referrals in the way of placement of students, and I say this is very little because from the information that I have, I understand that the Federal Government is prepared to take anywhere up to 27 to 30 percent more students and university students this year than they did last year, and I understand they are definitely committed to a program of hiring 12,000 at least. From the information we have been getting from the government, they've done very little in respect to student employment. What I'm stating, I think that perhaps something that the government could have done is lay out a program, their operation in such a way that each department could have hired some students for their summer employment -- (Interjection) -- Well, if you are, I'm very happy with this but we haven't heard anything from the government that you are doing this.

MR. EVANS: Can I answer that now? Are you finished?

MR. PATRICK: A question? Yes.

MR. EVANS: Well, as the First Minister indicated, we are doing just what the

(MR. EVANS cont'd.). . . honourable member is proposing that we should do. In my own department we are taking twice as many students as was taken on last year plus seven more students to work with the Regional Development Corporations throughout the province, so I think that, at least on our part, shows a concern for this question.

MR. PATRICK: I thought you were going to ask a question, Mr. Chairman, but if I may continue with my remarks. If this is the case then I am very happy that the Minister is able to stand up and say we will take more students than were hired before and we're going to continue, but what I'm trying to tell the House that up to the present time we haven't received this information and haven't received statements to that effect from the government. The only information that we've received is the question that was posed to the Minister of Education, and he said we've hired three to correlate and help with student placement in the province. As far as I was concerned that was not very much, but if this is the course that the government is taking, I wish that at least one of the Ministers, or the Minister of Education will be able to tell us what is the whole program and perhaps the whole House will be much more informed and will be able to at least have much more intelligent answers for the students when they call us or come to see every member of this House. I know I'm really bombarded with students coming to see me, so if we know that the government's hiring, this is fine, but up to the present time we haven't heard anything.

The other point that I wish to raise, Mr. Chairman, and I think it's quite important, we've talked about the Convention Centre in Winnipeg at some time and I know the Minister of Finance has stated: Well, we're ready to go if the industry is prepared to come to us and tell us how many dollars they are prepared to invest, and if it's a tremendous program, so many million dollars, that we'll proceed. -- (Interjection) -- Well, this may be true. The Minister maybe did not say it in that way, but I posed the question and said how big a development program it has to be before you're committed, and you said: Well, we want the whole industry to come to us and tell us, you know, what they're prepared to do. But I feel the government has to go to the industry and say that this is what you're prepared to do, because if you're not, and you're going to wait and you're prepared to wait, we may have to wait too long. I say the government must have some sort of program because I know that one of the developments downtown, the Centrepoint alone, I'm sure it may get off the ground if the government could come out with its program. . . .

MR. CHERNIACK: You haven't been listening, have you?

MR. PATRICK: Mr. Chairman, I have been listening. If I can repeat again, I posed a question to the Minister of Finance some time ago and I said, will the government proceed with a convention centre? The Minister at that time said yes, if the industry is prepared to go and develop so much in the downtown core. Well, I think there must be some misunderstanding, and the Minister, if he would be definite that the government will proceed, I'm sure that industry will proceed as well. -- (Interjection) -- Do you have a question? Okay. Oh yes, I'll sit down.

The other point I wish to pose to the Minister of Industry and Commerce, I don't know if he's had any discussions with Ottawa or not, but I understand in Montreal that Ottawa is injecting a considerable amount of money for their redevelopment program - and I'm talking in many millions of dollars - and perhaps this is an area that he can look at because it is important if we are going to attract capital and we're going to attract industry. And we are interested in redevelopment. I know the First Minister was very much interested during election time and at that time he said he accepted a downtown study, and again we had the Minister of Municipal Affairs just recently announced again that they had, but he said they weren't putting any money into it at the present time.

MR. SCHREYER: Which study are you referring to? The Redevelopment Plan?

MR. PATRICK: Yes, that's right.

MR. SCHREYER: Urban Renewal District No. 2 or 3?

