

THE LEGISLATIVE ASSEMBLY OF MANITOBA
10:00 o'clock, Wednesday, June 28, 1972

Opening Prayer by Mr. Speaker.

MR. SPEAKER: Presenting Petitions; Reading and Receiving Petitions; Presenting Reports by Standing or Special Committees; Ministerial Statements and Tabling of Reports; Notices of Motion; Introduction of Bills.

INTRODUCTION OF BILLS

MR. SPEAKER: The Honourable Minister of Labour.

HON. RUSSELL PAULLEY (Minister of Labour)(Transcona) introduced Bill No. 104, An Act to amend The Civil Service Superannuation Act. (Recommended by His Honour the Lieutenant-Governor)

MR. SPEAKER: The Honourable Member for Gladstone.

MR. J. R. FERGUSON (Gladstone) introduced Bill No. 105, An Act to validate By-Laws Nos. 2096 and 2097 of The Town of Neepawa and that the same be now received and read a first time.

MR. SPEAKER: Oral Questions. The Honourable Leader of the Opposition.

ORAL QUESTION PERIOD

MR. SIDNEY SPIVAK, Q.C. (Leader of the Opposition)(River Heights): Mr. Speaker, I have a question for the Minister of Industry and Commerce. I wonder if he can indicate to the House how many industries are currently being surveyed by the Provincial Environmental Lab?

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

HON. LEONARD S. EVANS (Minister of Industry and Commerce)(Brandon East): Well, Mr. Speaker, I would think that should be an Order for Return or is one that should have been given notice to me. Obviously I cannot give that statistical information offhand.

MR. SPIVAK: Mr. Speaker, then I assume that the Minister is prepared to take that as notice.

MR. EVANS: . . . take it as notice and we will provide it as soon as the information is made available to us.

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

MATTER OF URGENCY

MR. GORDON E. JOHNSTON (Portage la Prairie): Mr. Speaker, I move seconded by the Honourable Member for Assiniboia, that the House do now adjourn to discuss a matter of urgent public importance, namely the manner in which the Minister of Industry and Commerce has by his own arbitrary action caused McKenzie Seed Company to be loaded with incompetent friends of the Minister's, to the degree that these incompetents have used the McKenzie Seed Company for expense account trips, good salaries, and have contributed little or nothing to the well-being of the company. Further, one of the friends of the Minister, a Mr. Moore, the Production Manager and a former Federal NDP candidate, used company time while being paid to campaign for the upcoming federal election; and whereas the results of the internal upheaval, the McKenzie Seed Company management has resulted in unrest among the senior management, unrest among the workers, and has produced such deleterious effect upon the company that McKenzie Seed Company is now on the verge of bankruptcy and may well need an injection of public money to save jobs and the company.

MR. SPEAKER: Before accepting I should like to indicate that our present rules. Rule 27, indicate that I shall have direction from the House, five minutes by each of the parties, and the mover, therefore the Honourable Member for Portage la Prairie has first opportunity.

MR. G. JOHNSTON: Under our rules the matter has to be urgent it must be of a nature that cannot be discussed in the near future under the present Order Paper or the present order of government business. We know that the Industry and Commerce Department Estimates have passed and it can't be, it cannot wait until that time. We also know that because last night the Minister spoke, against who I make the charge and under the Concurrence Motion he will be unable to reply to anything said. So for this reason, I bring it forward at this time for discussion by the House.

MR. SPEAKER: The Honourable First Minister.

HON. EDWARD SCHREYER (Premier)(Rossmere): Mr. Speaker, under the . . .

MR. SPEAKER: The Honourable the Leader of the Opposition.

MR. SPIVAK: . . . the First Minister is waiting for our counsel and then would make his presentation. Very simply, Mr. Speaker, the nature of the motion itself is a serious one, the charges are very serious. Whether they are justified or not is something that I am not in a position to know, but I suggest that by the very nature of the rules which would allow such a charge to be made, that the information will either be presented to the House, or will be presented outside of the House, that because our rules permit the form that allowed the charge to be made, that it would be in the interest of this House to have the charges at least presented and refuted, and the information and facts presented, so that there would not be a cloud either on the names of the people who have been mentioned or with respect to the Minister himself. I would suggest, Mr. Speaker, that the matter be allowed to be debated and it may very well result in reconsideration of the rules itself with respect to a motion for emergency debate.

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Well there are a number of points I can make here, Mr. Speaker, with respect to the application of the rule governing adjournment of the House to discuss a matter of urgent public importance. The first point of course is always whether or not there is - whether the subject matter is important, and secondly, whether there is urgency that it be debated at a given time. Obviously it is open to the Honourable Member for Portage la Prairie to deal with the subject matter that he obviously feels is important to be brought before the House, inasmuch as we have before the House at this time, we did last night and will again this morning, have debate on Concurrence with respect to the Estimates of the Department of Industry and Commerce, and while it is true that the Minister of Industry and Commerce has already spoken and exhausted his right to speak, nevertheless other members of this side, other members of the Cabinet, including myself, have not spoken, and if the Member for Portage has any jittle of evidence to support the allegations he is making, then he will have an opportunity to bring that forward and we will have an opportunity on this side to deal with it.

The mere bringing forward of allegations of the broadest ranging kind are in themselves an indication of nothing. If the Honourable Member for Portage wants to muck-rake I am in a position to give him example after example where the Liberal . . .

MR. SPEAKER: Order please. I would indicate to the Honourable Minister with all due respect that now he's debating the issue and not the urgency of debate. . . . attempting to debate the allegations or to attempt to accept or disprove the allegations of the Honourable Member for Portage, but merely to indicate to the House that the mere bringing forward of allegations, as the Honourable Member for Portage has done, without any substantiation of them is an indication of nothing because it is relatively easy, particularly when referring to the Liberal party to come forward with a wide-ranging, great number of examples of people dipping into the public trough through the aegis of the Liberal Party. I can start now and go on for the next hour. So the Honourable Member will have an opportunity in a matter of minutes now to indicate just what the substance of his apprehension and complaint is all about.

MR. SPEAKER: Order please. Order please. Our rules only permit the member making the motion and the two parties we have at the present time to make representation on this debate at that particular moment. I thank the honourable members for their contributions. Would the Honourable Member for Rhineland, state his point.

MR. JACOB M. FROESE (Rhineland): Yeah! As a member of this House I have every right to speak on a point of order on matters of this type.

MR. SPEAKER: Order. Order.

MR. FROESE: I would like to raise a point of order.

MR. SPEAKER: I would like to hear what the Honourable Member for Rhineland has to say in respect to the point of order. I haven't heard the point because there was too much noise. Would the honourable member state his point of order.

MR. FROESE: Yes, well my point of order is that I too feel that I have the right to make my views known in respect to the admissibility of this motion and I feel that the charges are very severe.

MR. SPEAKER: Order please. Order please. I would like to indicate that the Honourable Member for Rhineland, if he will look at our Rule 27 he will have his answer. I thank the honourable members for their contribution in respect to the urgency of debate. Order please. I indicated to the Honourable Member for Rhineland his point of order is taken care of by our rules. There is no further debate on that matter. He does not have the opportunity to speak now. Order. Has the honourable member --(Interjection)-- Order please. The ruling of the

(MR. SPEAKER cont'd) Chair has been challenged. The ruling of the Chair has been challenged. Will all those --(Interjection)-- wish to --(Interjection)-- All those who confirm the ruling of the Chair please say aye. All those against please say nay. In my opinion the ayes have it. I declare the motion carried.

Now back to the matter at hand. I thank the honourable members for their contribution in respect to this debate in regard to the proposed motion of the Honourable Member for Portage la Prairie. I should like to indicate Beauchesne's Fourth Edition, Citation No. 100, Subsection (3) indicates "Urgency within this rule does not apply to the matter itself but it means urgency of debate. When the ordinary opportunities provided by the rules of the House do not permit the subject to be brought up on early enough, and public interest demands that discussion takes place immediately." I find there is still opportunity for debate under ordinary circumstances. Concurrence of this department has not been agreed to by the House, therefore this is one area. Consequently I must advise the Honourable Member I cannot accept his motion.

ORAL QUESTION PERIOD

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

MR. SPIVAK: Yes, Mr. Speaker. I have a question to the Minister of Health and Social Development. I wonder whether he can indicate whether the government is satisfied in terms of its agreement with the Federal Government's proposal for income test for family allowance recipients.

MR. SPEAKER: The Honourable Minister of Health.

HON. RENE TOUPIN (Minister of Health) (Springfield): Well, Mr. Speaker, pertaining to that program, the Department of Health and Social Development and others concerned in other departments of government, including the Department of Finance, are reviewing the position taken by the Federal Government and an announcement should be made by this government.

MR. SPIVAK: Mr. Speaker, I wonder if the Minister of Health would mind just repeating the last closing remarks. I couldn't hear it because of the noise. Did he say that there will be an announcement made shortly by the government?