MR. PATRICK: I'll finish in a minute and perhaps he can pose his question.

MR. EVANS: The infrastructure grant program? Were you talking about the infrastructure grant program of the Federal Government? You know, the First Minister and several members of the Cabinet were in Ottawa last January where we met with one-third of the Federal Government to talk about infrastructure grants for The Pas, Metro Winnipeg and elsewhere in the province.

MR. PATRICK: The Greater Winnipeg Development and the Transportation Study that were prepared by the Metropolitan Corporation.

(MR. PATRICK cont'd.)

Just one more point, and I think this has been debated here at some length by the Minister and the Member for River Heights, and I still feel that Manitoba does suffer a transportation disadvantage because I have had an opportunity to talk to quite a few people in industry, and particularly the clothing industry, and I think because of the high cost of transportation it's only natural that they can't compete with goods manufactured in Eastern Canada. I think that this government has to take a stand and we have to convince the Federal Government that there must be a regional transportation policy, and I would like to know what is the Minister doing. Has he proposed any plans? Has he prepared a paper to the Federal Government since he's been in office or not. I think it is very important. If the local industries will be able to compete on the same basis, then there must be a regional transportation policy, and I would also like to know what is the attitude of this government and is the Minister pursuing it?

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

MR. EVANS: Well, I'll just take a minute or two. Well, the fact of the matter is, with respect to transportation, we've done many, many things to promote the development of transportation. In spite of what the Honourable Member from River Heights continues to allege, we have worked very closely in promoting the development and the expansion of TransAir, and the actions we've taken have been in close co-operation with that company simply because it is a regional air carrier. We have in process various pieces of correspondence between the federal Department of Transport and ourselves relating to many transportation matters, from all the way up at the top of the list at Churchill down to the southern part of the province.

Now, I just want to make one specific reference on the matter of transportation. The Honourable Member from Assiniboia referred to the garment industry, and we are concerned that the garment industry is in a very difficult position because, as was pointed out, the bulk of its raw materials are brought in from the east and the bulk of its products are shipped back to eastern Canada and elsewhere. I talked to the Fashion Council of Manitoba which represents the garment industry. We were instrumental in setting up this council and I at that time indicated that we were concerned about this transportation cost problem and that we were prepared to engage a transportation consultant firm in order to look into this question of how we could reduce transportation costs for the garment industry, and I'm pleased to inform the honourable member that we have allocated \$5,000 for a transportation study to look into ways and means of reducing transport costs for the garment industry in specific.

MR. CHAIRMAN: The Honourable Minister of Finance.

MR. CHERNIACK: I wanted the opportunity to reply again to the Honourable Member for Assiniboia on the question of this convention centre. I may take more than two minutes, but I can't take too much because, you may not know it, Mr. Chairman, but there's general consensus obtained from all sides of the House that we would ask the committee to rise in about ten minutes so that we could deal with Bill No. 74, The Financial Administration Act, and the Honourable the Leader of the Opposition has indicated that he would be prepared to speak on that and I expect he'll be in in about ten or fifteen minutes, at which time we could go. But this convention centre that the Honourable Member for Assiniboia mentioned, I have reported previously to the House, more than once, that the previous government had been approached by the developers of Centrepoint with the proposal that Centrepoint development would involve a hotel, a business building, an apartment building, that it would tie in with the proposed covered Graham Avenue, that it would be connected -- the City of Winnipeg proposed that it would build a parking structure and a library, and that part of that whole complex would be a convention centre. Shortly after we came into government we were informed by the developers that that was the case and they gave us the whole picture. They talked about a fifty million dollar development that would ensue. I must say that later on we discovered their immediate plans were more like 20 to 25 million but that they foresaw a development that would bring with it 50 million dollars worth of development, and the Leader of the Official Opposition confirmed to me that this was the sort of all-verbal discussions which had taken place when he was Premier and that he had indicated that his government would look favourably on it.

I told members of this committee, time and time again, that we too informed the developers of the Centrepoint project that we would look favourably on it, that we would expect involvement from the City of Winnipeg and Metro in that kind of development, and both the City of Winnipeg representatives and Metro indicated to us, again verbally, that they would be glad to discuss a development of a convention centre along with this whole development. We have

(MR. CHERNIACK cont'd.). . . . made it clear to the developers that we are prepared to go into it, we are anxious to develop something along the lines, that it would be a stimulation and that it would be a nucleus for some development, that if the Centrepoint was a catalyst that we would recognize it as such - and may I indicate that there is no indication that a convention centre would be self-supporting and that may be why free enterprise is completely cool about it. Private enterprise and even the developers were not interested in going on it on their own. They talked about the possibility of a trade centre connected with a convention centre. There is nothing to indicate that it would be self-sustaining and obviously the developers and the private enterprisers involved in Centrepoint themselves were not interested in going ahead, but we indicated that because it was an important feature of the development of Greater Winnipeg that we were interested in it, and I've reported again and again that the developers are not prepared to go ahead for their own reasons which are, we understand, mainly the question of the availability of capital funds and the high cost of money.

Now, it would be foolish, I think, if we decided to build a convention centre in spot A without knowing that in and around that centre would be the development of hotels and businesses and other industrial and commercial enterprises which would be stimulated by a convention centre, because the fact is we've had suggestions for three or four different locations for our convention centre, all tied in with three or four different proposals that people are considering, and this is part of the kind of discussions we've been having, both with private developers and with Metro, and until we can get some consensus as to the right place for it, and then see how it relates to a development and then see what the cost is -- the Honourable Member for River Heights threw around figures of three million, four million, and I answered him by saying maybe eight million. I think I know as much as he does about the potential cost and the fact is I don't know whether three million is any closer to being right than eight million, but since he is busy talking in his seat, as he often does, I've no doubt that he is saying things that are meaningful and factual and I would be happy if he would give me the information which is bubbling within him and welling up, and he needn't take up the time of the other members of the committee because I'd be glad to hear it from him direct.

Now I would like to direct myself to some statements made by the Honourable Member for Riel when he was talking, I believe, about equity positions, and he then referred to Part II of the Development Fund Act and read it, read the title, namely "Extraordinary Operations" and then read exceptional cases. Now I don't know just how he was relating this Section 41 of exceptional cases with anything this government has done, because I'm not aware that this government has exercised its powers under Section 41, or that the Development Fund did it on its own. I'm not aware of that. I am aware that under Part I of the Act, and I can't say now whether this was changed from the Act before that, but I'll read to the honourable member who read to us, I'll read to him Section 6 of the Act, which appears under Part I, and which says under the section "Powers": "The Fund may (a) subscribe for, obtain or otherwise acquire and hold shares, share warrants and securities of any company, or acquire assets or any interest of any person carrying on any business capable of being conducted to enhance the industrial development of the province or any part thereof." I didn't hear the Honourable Member for River Heights. Did he ?

MR. SPIVAK: . . . like Generation Life.

MR. CHERNIACK: Well, he is suggesting that Generation Life would come in under this Section 6(a) and I think he's right, and if he is proposing that as something that could be considered, then by all means it ought to be considered because I'm sure that some suggestions of the Honourable Member for River Heights are good. One, of course, has to sort them out because he makes so many suggestions sitting on his dignity that one can't really recognize which are worth listening to and which he himself casts off in an offhand fashion. But since I have to get used to the fact that he will not correct his ways in any way, I will have to ignore him or give him attention as I please, not as he does.