MR. TOUPIN: Mr. Speaker, I indicated that the position taken by the Federal Government is being reviewed and should be announced by the government.

MR. SPIVAK: I wonder if the Minister of Health can indicate to the Assembly whether the government is considering applying the test in the Social Assistance Program?

MR. TOUPIN: Mr. Speaker, I cannot indicate such at this time.

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

MR. G. JOHNSTON: Mr. Speaker, in the absence of the Minister of Industry and Commerce, I direct a question to the First Minister. Is the government satisfied with the operation of the McKenzie Seed Company at the present time?

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Mr. Speaker, the government may or may not be perfectly satisfied with the operation of the McKenzie Seed Company, however, the government has to bear in mind the relative operating performance of McKenzie Seeds at this point in time with that of the average of its years of performance ever since the Crown has had an interest in that particular operation, which goes back many years; and furthermore since the operations of McKenzie Seed are reviewed by the Board of Directors of the Manitoba Development Corporation on a periodic basis, we have no reason to think at this point in time that there is any serious major problem that that company is facing that is in any way out of the ordinary.

MR. JOHNSTON: A second question for the First Minister. Are any changes in management at McKenzie Seed contemplated in the near future?

MR. SCHREYER: Mr. Speaker, the Manitoba Development Corporation and its Board have not made any reference to the government with respect to the possibility, or necessity, or desirability of a change in senior management.

MR. G. JOHNSTON: A supplementary question, Mr. Speaker. Does McKenzie Seed Company presently need working capital?

MR. SCHREYER: Mr. Speaker, that is a question which I would have to take as notice. My understanding based on the latest information that I have on the matter is that it does not. I should also point out to the honourable member that McKenzie Seeds has for most, if not all of the years when it was under previous management, it did incur annual operating losses. It is my understanding that in the past year, two years now, it has operated with a modest surplus.

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. SPIVAK: Mr. Speaker, my question is to the Minister of Industry and Commerce. I wonder whether he can indicate to the House whether the purchase of the additional seed companies by McKenzie Seed were negotiated by his department and by himself, or were they negotiated by the Board of Directors of McKenzie Seeds.

MR. SPEAKER: The Minister of Industry and Commerce.

MR. EVANS: Mr. Speaker, I have no hesitation in replying that all contracts and all agreements are worked upon by senior management and submitted to the Board of McKenzie Seeds for approval. Not to the Minister of Industry and Commerce.

MR. SPIVAK: A supplementary question. I wonder if the Minister could indicate whether he was involved at any time with the negotiations?

MR. EVANS: Mr. Speaker, I was never involved in any negotiations although the Board had the courtesy of informing me from time to time of progress, which is normal for any Board of Directors to do, to communicate to the major shareholders.

MR. SPIVAK: A supplementary question. I wonder if he can inform the House whether his department did any studies for the Board in connection with the proposed purchases?

MR. EVANS: The Department of Industry and Commerce made no studies. Any studies made are made by the management of the company.

MR. SPEAKER: The Honourable Member for Assiniboia.

MR. STEVE PATRICK (Assiniboia): Mr. Speaker, I have a question to the Honourable Minister of Industry and Commerce. Are any former owners or directors of King Choy holding positions with McKenzie Seed at the present time?

MR. EVANS: I don't think so. I don't know who the -- offhand I don't remember who the owners or the directors of King Choy were but I doubt it very much.

MR. PATRICK: A supplementary, Mr. Speaker. Would the Minister take it as notice and give the House the answer?

MR. EVANS: Mr. Speaker, as far as I'm concerned the question is absolutely irrelevant. I'll look into it because the member has aroused my curiosity, but I can tell you he's talking about a very successful company in Manitoba which we're all proud of, in Brandon.

MR. SPEAKER: The Honourable House Leader. The Honourable Member for Assiniboia.

MR. PATRICK: I have a question to the Honourable Minister of Tourism and Recreation. In view of the statement he made yesterday to a question I asked him, would the Minister give the same consideration to senior citizens and handicapped people in respect to tickets, that wish to attend football games as well or other sporting events?

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

ORDERS OF THE DAY - MINISTERIAL STATEMENT

MR. PAULLEY: Mr. Speaker, I wonder if it would be of value to the members of the Assembly if I indicated the procedure for the balance of the week at this time for their information. Mr. Speaker, there will be three sittings of the House today, the present, this afternoon and this evening. Tomorrow morning at 10 o'clock, the Committee on Law Amendments will meet. There will be a sitting of course tomorrow afternoon and tomorrow evening. The Committee on Economic Development will meet at 10 o'clock on Friday morning. Dr. Briant I understand will be in attendance at that meeting. We will meet Friday afternoon, adjourn at 5:30 until 2:30 on Monday. In other words, Mr. Speaker, there will be no sittings Friday evening or on Saturday or on Monday morning.

Mr. Speaker, I beg to move, seconded by the Honourable the Attorney-General that the Resolutions reported in Committee of Supply be now read a second time and concurred in.

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

CONCURRENCE

MR. SPEAKER: . . . Industry and Commerce, first.

MR. CLERK: Resolved there be granted to Her Majesty a sum not exceeding \$5,054,500 for Industry and Commerce.

MR. SPEAKER: The Honourable Member for Souris-Killarney.

MR. EARL McKELLAR (Souris-Killarney): Mr. Speaker, I'd just like to say a word on this particular department because in my part of the country, the Souris-Killarney constituency, we have had our ups-and-downs, but more especially one important problem that we're presently

(MR. McKELLAR cont'd) dealing with that of Ninette Sanatorium, an industry which has employed up to a maximum of 135 people which it appears service is to be withdrawn regarding TB treatment. Maybe I should have dealt with this on Health but it is an industry which employs a large number of people. The people out there are concerned about this very important industry so much so that they have asked the Premier for a meeting with him and I don't know whether he has agreed to this particular meeting or not. It's an emergency situation, one which we in western Manitoba had hoped would not happen. I understand there's around 40 TB patients there now and about 60 in the Pembina House which is a place where many Indian students are retrained. Now the fact of life is, I understand that Dr. Payne who has been there for many years, exactly 40 years nearly, performed about 2,000 operations himself is going to retire and it would appear that unless some action is taken by the government in the very near future the patients will be forwarded to Winnipeg for treatment here in the Rehab.

Now what does this mean to the economy of our particular area? It means around \$600,000 in salaries, an industry which I would imagine would be equal to anything in all of western Manitoba. This effect not only on Ninette but effect on all the southwestern Manitoba will be an enormous effect on their various industries. Not only on the nurses who are presently on staff, who are employed there, but on all the towns in that general area; affects the constituency of Rock Lake and affects the other constituencies in that general area.

Mr. Speaker, I'm asking now that the government through the Premier of this province give serious consideration to looking into this very important industry and seeing what can be done for the people of Ninette and surrounding districts. I would suggest, Mr. Premier, that you meet with these people in the very near future and I would ask the Minister of Industry and Commerce to meet with them too, because he is the only Minister of the front bench who is in southwestern Manitoba, and I think it's serious enough that they give this consideration.

One very important -- I wish the Minister of Industry and Commerce would listen instead of having his caucus because there's time for caucuses and it isn't in this House, and I would plead with the Minister of Industry and Commerce to listen. If the House Leader would only sit down there I could maybe talk to the Minister of Industry and Commerce. -- (Interjection) -- We heard your voice last night, Mr. House Leader, we heard it too long, I had to sit and suffer through it, so I wish you'd sit and listen to me for a minute.

Mr. Speaker, the Minister is not going to listen, I'm going to speak anyway. I'm going to speak about the policies of the Department of Industry and Commerce, and they're the great gentlemen who are always going to take industries out of Winnipeg and put them in rural Manitoba. But what's happening all over, what's happening all over? The direct opposite has happened. It makes very -- I'll talk about Boissevain, I'll talk about Boissevain. Who gave Drings a loan in the first place? It was the government which I represent and now all you're doing is extending the loan, you're extending the loan. Is that not right? -- (Interjection) -- Yeah. And I agree, I'm not against that, I'm not against that. They run into financial troubles and when you run into financial troubles and hold the first mortgage you either have to do one thing or the other, you extend the loan or you close it down, and you did the right thing. I congratulate you, I congratulate you. But you didn't do that in Wawanessa and you're not doing it in Ninette, up till now I haven't heard any official policy on assisting the people of Ninette. That's just as important -- \$600,000 payroll-- we're not hearing very much about that. The Ninette people haven't made a big noise about it. I haven't made a big noise about it but we're getting close to . . . and they're getting anxious because Dr. Payne is retiring at the end of July and I think it's about time that the Cabinet or some of the Cabinet, the Minister of Health the Minister of Industry and Commerce and the Premier met with these people, and they're anxious to meet with them because they wrote in around two or three weeks ago. I don't know whether there's been a reply from the Premier or not but I'm still waiting to hear the result of this particular meeting.