There are other sections, parts of Section 6, which gives the Development Fund the power to go way beyond anything like the acquisition of shares, and now I quote: "Acquire, develop, maintain, manage, operate, rent, let on hire, option or dispose of industrial sites, buildings, plants, machinery, equipment, utilities," - utilities? - I suppose this would involve the possibility of an automobile insurance utility - "or any interest in the foregoing, enter into agreements," etc., etc. - "enter into agreements with municipal corporation, municipal development corporation, or any other company for that purpose." My goodness, Mr. Chairman, the powers here - I've only read subsections (a) and (b); there's still (c) and (d) to go, and I won't read those

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(MR. CHERNIACK cont'd.). . . . because I know the Honourable Member for Riel knows how to read. -- (Interjection) -- I presume it was -- I recall pretty clearly that this Act was brought in by the then First Minister, the Honourable Duff Roblin. I'm pretty sure he was the one who sponsored this bill. And that's in the regular powers. It's not extraordinary. And one wonders why these extraordinary powers, and if one stops to think of what kind of extraordinary matter was taken on by the Fund in the past, the mind sort of wonders until it reaches the name Monoca, and then one wonders: is that why this Part II was brought in in 1966? Because certainly, if one thinks of Monoca, then one can read Section 41 as was read by the Honourable Member for Riel, and one starts seeing Monoca almost printed on this page, only we weren't aware enough to start reading the print, the invisible ink which must have appeared on the page, because it took quite a while later for us to find out that the \$100 million development that was pictured in such glorious terms by the then Premier was something that involved the Fund. We were never told that. When we did ask where would they get their money from, we were told by the then Minister of Finance, the Provincial Treasurer, that they had their ability to raise the money that they needed for this project. Little did we know that their ability to raise the money was on the backs of the people of Manitoba -- I don't mean on the backs of the people but by the support of and with the help of, to the largest possible extent, so I would say extraordinary operations are exactly those that come under exceptional cases, and the only case I can think of is the one entitled the Monoca transaction.

Now, Mr. Chairman, it's really unfair to members who want to speak, but there was an understanding arrived at that we would. . . .

MR. CRAIK: Mr. Chairman, before you wind it up, may I ask a question of the Minister?

MR. CHERNIACK: Certainly.

MR. CRAIK: The powers which he has read, and more particularly the latter quotations that he's made there, isn't that not necessary in the event that a loan is defaulted and the Fund ends up with the assets of the company? Does it not just make logical sense that they'll have power over the shares, the assets, the utilities, the machinery, etc. that they inherited?

MR. CHERNIACK: I am prepared to answer that question but I must say that I will feel entitled to send a professional bill to the honourable member for the legal advice. I would say it is not necessary to have had an order to dispose of assets acquired by foreclosure because those rights are inherent in any security, but this doesn't say anything about that. This says: "subscribe for, obtain or otherwise acquire and hold shares" -- or otherwise acquire and hold shares -- of any company, or acquire assets, and I can only answer that: no, it was not necessary for that purpose; it was necessary to make it possible to enter into such transactions which do involve the purchase of shares. Well, Mr. Chairman, I move the committee rise.

MR. CHAIRMAN: Committee rise. Call in the Speaker. Mr. Speaker, the Committee has directed me to report progress and asks leave to sit again.

IN SESSION

MR. RUSSELL DOERN (Elmwood): Mr. Speaker, I move, seconded by the Honourable Member for Winnipeg Centre, that the report of the Committee be received.

MR. SPEAKER presented the motion and after a voice vote declared the motion carried.

MR. GREEN: Mr. Speaker, will you call Bill No. 74, please?

MR. SPEAKER: The proposed motion of the Honourable Minister of Finance, Bill No. 74. The Honourable Leader of the Official Opposition.

MR. WALTER WEIR (Leader of the Opposition)(Minnedosa): Thank you, Mr. Speaker. I've had an opportunity to go over Bill 74 and find myself in agreement with the bill pretty well in principle. I think that it will be an improvement in the manner of working within the Department of Finance, particularly insofar as it shows the net debt of the province and will show, not only our best position, but our true position, and will be of benefit to the Province of Manitoba when it comes to putting our credit on the line for investments as it comes along. There's only one point that I would make and I agree that there should be authority for the government to make banking arrangements in other places than chartered banks. I do think, Mr. Speaker, that the Minister might consider presenting an amendment to the Act included in the bill, only in the definition section, which might have some appropriate wording for the definition of financial institutions.

Now, I'm aware of the fact that there are not just the financial institutions that are mentioned within the bill, the chartered banks, the Caisses Populaire, the Credit Union Society,

(MR. WEIR cont'd.). . . . but I realize there is the necessity of the government to be able to use banking facilities in other jurisdictions, the United States, in Europe and places like that, and I think that they should be able to, but I think that a reasonable definition could probably be worked out that would include all of those things as well as including the major trust companies and so on, that are probably equally as acceptable but would be able to cut out any, well, not so desirable areas, and I think that a change in the definition section might be advisable and I'd ask the Minister to have a look at it and discuss it with members of his staff between now and the committee stage and we can talk about it then.

MR. SPEAKER: The Honourable Member for Ste. Rose.

MR. GILDAS MOLGAT (Ste. Rose): Mr. Speaker, I have gone over the bill as carefully as I could. Unfortunately I was not present at the introduction and I have been looking for the Minister's comments but have not been able to locate them yet. The bill doesn't seem to me to have any violently objectionable sections to it and I'm prepared to let it go to committee where I trust the people from the department will be available in any case.

I welcome some changes in the bill, particularly that portion which gives the Minister the right to use other financial institutions. I think it is the recognition that in the past few years the credit union movement, in particular, in the Province of Manitoba has expanded very substantially, become very much stronger than it was financially, and now can truly perform the proper banking function in a number of cases. Under the previous Act, the Minister was forced to deal with the chartered banks unless he could show that they were not readily accessible. This now puts him in a position where he can deal with whichever financial institution he wants, and this I conclude would be mainly the credit unions, regardless of whether they are the most successful or not, or what the situation is. And this, I think, is quite proper. Obviously the Minister will do the proper checks himself to ensure that the province is protected in whatever financial institution he does use. I'm sure we can depend on him for that.

Some of the changes I wondered about regarding the remission of taxes. Now this has been an addition to the bill, as I understand it, from the previous bill which only permitted remission of -- or permitted remission of taxes but not then a repayment to another individual. The only thing that could be repaid to an informer or prosecutor or other, were fees, fines, penalties, forfeitures. Now there's been an addition that even the tax can be repaid and I wondered why this was necessary and what the intention of the government was in that regard.

Now, I trust and I see no change here that any cases where there are remissions, or where the Minister allows an item which he considers to be non-collectible, that this will continue to be shown in Public Accounts. I see no change there. The previous bill included this and I don't see that that has been in any way withdrawn.

One of the additions that I wondered about was the right for the Minister now to decide that a claim or an obligation or a debt or money due would create great hardship or injustice, and while there may be full justification for this, I wondered whether the Minister had any particular reasons for putting that in and whether it has in fact been a problem in the past.

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

MR. FROESE: Mr. Speaker, I do not rise to oppose the bill. In fact, I welcome some of the changes that are being proposed. Last year when the Financial Administration Act was brought in, I brought forward the matter of other financial institutions be allowed to accept monies from the Provincial Government. However, when the bill was passed in Committee of the Whole, I was unavoidably absent and I couldn't propose the proper amendment at that time. Now we find the bill before us, Bill 74, containing these provisions whereby the government will be able to accept deposits, or deposit money with credit unions, and this will come about because of the new Credit Unions Act that has been introduced for first reading and is subject to second reading.