So, Mr. Speaker, we hear about this great industrial development in rural Manitoba, but what is happening. Industries that we had in the past, many of them are being transferred to Winnipeg and it's a great loss to our part of the province. The only thing we do have left is tourist development and I'm glad to receive this magazine here which does involve tourism in western Manitoba, one of the greatest industries that we got. But we need a lot of help too and I think when we get around to dealing with the concurrence motion of the Minister of Tourism and Recreation, I'll have a little more to say on that.

So, Mr. Speaker, I'm not going to say any more. I think many other members in the House

(MR. McKE LLAR cont'd) here are going to dwell on this very important concurrence motion now of the Minister of Industry and Commerce.

MR. SPEAKER: The Honourable Member for Rock Lake.

MR. HENRY J. EINARSON (Rock Lake): Mr. Speaker, I would like to add a few comments to the Department of Industry and Commerce at this time. I found it, Mr. Speaker, very interesting to hear the emergency debate that the Honourable Member from Portage la Prairie wanted to bring to the attention of this House, namely McKenzie Seeds Company. I have, and I did at the time when we were going through the Estimates of the Minister's and I made mention of some of the areas of his department that I was concerned about, namely McKenzie Seeds Company and the business transactions that had transpired through his department. And I can say, Mr. Speaker, and I repeat again that this relates to the agricultural industry in this province and farmers generally are concerned, I also made mention at one time where we're talking about McKenzie Seeds we relate to the processing of forage seeds. I think I recall correctly, I did ask a question of the Minister in regard to National-NK Seeds which is a company that did that very thing in Manitoba, namely processing of forage seeds, this was their main business. They have now I am given to understand, Mr. Speaker, closed up, just have an order house, an office for taking orders. They have transferred that business both to Ontario and to Alberta. So you see, Mr. Speaker, the Minister has got involved in something, an industry that we're certainly not sure that has got a great future, as he stated in the Information Services Bulletin he put out to us last January 7, 1972. I would like to refer to that bulletin, Mr. Speaker, and to quote the Minister's comments from the News Services of January 7: "Brett Young Seeds Limited of Winnipeg one of the largest forage seed operations in Canada with annual sales exceeding \$4 million has been purchased by McKenzie Seeds of Brandon for \$1.3 million. Industry and Commerce Minister, Len Evans has announced." Also it states that, "McKenzie Seeds recently became the largest package seed concern in Canada with its recent acquisition of the retail packet seed sections and the garden seed section of Maple Leaf Mills, popularly known as Steel-Briggs, for more than \$2 million."

Well, Mr. Speaker, the Member for Portage did make some comments in the introduction of his emergency debate speech. I too have, and I'm not going to make mention of any names, but I've talked to people and I'm not here to make any accusations. Nevertheless I have talked to people with very great authority, and I said this myself, you know if Brett Young could find someone to buy their business -- I don't know whether the Minister did any investigation, my leader asked that question, as to what the future potential of that type of seed business was for the Province of Manitoba. I'm not here to tear anything down. If I see we have a future I'm all for it. But, Mr. Speaker, it just so happens that it's not that way in the Province of Manitoba today, and hasn't been for the past year. I think that Brett-Young were very fortunate in finding a buyer, namely the government of this province.

The point I want to make here, Mr. Speaker, is that we're talking about - and I mentioned the Maple Leaf Mills which is better known as Steel-Briggs - I'm given to understand, Sir, that an American company was interested in purchasing this business, namely Ferry Morse, and I'm given to understand, Sir, for less than \$1 million that business could have been sold for. But I'm also given to understand that the rest of the colleagues of the Minister I imagine discussed the matter with him and persuaded them not to allow this to happen because it was American money coming in here to purchase and I know the Member for Crescentwood - his feelings about American money being invested in this country. And as a result I suppose this is why Ferry Morse did not make that purchase. But the point I want to make, Mr. Speaker, here is this, that the government having known probably that Steele-Briggs probably would have been sold for less than a million dollars, the government decided because -- and I often wonder about this - if the Minister, if this was his own money he was using to do this business transaction whether he would really have carried that out. But because it's the taxpayers of the Province of Manitoba who are backing this up he made them an offer of over \$2 million. So the point I want to make here, Sir, is it a fact that the Minister laid almost a million and a half dollars on the table in order to secure this business to remain in Manitoba - a million and a half dollars I think, Mr. Speaker, this is a very very important item that we have to be concerned about, and it indicates to me, Mr. Speaker, the business ability of the Minister when he's dealing with industry such as this. Where are we going and what is the future for this province? If this is so to be a fact?

The Minister indicated and I want to say further as I stated, and it goes on here, that he

(MR. EINARSON cont'd) recalled in 1970 the Provincial Cabinet accepted his urgent request not to sell McKenzie Seed to an American concern which intended to transfer it out of the province, noting at that time the company had suffered \$878,000 in losses in four years - that is McKenzie Seeds. Now we know and I recall too that there was a slight profit made the following year and the year after that, but did this give any reason for making a purchase of this company. I think, Mr. Speaker, that it isn't the idea of creating employment for people, or trying to maintain the employment that we now have, but it seems to me, Mr. Speaker, that this government is interested and its intention is to take over as much of this province as they possibly can. I think, Mr. Speaker, that merely to get involved in businesses that are probably much better left to an individual, or to a company, or to a group of people, I think they would be well advised to stay out of it.

Now the Minister charged my colleague, the Member for Brandon West for the comments that he had made, and criticised private enterprise very very severely for the inability for them to conduct businesses and to provide jobs and maintain a viable business in order that they may make their contribution to themselves and to the community of this province. I suggest to you, Mr. Speaker, that the Minister spoke completely out of turn when he made those comments towards my colleague the Member for Brandon West, when I indicate a classical example of what has now happened in his department, when he talks about private enterprise versus socialism or government ownership, because this is a classical example of what is happening to the Minister's department. I think when I say if it's a fact that over a million and a half dollars, or approximately a million and a half dollars, was laid on a table to purchase a business merely because he didn't want to see an American concern come into the province to buy it, and we see what's happening after having made that investment on behalf of the people of Manitoba, I think time will tell, Mr. Speaker, why we are now hearing rumours, and I have, I have talked to people who are concerned, I have talked to people who are managing these businesses and they are most dissatisfied with the Minister of Industry and Commerce in the way negotiations have been arrived at because, as I understand, an agreement was established such as Brett Young who were to continue the staff, Mr. Johnston and others who are supposed to continue the operation of this business, I understand are most unhappy at the present time, and have been for months, of the relationship that they've had with this Minister. I think, Mr. Speaker, the time is right, right now, and I think it's timely in the comments that I'm making that we have to look very seriously at the Minister's Department, find out where he is going and I think that in future days, he had better give us much more information, much more accurate information as to just what is happening in his department.

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

MR. G. JOHNSTON: Mr. Speaker, I am very happy to stand at this time and say what I have to say to the Minister and to Members of the front bench opposite. Let us examine a little bit of the history of McKenzie Seeds. It is a provincially owned company; it has the Deputy Minister of the Minister of Industry and Commerce's Department on the Board of Directors, so I would expect from this that the government at all times knows what is going on internally within the company. In the resolution I tried to put before the House I stated that the Minister by his actions had caused to be placed in the firm key people who had no particular qualification in the business, who could make no contribution other than was being made by the existing management, and I call these people incompetent because their record has proved it, their record has proved that they're incompetent. Further I said in my motion that a Mr. Moore who is the Production Manager, a former Federal NDP candidate, was using company time to campaign. The reason I say former, I understand through a technicality he's had to withdraw because he didn't qualify to be a candidate in the federal election.

I said further in my motion that because of the friction within the company, because of the actions of the friends of the Minister that were pushed into the company by him, that there are serious problems within the company. During the question period I asked the First Minister, in the absence of the Minister of Industry and Commerce, if the government is satisfied or reasonably satisfied with the management and operation of McKenzie Seed Company. I sympathized with the First Minister when he tried to handle the question but to the best of his knowledge, as I understood, he didn't know of any particular problem, but I would like the Minister of Industry and Commerce and, if necessary, I would ask this House to give leave to allow him to speak again on his department, because by the rules, he can't speak, he spoke last night, I have asked again if changes in management are imminent at McKenzie Seeds, and again I don't fault the

(MR. G. JOHNSTON cont'd) First Minister for not being able to answer because I don't think he's aware of the situation. I ask again of the Minister if the company is in financial difficulties, this provincially owned company? I ask again if the MDC is guaranteeing any of their spending, or if the MDC has made a loan, and I ask also if at the present time the company is in need of capital, and is the Minister going to through the MDC advance or guarantee more spending of this company?

I understand that there is a meeting this week to try and sort out the desperate problems that have been caused by the actions of certain of the Minister's friends who have been in the last year or two put into the company. Now I know when the Premier stands up, he'll say well the Liberals are making a charge, I'm making the charge that the Minister with no competence in this particular field of marketing and growing seeds, has put people into that company who have no knowledge whatsoever and are coasting along on good salaries and good expenses, that is my charge.

I'm saying also that a candidate, a former candidate in the field federally, was allowed to take time off on salary, to campaign. Now this may be all right in a private company where the shareholders or the owner of a company agrees to such a course of action, but I don't think it's all right when this company belongs to the province and a provincial employee can go and campaign at the taxpayers' expense. So I would like very much if the House would give leave to allow the Minister to answer the charges that I have made. Of course, if one person objects then he can't answer and I presume the First Minister will answer.

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Mr. Speaker it's not necessary to try to use the rules of the House in some extraordinary way in order to allow the Minister to respond, because normally if there were a case that had been built up with a good deal of solid substantiation then perhaps it would be difficult to refute the honourable member's contentions but, Mr. Speaker, if this is the case of the Honourable Member for Portage la Prairie, then I really wonder, I really wonder whether it really will take more than a couple of minutes to put it to bed. It really isn't worthy of the description of being in any way a case that has any merit or substance to it.

What is the main point of the Honourable Member for Portage la Prairie's contention or allegation, that a former Federal New Democratic Party candidate happens to be an employee of McKenzie Seeds and that necessarily because of that there is something wrong, this person must have either not been paying attention to his duties, for which he was being paid, and so on.

Now, Mr. Speaker, precisely what is the allegation of the Member for Portage la Prairie, that it is automatically and necessarily wrong for a person who is employed by a Crown corporation, or by an agency that has any affiliation with the public sector, that it is necessarily wrong for such a person to be a candidate for a political party? If that's the Honourable Member for Portage's suggestion, then I can tell him there is ample precedent for persons who are employees of Crown corporations to run for political office, take a leave of absence, and they campaign for office.

Now I do recall a few years back an employee of Manitoba Hydro running in a provincial election. -- (Interjection) -- Yes his name was John Bracken -- (Interjection) -- not the former Premier. I do know, Mr. Speaker, that in the present parliament of Canada that there are at least five persons who were civil servants, federal civil servants, who ran as Liberal candidates in the election of 68 and were elected, and some ran and were not elected. It is often suggested that the relationship between the Federal Civil Service of Canada and the Liberal Party is one of incest because the connection is so close between many persons in the Federal Civil Service and the Liberal Party as a result of an incestuous relationship over the years. Now if the Honourable Member from Portage is suggesting that it is somehow inexcusable, somehow just cannot be countenanced that a person could be employed by a Crown entity and allow his name to stand as a candidate for elective office, well, Mr. Speaker, I really don't know what the great preoccupation of the Honourable Member for Portage is all about.

He went on to suggest that the Minister of Industry and Commerce had been instrumental in having certain friends, as he puts it, hired by the McKenzie Seeds. I believe that the Minister of Industry and Commerce will have to really make a statement directly himself but I do believe that the Minister of Industry and Commerce has not involved himself in terms of day to day decision-making as to who shall be hired for what function, etc., with McKenzie Seeds.

McKenzie Seeds is operated under the aegis of a board of directors and they are responsible for the day to day operations of that company. During the course of the past decade

(MR. SCHREYER cont'd) McKenzie Seeds has incurred an operating loss I believe for nine out of ten years, if not nine, eight out of ten years. It is in the course of the last two years that it has run, as I have said already, modest operating surpluses. It was the decision of the Board of Directors of McKenzie Seeds concurred in by the Manitoba Development Corporation that it would be in the long-term interests of McKenzie Seeds as a public corporation to expand the scope of its operations and to diversify somewhat into other lines of production. That is the kind of business decision that was arrived at, as I say, by the determination of the Board of Directors and it is not as though the Board was acting at the behest of the government. The government of course was advised of the decision, the reasons for taking the decision, but there was no dictation by the government to the Board to follow any particular given course of action.

The Member for Rock Lake - I am not quite sure what point he was trying to make in connection with McKenzie Seeds except that he seemed to think that the acquisitions that have been carried out by McKenzie Seeds, the purchase of Brett Young and Steele Briggs. I gather from the Honourable Member from Rock Lake he regards them as being improvident deals, or improvident acquisitions. All I can say to my honourable friend is that the persons that sit on the Board of McKenzie Seeds, we regard as men with good business judgment, and some of them have proven their business judgment in the operation of their private enterprises over the course of the past 10, 20 years, or more, and when they took the decision to make an acquisition in one case, the acquisition is based not on any cash transaction at all but rather on payment in future years depending upon the return, the return to the company which they have acquired. In the case of the other company it's true there is a cash transaction, there is a payment transaction, but it was felt that the amount involved and the future earning capacity of the operation were such, in their judgment, as to warrant the price which was ultimately agreed upon. So the course of action followed here was you might say, very much in the normal course of business transactions. But the Member for Rock Lake doesn't like it, and of course one can hardly expect him to look with favour upon the course of action being followed by this government with respect to industrial development because the whole approach of members opposite is to try to discredit the government's approach to industrial development since discrediting the present government's approach to industrial development will help in turn to divert attention away from the previous government's policy with respect to industrial development, which will go down in the annals of history as being the kind of industrial development policy to avoid. And only history can be the judge of that, and I don't mean the history as looked in terms of the short run but history as looked upon in terms of generations. No one can convince us that future generations will look with favour upon the way in which we were trending in the 1960s with respect to public policy and industrial development.

And in the case of McKenzie Seeds, certainly there was no reason whatsoever to simply continue in the footsteps, in the same policy footsteps, as had been followed through the 1960s, because McKenzie Seeds as it had been operated through the 1960s was just not a very attractive nor desirable operation for the public to have an interest in.

Honourable Members are aware of the history as to how it happened that the public acquired an interest in McKenzie Seeds, it was by virtue of a willing to the University of Brandon, and through that, Brandon College, and in that fashion the public, you might say, the Crown came to have an interest in McKenzie Seeds. But it was not, in all of the years of the 1960s, it was not being operated in the way, and its future prospects did not seem to be attractive in any respect whatsoever. So it was felt that there would have to be some meaningful, substantial changes made in the operation and direction of McKenzie Seeds Company. And in fact that is precisely what has taken place in the last year as the result of imagination, initiative, that has been brought to bear by those who serve on the new Board of Directors. And of course like everything else in human history, Mr. Speaker, whenever significant changes are wrought almost inevitably there will be controversy, and so at the present point in time there is, the Member for Portage is right, there is controversy with respect to, on the part of certain persons in certain echelons of management of McKenzie Seeds who disagree with the decisions and the proposed course of action being proposed by the Board. It is at times a little unnerving, a little unsettling, that there should be that kind of disagreement and internal controversy, and yet I defy anyone to say, with respect to any private corporation, or any corporate entity whatsoever, that when new directions are being looked at, when new paths are being travelled, almost always there will be some dissension, some disagreement, controversy. Whether it be

(MR. SCHREYER cont'd). . . . the Ford Motor Company, General Motors, whether it be any corporation, Mr. Speaker, public or private. So let us not rise in this House and say that because there is disagreement and controversy among certain persons of various echelons of management among the Board that therefore it means, according to the interpretation that would be put on this by the Member for Portage, that therefore it means because of such disagreement that there must be some very questionable shady practices being engaged in by the Board, or by the Minister, and so on.

The Member for Portage mentions, refers to so-called friends of the Minister being placed in positions of employment with McKenzie Seeds. Well it's pretty hard to deal with that kind of allegation, Mr. Speaker, unless the Member for Portage, were to give us the names so that it could be dealt with in a tangible way by the Minister of Industry and Commerce. I know sometimes it's very convenient for me, Mr. Speaker - I consider myself very fortunate to have spent a few years in Ottawa, because I was able to witness at firsthand the operations of the Liberal party while in office as government, and particularly on this point about the so-called, the allegation that friends are being employed by government. That it would come from anyone else but from a Liberal, from a Liberal, to talk about employment of friends. Mr. Speaker, I've already said that the relationship between certain echelons of the Federal Civil Service and the Liberal Government is one of incest, and has been for a few decades. That if one were to go into the offices of a number of Federal Ministers one would find persons who had been friends of certain friends of Liberals here in Winnipeg, or Saskatoon, or Vancouver. I mean the offices of the public service in Ottawa, Mr. Speaker, are replete with Liberals or friends of Liberals, or friends of friends of Liberals. And whether it be a Federal Liberal Minister who makes a trip to Chicago and files an expense which apparently includes -- (Interjection) -- no, no, not that, but limousines, one, two, three, just for the Minister and the entourage of the Minister. And my friends the Liberals have the audacity to talk about friends but -- (Interjection) -- well, Mr. Speaker, we're talking about incompetent friends, whether they be incompetent or otherwise, who are these friends? I wish the Member for Portage would give us names. -- (Interjection) -- Fine.