We find that the Credit Unions Act is being changed very drastically, in my opinion, because we are now departing from the common bond which was embodied in the credit union legislation for these many years. We now find that accounts may be opened in the Credit Unions Act by people who are not necessarily members of the credit union, and will be able to do business in this way. This is a completely new principle, and while I do not want to discuss the Credit Unions Act at great length but this, because of this, this will allow the government to deposit money with the credit unions or caisses populaires and also invest in securities by the Credit Society and the Central Des Caisse Populaires. The matter of acquiring a share in the credit unions does not apply to the government and therefore this can now be done. I am

(MR. FROESE cont'd.). . . . a little worried on the matter that, because of this, credit unions may be able to do a very substantial amount of their business with non-members, and this could cause trouble for them in another way, but I do not intend to discuss that angle at this point either, but just to name a few of these points. I certainly do not object to passing it on second reading and I will probably have some more things to discuss when we get to the committee stage.

INTRODUCTION OF GUESTS

MR. SPEAKER: Are you ready for the question? I'm wondering if I may interrupt the honourable minister. I notice that time is drawing on. I'd like to introduce the members of the Legislative Assembly to Mr. Herb Capozzi, the Member for Vancouver Centre of the Legislative Assembly of British Columbia. The Honourable Minister of Finance.

GOVERNMENT BILLS - (cont'd)

MR. CHERNIACK: Mr. Chairman, I'll be closing debate on the bill. May I thank, first, all honourable members for cooperating and having this bill passed through quickly. I've previously explained the reason for that and I'm appreciative of their cooperation, and I'm also appreciative in advance because it has been indicated to me that all sides of the House are prepared to meet in Law Amendments on Friday morning at 9:30 half an hour before the session, in order to deal with this bill in Law Amendments, and again I thank members in advance for cooperating to this extent and I'm therefore giving formal notice of that meeting and I understand that Votes and Proceedings tomorrow will have the notice in them.

Now, dealing just briefly with the points that were raised. The Honourable the Leader of the Official Opposition was kind enough to mention to me this problem which he raises about the definition of financial institutions, so I've had an opportunity to talk to both the Deputy Minister and the Assistant Deputy Minister in the department to make them aware of the points he makes, which I think are valid, and I can only tell him that firstly, as he assumed, I'll see to it that we have representation at Law Amendments of the financial wizards of the department to advise us; secondly, that they are now busily thinking of how to put certain limitations on what could be interpreted as financial institutions. They are running into a bit of a problem, which I hope they'll resolve by Friday morning, because they know that there are certain partnerships, for example in London, that are recognized as financial institutions but whose status is such as may be difficult to forecast in an Act today, and all I can assure the honourable leader on this score is that they're going to have about 36 hours to come up with something, and whatever they come up with I hope will be acceptable to the Honourable the Leader of the Official Opposition, and I'm sure if they are they'll be acceptable to me because we have the same motivation in seeking a well spelled-out bill.

The Honourable the Member for Ste. Rose mentioned similarly the question of financial institutions, the desire to broaden it, but what I said applies to his comments as well. He mentioned the question of remission of taxes. The present Acts permit Lieutenant-Governor-in-Council to make a grant by way of rebate in such cases where payment has been made and undue hardship appears to be present, but when a debt is due, then the present Act does not permit to have that debt wiped out or cancelled, and that's what this amendment proposes to take care of. In other words, if we could collect the debt then we could rebate it under the undue hardship provision. But if we can't collect the debt, then we can't remit it, and I understand that the problem that has occurred recently was the question of a tenant who was renting Crown land and who for various severe financial reverses was unable to pay it without real hardship, and it was felt that although it could not be declared uncollectible it would be exactly the kind of debt that would be refunded had it been paid, and therefore it was felt that it would be better to provide that, rather than have to enforce collection and then refund it, that there be the permission to remit it, and I think this answers all raised by the Honourable Member for Ste. Rose. The Member for Rhineland discussed the Credit Union Act which we'll have an opportunity to discuss at another time, so that I thank honourable members for bringing this through. I trust they will support this bill on second reading.

MR. SPEAKER put the question and after a voice vote declared the motion carried.

MR. SPEAKER: It is now 5:30. The House is adjourned and will stand adjourned until 2:30 tomorrow (Thursday) afternoon.