He has also suggested that - I'd already dealt with this mention of the federal NDP candidate. I think I've mentioned that there is ample evidence, many past circumstances which persons in the federal or provincial public service, Crown corporations have had their names stand as candidates for elective office. In fact the federal NDP candidate referred to by the Member for Portage is one Mr. Bill Moore. Bill Moore, it should be said, was hired not by this government - in fact this government doesn't hire anyone to be in the employ of McKenzie Seeds. That is done by the General Manager of McKenzie Seeds, who in turn is retained, or hired by the Board of McKenzie Seeds itself. Mr. Moore was hired as Production Manager by a Mr. Swanson who was General Manager at the time of the hiring of Mr. Moore. Mr. Swanson it should be said had been hired as General Manager before this government came to office, and Mr. Swanson - it was Mr. Swanson, I am advised, who took the decision to hire Mr. Moore.

So now what is my honourable friend from Portage going to make of that. I don't believe my honourable friend from Portage can feel very good about this. He has allowed himself to be sort of pushbuttoned into making some allegations here which are in the nature of mud-raking and all of the allegations are pretty diaphanous, Mr. Speaker. They are pretty transparent. I don't want to indulge in the same game as my honourable friends but I could go back a few years to the time of allegations about Grand Rapids and the hydro contracts at Grand Rapids. It wasn't one of the nicer days for the Liberal party. They're up to it again. However, what about that, Mr. Speaker, Mr. Moore? Yes it's true he allowed his name to stand as a New Democratic Party federal candidate, but who hired Mr. Moore? He was hired by Mr. Swanson. Who appointed Mr. Swanson, General Manager, the previous Conservative administration. The reason for changing senior management primarily, as I understand it, because it was desired by the new Board that the General Manager should be on site, should be resident in the Brandon area.

I don't believe, Mr. Speaker, that it really merits any more being said. I do not attempt to hide the fact there is some disagreement. I merely point out that disagreement when it comes to major decisions, or new developments within corporations, disagreements are the order of the day. There's nothing unusual. The disagreements will be resolved by consensus, by the normal decision-making process, that will not be helped by any muckraking here in this House, although I'm sure that it will give - it will become a topic of conversation; there will be referenc

(MR. SCHREYER cont'd) to it in the news media; it will be largely inaccurate; it will be largely not dealing with the very mundane specific points of disagreement, but rather will tend to concentrate on the more sensational. But that is not what is going to be the basis for making the decisions as to how McKenzie Seeds shall conduct itself from here on in with respect to its future operations.

I wish the Member for Portage luck in his attempt to have some fun with this, but in the meantime it's really all -- (Interjection) --Well, Mr. Speaker, the Member for Portage says I haven't answered any of the questions. I feel I have dealt with each of his points. I have his motion here before me. Three paragraphs makes reference to friends - he doesn't say who they are, I've asked him for names. I've already explained to him that the hiring is done by the General Manager, who is in turn appointed by the Board. The second paragraph of his motion refers to a former federal NDP candidate. I've already explained that this first of all is not so unusual taken in the context of past years and across the country, and more important I've already explained that he was hired by a General Manager who was appointed by the previous administration. So it's not as though there was any sort of political influence used on our part. That much is clear.

The third paragraph refers to internal disagreement, and I say that internal disagreement, when it comes to major decisions for new paths to follow, is not only not unusual it is the order of the day. Corporations must face this every time they come up against a major decision.

So that what the Honourable Member for Portage has done is he has heard one side of the story from those who, presumably from those who are in disagreement with a certain proposed course of action. He has run quickly with that one side of the story to this Legislature to grasp media attention, and in the meantime it's much ado about nothing. I believe Shakespeare was right.

MR. SPEAKER: Does the Honourable Member for Portage la Prairie have a question?

MR. G. JOHNSTON: Yes. Will the First Minister permit a question? Will the government be guaranteeing debt or putting up capital for McKenzie Seeds in the near future?

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Mr. Speaker, the decision as to what will be done will be taken by the Board of the Manitoba Development Corporation. If there is a reference to the Crown, to the government, to take some action under Part 2 of the Act, then of course the Cabinet as such will have to take a decision. But only if it's done under Part 2. If it's done under the other terms of the MDC Act, then that decision will be taken by the Board. We will be advised of course before it is actually consummated and carried out. At this point in time we have not been advised in any formal and specific way just what the future capital requirements will be for the next 12 or 24 month period.

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

MR. G. JOHNSTON: Another question. Then I take from the Minister's statement that the government is not satisfied with the present management at McKenzie .

MR. SCHREYER: Well, Mr. Speaker, of course you know it would be possible for one if one were to feel he has a right to expect miracles, I suppose we would have a right to feel dissatisfied with the present management. But, Mr. Speaker, if one compares the actions and the activities and the performance of McKenzie Seeds under its present Board, compare that with the performance of McKenzie Seeds from say the day it came to be willed to the Brandon College to 1970, by and large the decade of the 60's. If one draws a comparison in that fashion then we are not dissatisfied with the Board.

MR. SPEAKER: The Honourable Member for Churchill.

MR. GORDON W. BEARD (Churchill): Thank you, Mr. Speaker. I don't think I'll go into the McKenzie Seeds industry. I'm rather amazed that the Minister has friends. I always heard him being charged as not having friends, so it leaves me at a quandry as far as that is concerned.

I would like to comment though on some of the consideration that is being given to the Manitoba Development Corporation by my friends on this side, and particularly the Conservative party who seem to want to have the Corporation closed off in such a hurry. Because I wonder why they are in such a hurry to do this. I feel that the program was started a few years ago and while it has not been a success in many respects, we have got to continue to look at it from a broader viewpoint than CFI and Sprague and Lord Selkirk and a few of those that hit the headlines. I believe that in supporting it at the time that I did, Manitoba Development Corporation had many other things that were closely interwoven into that type of a program and of

(MR. BEARD cont'd) financing. And I think that that was important at that time, and still is.

I think that particularly coming from the north you've got to be a little of both a Conservative I suppose, and be a Socialist. Because there is in many cases a demand for an area in which you have to grow and catch up, an area that's back in the horse and buggy days, and that thrust for it takes a long time. And I think that the only way they can do it is by involving government and Crown corporations and the responsibility of the rest of the province. Because if this province wants to retain the postage stamp image of 60 or 70 years ago then they can do it by not investing in the north. If that is what the people are saying, then do away with things such as Manitoba Development Corporation, do away with the investments of public monies in the north and let it stagnate, and I say this is wrong. When the Manitoba Development Corporation was first considered there were things that were being considered along with it. One was industrial development parts, and that was brought into being in many respects, and one was - Turnkey Industries, and there's not a great deal of difference between Turnkey Industries and the government taking an equity in businesses such as McKenzie Seeds or whatever it may be. In fact there's no fine line to cross, it is the same, it is the same, and I would like my friends to look back and just try and find the difference, because there isn't one, there isn't one. They've only to look at the prime example in CFI, and I say that not to beat CFI over the back but to say the immense monies that were promised as a loan, and the time that it would take to pay off that loan, meant that in fact the Province of Manitoba had an equity in CFI, but they didn't have any opportunity to get any direct profits out of it other than taxation or the benefits of labour, etc. So it's just a different concept in the way the two different parties would do business.

The Member for Rock Lake was saying time will tell on these industries as to what will happen, and I'm sure that time will tell that the investments, particularly on the northern funds for the north, will tell that it's good and this where I want to speak on because that is the thing that I've become mostly involved in, and that is where I can see the best benefits. Because there are members here that are saying it is time to advocate, for Manitoba Development Corporation to get out, get out of the market, because today there's banks and alternative finance houses that are ready to rush in and fill the gap for the small businesses. Well I say to them come north and show me the banks and the private finance houses that are ready to rush in and fill the gap, because they're not there, they're not there. I don't care what you want to look at, you go to the places that need the money and ask them if the money is available and it is just not available, whether it's insurance companies, whether it's finance houses, whether it's banks, whether it's 15 percent, whether it's 24 percent, it's just not available. I think that the Manitoba Development Corporation should be set up to look after particularly small businesses, but when I'm talking about small businesses I'm talking about real small businesses, one, two, four men operations, the real small service industries that can be very vital to small growing communities, and every community in the north is a growing one. They're not withering and dying. They're the same growing, vital communities that you had in western Canada 50 to 100 years ago, and they need the small services. They need those things to bring them the modern amenities that we enjoy in the rest of the province, and they need the financial backing, and they need the trust and the personal feeling of somebody other than somebody sitting behind a desk that's dealing in finances and money only and an interest return. They need somebody that's vitally interested in the development of the province and I can only think of one group that are that interested, and that will have to be the Government of Manitoba regardless of who forms it.

I think that banks, financial houses, insurance companies, whatever it may be, as a general rule, or almost 100 percent of the time, will have their head offices in eastern Canada; the policies will be dictated by eastern Canada; and the money that's funnelled out here will be funnelled out by people in eastern Canada; and the policies will be dictated by those people in eastern Canada, and granted there will be money allotted here, and managers here to dispense it, but the policy will be set in the east, and the policy will be set in the west, in centres far removed from those areas in the north. And the further north you get, the harder it will be to get the developing funds to get along with the job of creating a better climate to operate in.

I think that you've got to look at two different types of communities altogether. You've got to look at a bustling mining community that become instant communities, whether it's over a period of one or two or five years, ten years - look at Thompson, any of them, Snow Lake, Leaf Rapids, Lynn Lake, the new growth at Gillam; the communities that follow the Hydro

(MR. BEARD cont'd) development, they're instant, and they require financing, and they require somebody that's interested in investing. But, Mr. Speaker, it's even hard to get CMHC interested in those areas, let alone banks and finance houses and people with the money.

You talk about the people in the east, the golden belt area that are always hollering about, keep out foreign investment. Yet they control large amounts of financing but they don't release it for these developments, they're not interested at all in anything above their own personal horizons. And if they would withhold monies for other areas and policies which would make it available, they're selfish. Churchill has always suffered for instance in financing.

The Member for Minnedosa said, "Oh, this couldn't be. The banks wouldn't withhold it." I tell him to go up to Churchill and check with that bank and find out what the loans have been through that bank over the ten-year period. It's disgraceful, Mr. Speaker, really disgraceful on the contribution that that bank has made towards the development of business in the Churchill area. Frankly it doesn't help them in getting interested and encouraging people to support that type of industry, Utterly disgraceful! The banks have not done anything to lend money in the developing communities or the isolated communities. They haven't offered their services to those areas. They always have a price tag, and that price tag is profit but they would come into the Province of Manitoba and say, you're my bank, but they won't, they won't go in even on a travelling basis to a community and offer a service, whether it's once a week or once a month. They haven't got that initiative because they know it's not going to make them money, not to date, and they've got to make instant profit. -- (Interjection) -- Tommy rot! Then let the Member for Minnedosa sit in his seat first of all, and then let him go north when we rise, and get up there and find out for himself because he does not speak with experience, nor does he speak with information to allow him to debate properly and sensibly. He's used to living in a community in the other half of the Province of Manitoba, just like 99 and 99/100 percent of the rest of the bank people.

I would suggest that the finance houses take a look at the north because that's where they're going to be rushing to invest, but I say to you, Mr. Speaker, what they're going to be doing is rushing up there to pick up the big bucks, where the big dollars are. Can we get in on the gas lines, the pipelines? Can we get into big industry? Can we help finance your community towns? But they're not worrying about the rest. That's small peanuts for them, and they're saying leave it to the province to do, leave it for somebody else. So if that's the case then I think that they've got to look at it and say, where do these people go for these service industries? Where do the people go for the money when they want to establish themselves? Finance houses are not prepared to move out of their own office, out of reach of their phone, or their teletype, or their communications. I think there's a place for government because the bank and finance houses are not prepared to move.

I think that the Manitoba Development Corporation has a role to play in the half of Manitoba, not only the half, I'd say the half of Manitoba at least that's outside the City of Winnipeg, and I won't speak for the City of Winnipeg. I don't know how Manitoba Development Corporation is involved in this part of the province, but I am sure that rural Manitoba towns are looking to the Corporation for assistance in small service industries, small development programs, but I don't think that we should be misled by such abortions as the CFI and Sprague, Lord Selkirk, I say misled because, first of all, the proper guidelines were not set in the first place, and secondly, when you look deep into it and possibly when you try and look ahead 50 years, 25, there will probably be a lot of good arise out of it. I still believe in CFI. I don't believe in the way it's been financed, I think it's terrible, I think it's terrible, I think that it's a black mark on the Province of Manitoba and its ability to operate certainly for many years to come, but I don't think that's a reason to abdicate the responsibility of carrying on the Manitoba Development Corporation, I don't think so. I think maybe that's a sign of saying, let's not get off on these grandiose ideas of taking over million or multi-million dollar industries. I say it's a warning to stay away from them because you just can't, you can't do it, nor should you be expected to put all your money in one area. But that is the problem of Turnkey Industries where you are establishing something that somebody else, private industry, will not get into, and until we understand that problem then we're not going to solve the future of Manitoba Development Corporation. But I think we're all proud of the Lord Selkirk. I think it's a good thing, there's nothing wrong with it. I think Sprague industry will be good for that area, I think it will ultimately prove itself.

I don't know how the Minister conducts his department but I really don't think it can be

(MR. BEARD cont'd) any worse than that way in which a Minister conducted the affairs of CFI in setting CFI, Sprague and Lord Selkirk. I don't think that business ability was anything to scream about, I don't hear anybody going around singing the laurels of that type of setup. I don't think the poor business judgments of the past should completely justify the closing out of the Fund. I think surely the Fund should be able to serve the needs of the province and not to pour good money after bad, Mr. Speaker, but do things for Manitobans and to fill a vacuum which is there, and particularly there in the developing of the north, and I'm talking about three-quarters of the Province of Manitoba. Thank you, Mr. Speaker.

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MR. SPEAKER: The Honourable Member for Fort Garry.

MR. L. R. (BUD) SHERMAN (Fort Garry): What we had this morning in the presentation of the Liberal Party it seems to me, in this Concurrence Motion, Mr. Speaker, was an exercise wherein the Liberal Party laboured and brought forth not even a mouse but merely a squeak.

I don't suggest that we hold any brief on this side, or in this party, for the Minister or for the government, Mr. Speaker, but let's attempt to be fair and constructive about the directions of the Department of Industry and Commerce. If we say that the department is not generating the kind of climate and enthusiasm we think it should be generating, we say that sincerely, we believe it, and we believe that we can back it up. But to bring forward the charges and allegations that the Liberal Party did this morning, and not be able to back them up, not be able to substantiate them, is I think an unacceptable parliamentary tactic. I don't fault the House Leader of the Liberal Party in particular for this. I think that he probably was on a mission that was assigned him by his leader, and by his party, but, Mr. Speaker, if this is the new Liberal thrust, if this is the new Liberal initiative, then we . . . are profoundly disappointed.

MR. G. JOHNSTON: Mr. Speaker, on a point of privilege, Sir.

MR. DEPUTY SPEAKER: The Honourable Member for Portage la Prairie on a point of privilege.

MR. G. JOHNSTON: I understand you were otherwise engaged, but the Member for Fort Garry made the statement that I was doing someone else's work at their behest. I want to tell the Honourable Member that whenever I stand to speak in this House, I speak for myself, and I don't carry messages from anybody else.

MR. DEPUTY SPEAKER: I think the point is well taken. The Honourable Member is - I think it's the rules of this House that when an honourable member makes a statement, the House should accept it. The Honourable Member for Fort Garry.

MR. SHERMAN: Well I certainly accept the statement, Mr. Speaker. I was attempting to absolve the Liberal House Leader of any responsibility for the irresponsible allegations brought before the House this morning. If he doesn't want to be absolved of that responsibility, that's fine by me.

We suggest, Mr. Speaker, that if this represents the new thrust of the Liberal Party then it certainly is a profound disappointment to us on this side of the House who have looked forward with mixed feelings, but some anticipation, to the kind of new initiatives that would be introduced to the opposition role in this Chamber as a consequence of recent by-election events in the province, and I think that Manitobans in general will be disappointed if this represents and reflects the kind of strategy that the Liberal Party is going to employ.

The request for an adjournment of the House to listen to and scrutinize the allegations proposed by the Liberal Party was not backed up; the case was not made, and in view of the fact that we are on this Concurrence Motion it seems to me there was no justification, short of being able to back up those charges and make the case stick, for having put forward the motion. We could stand up and say the same thing about McKenzie Seeds, Mr. Speaker. We could stand up and make the same kinds of unfounded allegations; we could get in on the act; we could get in on the headlines, but we don't particularly want to operate that way unless we know what we're talking about, unless we've got the case, unless we've got the facts.

Well it pains me to say this, Mr. Speaker, it pains me to say it, but I deplore the kind of tactics that were employed because we could do the same thing, but it's not responsible constructive opposition to do that unless those facts can be backed up.

Having said that Mr. Speaker, I still return to the position that we have taken in this party where the administration of this particular department is concerned throughout the life of this Legislature. Having said what I said about the performance of the Liberal Party, it does not alter our basic conviction that the Department of Industry and Commerce is being mismanaged, and is being handled in a less than competent way by the Minister and his advisors, because the fact is that in the marketplace today, in the economic marketplace there is concern and anxiety and retrenchment as a consequence of the hostility of this government, manifested in many areas in many ways, towards business, and that includes small and medium-sized business as well as big business.

The Minister said last night that some of the remarks of my colleague from Brandon West brought a smile to his face. Well one of our main concerns with the Minister, Mr. Speaker, has been that it seems to be his typical reaction to the legitimate criticisms that are raised about commerce and industry in this province, the smile on his face, that seems to be his

(MR. SHERMAN cont'd.) normal reaction. The whole economy can be in difficulty and it brings a smile to the Minister's face.

In our view the Minister should be replacing his attitude and his demeanour where business is concerned with something much more serious and much more conscientious, and that would be a frown of concern and of interest, and also a responsive mood to the kinds of messages that are coming through from people who speak for the business community, even in those much maligned bodies which many of the Minister's colleagues mistrust, the Canadian Manufacturers Association, and the various Chambers of Commerce in Winnipeg and throughout the province. They are constituted of people who have day to day practical business experience over spans of many years and they are the people whom the Minister should be listening to. --(Interjection)-- Yes.

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

MR. EVANS: Thank you, Mr. Speaker, and I thank the Honourable Member for permitting a question. I wonder if he would recall not very many months ago, I think it was three or four months ago, a statement, in fact a joint statement issued by the President of the Manitoba Chamber of Commerce and the Minister of Industry and Commerce, namely myself, whereby it was expressly stated in public in all the media, that the Manitoba Chamber of Commerce supported the Manitoba Department of Industry and Commerce thrust in attempting to bring about rural industrialization, and if this required MDC participation and subsidies, so be it. Do you remember, and you recall that statement and do you agree that it's a correct statement?

MR. DEPUTY SPEAKER: The Honourable Member for Fort Garry.

MR. SHERMAN: Sure I remember it, Mr. Speaker. I also remember many other things that the Chamber of Commerce has said, such as recent statements by the present President of the Chamber of Commerce, and what I'm really getting at is whether or not the Minister sits down and listens to the individual members who make up Chambers of Commerce. The formal administrative kind of role that a president of a Chamber of Commerce or a leader of a Chamber of Commerce plays is often necessarily, because of the different pressures and interplays of influences in the community, quite different from the kind of role he would play and the kind of message he would give the Minister on a man to man individual eyeball to eyeball basis, and this is what I'm talking about when I say the Minister should sit down more often than he does, if he does at all, and communicate on that level with individual businessmen and business representatives. --(Interjection)-- Well I would hope that . . .

MR. DEPUTY SPEAKER: Order please.

MR. SHERMAN: I would hope that the Minister was not preparing his digestive tract to accommodate humble pie or crow in the near future.

The Minister said last night that the government through the MDC and other arms and agencies of that nature must provide capital, because private capital is not available for businesses either to begin operations or to maintain operations, and that private enterprise is not creating the jobs. Well, Mr. Speaker, private enterprise is not creating the jobs because private enterprise has retrenched in some dismay and trepidation as to the attitude of this government where private enterprise is concerned. What else can the Minister expect than a condition where private enterprise is not creating the jobs at the present time.

Would the Minister, if he could change his philosophy and change his view and become a private enterpriser for one day, enter into this kind of climate and create opportunities and create jobs at some considerable risk to himself financial and physical, when he doesn't know in the atmosphere that exists how long his business is going to be able to operate viably, and compete fairly and effectively. The conditions and the atmosphere are such that private enterprise is not motivated to get out and create jobs - at the present time it's trying to hang on and maintain whatever position it has here and survive this drought, this economic drought long enough to be able to have a base from which to recover hopefully should the Government of Manitoba change, or should the attitude towards business of the present government change. I would ask the Minister how many jobs, when he talks about the jobs that private enterprise has not been generating in recent months, how many jobs has this government generated. How many jobs has this government created in the past three years, outside the Civil Service. My statistical information leads me to believe that it's in the neighbourhood of about 400, and I don't think the Minister would suggest for one moment that that's good enough. --(Interjection)-- 150 in Fort Garry. Well I'm grateful for that 150, and I hope it can be doubled or tripled, but I'm not here to plead Fort Garry's case in particular.

(MR. SHERMAN cont'd.)

I'm not here to --(Interjection)-- no not in the public sector. I'm not here to plead Fort Garry's case in particular, Mr. Speaker. I'm pleading the case of the individual enterpriser who is trying to stay afloat in a business and fiscal climate that is not conducive to job generation, and job creation, and innovation, at the present time. If the Minister thinks that things are good in business terms, then he's living in a fool's paradise, because if he talks to businessmen who let their hair down and let their guard down, and he does the same and reciprocates in the same kind of communicative manner, he'll get the message loud and clear as to just how healthy the climate for business is in this province at the present time, and it isn't healthy, Mr. Speaker. The record is bad and for the Minister to stand up and try to defend it as he did last night, only compounds that difficulty, and only compounds the faultiness of the record.

Mr. Speaker, as we have said before, the government started from a position that the previous administration pursued a policy of growth at any cost and as a substitute for that rather than coming up with something that was viable and workable, except in a theoretical level, they have really inadvertently, or otherwise, produced a philosophy and an approach of no growth at any cost, because despite the intentions that the Minister may have professed to have in the area of decentralization of industry, it's the essential attitude of him and his colleagues in this government where business, small business, private enterprise, freedom of choice, the competitive marketplace is concerned, that militates against the development of those enterprises that will create the jobs that we need and that the minister says the public sector now has to provide and to create. Mr. Speaker, the only advice on the basis of this soporific kind of message that the Minister delivered last night in response to what my colleague from Brandon West had to say, is that he should go out into the marketplace and talk to people about their anxieties and their concerns where business is concerned, and I'll leave him with that charge and that request, and that urgent suggestion, because he can't smoke screen it; he can't slice it any other way than it is, and regardless of the kind of philosophical message he attempts to give us, the climate for business here is not healthy at the present time, and those who are engaged in business know that. There has been a retrenchment; there has been an attitude of restrictiveness, and concern, and wariness, and that's not conducive, either to providing the pools of private capital that we were talking about, or providing those jobs that the Minister says must come from the public sector, or must come as a result of public initiative and thrust. Sure they've got to come as a result of public initiative and thrust if the private sector isn't doing it, but the reasons why the private sector isn't doing it are the reasons that we should be zeroing in on, and it's there that the Minister must face the truth and never mind all these half dream world messages that he tries to portray, and tries to bring to this Chamber about the healthiness of the economy. It isn't that healthy and if he'd ask businessmen he'd know it.

MR. DEPUTY SPEAKER: The Honourable Member for Rhineland.

MR. FROESE: Mr. Speaker, I too want to participate in the discussion of the Department of Industry and Commerce Concurrence Motion. I have been very critical on occasion of the department in various respects, have brought some of the points to the attention of the Minister. I still am critical on some points. On the other hand I want to be constructive on what I have to say this morning, but first of all I feel that we should have some guidelines set up for our Crown corporations and the various businesses that we are taking over by majority control of the purchase of the equity. Right now I think things are helter-skelter, with one Crown corporation we go this way, another company where we've taken over goes another way. I think we should have a set of guidelines put up so that we know where we are at when we subscribe to equity in a certain corporation.

One thing I feel is necessary is that competition be allowed. We find that in most of the Crown corporations that have been set up this is no longer the case, that they are a monopoly in this province, Hydro, Telephone, and I can name you some more.

But again, again here, what is the situation now with the company that is now making the buses? Would the Development Corporation grant a loan to another company wanting to build buses as well? What is the situation? What would be the situation if this came about? I'm not saying it will, but I think we should have a policy on this and we should have guidelines set up so that members of this House would know what the score is. And how do we differentiate the Crown corporations from those companies where we acquire equity and gain majority control? To what extent does this government's attitude change from one to the other? I

(MR. FROESE cont'd) noticed the First Minister said a little while ago that if an application was made under Part 2 of the Development Corporation Act then it came up for consideration by government. Is this the only guideline, the only differentiation?

The other point that - I agree with the Minister in connection with the requirement of capital. And I've said so on many occasions. In fact I wanted at one time - I brought in a motion to explore the feasibility of a Provincial Bank in Manitoba. One that would have a board that would be provincial people who would be inclined to promote Manitoba business. We know for a fact, and I think this was brought out in the report too, and has been mentioned by the Minister, that when people deposit monies in banks there is no assurance whatever that that money will be applied in Manitoba. It can be exported to other provinces, and even to other countries, and may not be put to use in this province at all. I think this is where our credit unions differ quite substantially where most of the money anyway that is invested and deposited by people is being put to use, if not in the immediate local community, in the province as a whole.

What is the situation with trust companies? And we have a number of trust companies in Manitoba, branches of other Canadian companies. Are there any requirements as to investment in Manitoba firms? Here again I don't think that we should completely control the situation but certainly I think there should be some encouragement by these trust companies who control large amounts of monies, and no doubt this applies to insurance companies, encourage them to invest in Manitoba business, in Manitoba enterprise.

And while we are talking of banks I wonder, has this government invited the Bank of B.C. to establish a branch in Manitoba? I think this is something that we should think about. Why not have them establish a branch here in Manitoba and maybe we could get development capital from that source. Certainly they are a growing concern, and they are doing a very valuable service to the Province of British Columbia. And I for one would like to see them invited to establish right here in Manitoba. I know that Mr. Bennett is set on program now to provide low cost investment capital. I think he mentioned something like five percent. Certainly if we had a fund of that type here this would improve the investment in this province very substantially. Because of the high cost of capital today, this means that companies immediately have to throw off a very large profit; they have to have a very large margin in order to stay in business, and in order to show a profit.

And why not establish a fund to which Manitoba people could subscribe to, and make this possible. I think this is what the Premier in British Columbia has in mind that people in general will be able to contribute to a fund which would be there for the purpose of investment resting in his province. And I think we could do likewise. Because, Mr. Speaker, anyone who has been in business, and who has had occasion to apply for larger loans of 100,000, 200,000, half a million, or so, that these loans are not approved at the local level. They have to go to head office, and maybe the Member for Minnedosa can speak on this later if he differentiates, but from the experience that I've had and the businesses that I've been in, this is certainly the case that the loans have to be approved down east, and as a result we are completely at the mercy of these people. If they don't want to grant a certain loan well, you don't get it, and I think in certain cases we're just left with the crumbs. This doesn't mean that I'm opposed to banks, Mr. Speaker, not in any way. The banks are there to provide a service, and I think they should give a service and not curtail development. And this I think, and I know, is one of the reasons that we in Manitoba are not developing as fast as we should, and as we could, and as we would like to, so that that there are certain reasons for this.

Now what other possibilities are there? What should we be thinking about and what terms? Why should we not consider a fund to which people could subscribe for capital purposes, and what about granting tax free measures to such funds; ask the Federal Government to grant us freedom from taxes from those monies. Certainly that would mean that it would be easier to get funds and the necessary capital that would be required. And I am sure this would mean that many of the people would then subscribe to such a fund and that more capital would be available. So much for that point, Mr. Speaker.

I feel that we have many areas in this province that need development. The Member for Churchill, who is not in his seat just now, has spoken about the Port of Churchill. And here I too go along with him because I think this is one of the areas that has possibility, that should be considered, and that needs development. I think we should give more support to the Hudson Bay Route Association which is certainly working for this, and has been doing so for many years.

(MR. FROESE cont'd) And I think they are a group that are spending time and energy, are really trying to do something but are handicapped in so many ways. I feel that this port could be put to much greater use and that the people of Manitoba could benefit to much larger degree if this port was developed.

I note that in western and in the other prairie provinces, wheat association has been formed, the Palliser Wheat Association. These organizations are there to promote certain things, and especially the matter of feed wheat that they're promoting. Why not form an association of such type in Manitoba to promote the sale and the shipping of wheat through the Hudson Bay port. And I feel that this has merit too because look across the line where they have the Durham Wheat Association. This association has done a lot of good for the State of North Dakota which produces 85 percent of the Durham wheat in the United States. And a town just across the line is the capital, is the Durham capital of the North American Continent, and I don't know whether they call it the town or the City of Langdon. And they have an annual show of three, four hundred samples being submitted. They have the exporters; they have the brokers come from Washington, D.C. Washington, N.Y., and so on. They have the industry representatives present. They are doing an all-out job to promote the Durham industry. Why cannot we do the same thing because we can grow Durham just as well as they can, and I think we can do it better. And here is a great possibility that we certainly could increase the production and the sale of Durham wheat in Manitoba.

MR. SPEAKER: Order, please. The Honourable First Minister have a point of order?

MR. SCHREYER: Yes, Mr. Speaker, I do. The Honourable Member for Rhineland I suggest always does have a tendency to range widely in his contributions to debate, but here we have a specific case, Mr. Speaker, of the honourable member referring to agricultural production, agricultural commodities production under the Estimates of Industry and Commerce and he could well have raised it under the Estimates of Agriculture where it properly should have been raised. If it can be discussed under Industry and Commerce then I suppose he will then also feel he has a basis upon which to discuss Durham wheat production under the Department of Resources, and presumably under the Department of Transportation, when one would talk about the transportation rail freight rates, and Crows Nest rates, as they apply to Durham wheat.

MR. SPEAKER: The point is well taken. The Honourable Member for Rhineland.

MR. FROESE: Mr. Speaker, I wasn't finished with the point because I was going to bring in the macaroni industry, which is an industry that we could promote right here in Manitoba. You should come down to that fair and see the distribution and the showing of the various products that are being made right in North Dakota as a result of the production of that crop. So when I speak of these items, I speak of industry as well, and I'm trying to bring about interest and certainly support for such industries. Because there's lots of room in Manitoba for development and certainly we could have an industry of this type.

I think there is room also in connection with the plant breeding at the university. And here again I don't think that we as Manitobans get the benefit that we should from our universities that do research and that could be applied to industries in Manitoba. We are not getting the benefit by a longshot. And we're spending millions of dollars in this respect for research. Look at the product of Triticale, which certainly could be put to use but it's being stalled in the name that more research has to be done. But at the same time some farmers have been using it and there's no reason why it couldn't be used. And the same thing applies to special crops, all seeds, in which we have a major industry right in my own riding. And I feel that some of the money that has been spent at the university for research could have been spent better, and I think we should give direction. The Minister of Agriculture said that no direction was given. Certainly if we are going to allocate all these monies, millions of dollars, to the universities we should give some direction. Some of the members are very skeptical about aid to private schools. The university is a private institution to a large extent. They decide on the programs themselves. We're supplying the millions of dollars for them. Let us give them some direction how the money is supposed to be spent, so that it can be spent to better advantage and to give more value for our dollar, and to put it to greater use to the people of this province. I had some other points that I wanted to bring up in conjunction with that. I'll forgo them because of the exception being taken at this time.

I don't feel that the Board of the University of Manitoba is all knowledgeable, that improvements cannot be made. Certainly on various occasions they tried to use their influence,

(MR. FROESE cont'd) and I'm not always sure that it is to the best advantage of Manitobans. It's not just a school of higher learning there are many other aspects and other things associated with it, so that the monies that we spent is not purely in the educational field, it is in other fields, and especially the research that should be applied to industrial development of this province. And I think that the Agricultural Committee for one should give consideration to considering some of these things when they meet as a Standing Committee on Agriculture.

Mr. Chairman, the other day I noticed from the Free Press in connection with industry again a statement on "CDC Aims Set Out", that's the caption of the article. And I'd like to quote one or two paragraphs. It says here, and I'm quoting, "Chairman Anthony Hampson and President Marshall Croll said in an interview the Corporation will concentrate on the long-term investments that greatly aid Canadian development but do not pay off for many years". We're speaking of the Canadian Development Corporation. "The Corporation organized seven months ago after being created by Parliament is taking its first step on the road to becoming a multi-billion dollar investment fund by purchasing Connaught Medical Research Laboratories in Toronto, manufacturing of insulin and other medical products." It's a very lengthy article. But here the Federal Government has set up an organization with millions and millions of dollars at their disposal. Are we going to in any way try to get our hands on some of that money for development in this province? Why couldn't we have a drug manufacturing concern in this province? Because here it is claimed it's one of the most profitable industries, because the markups are very very high as has been indicated time and again. Why not encourage a plant of this type in Manitoba. Surely there must be possibilities and the Federal Government being a shareholder and certainly involved to a large extent, although there are private members on the Board of Directors, but certainly the Federal Government has influence, and we have had very substantial amounts of money put into Manitoba by the Federal Government for industrial, for development purposes, through the ARDA and DREE grants, and other grants that are available. Industries in my own locality have sprung up mainly because of this, of these industrial grants, plus the capital provided through the local credit union, and as a result has been brought into being.

We in this province had the Hydro transmission line built by the Federal Government and we are able to purchase it back over a number of years, this is the option that we hold. If they can build a transmission line, why couldn't we ask them to extend the railways from Winnipeg through to Hudson Bay so that we would have a direct line in Manitoba to increase the services of the port. I'm sure that the Member for Churchill would be very interested, and this is not something that's impossible. Otherwise the Port of Churchill will never develop as it should be, unless we will have a shorter route, a more direct route, to the port from the City of Winnipeg, you will not see the development, and especially when we find that other organizations such as Manitoba Pool Elevators, some of the grain companies, who have interests in other ports and who want to protect their interests, and as a result do not care about developing our own port in Manitoba. Certainly I think some of these organizations should be called to task.

I would also like to know from the Minister of Industry and Commerce, and he's not in his seat now. I guess he doesn't feel that discussing his Estimates on concurrence is that important. What is the affect the European Common Market going to have on industry in Manitoba, and especially on the agricultural industry, the markets, with Britain joining in certainly they're losing and I think it throws a lot of things in the realm of questioning, even our belonging as a nation to the British Crown. We know for a fact that the Wheat Board agreements with Great Britain which have been in effect for many years are - I shouldn't say in trouble but at least we don't know where they're at at the present time, whether new agreements will be made. Certainly it will not only be with Great Britain any longer, the European Common Market will have, their community will have an interest, they will have a say in the matter, and what does this mean for the Manitoba farmer as far as his sale of his products and the prices that he will receive. We know that Ontario farmers who produce a less quality wheat have been getting well over \$2.00 a bushel for all these years, whereas the farmer in Manitoba probably gets \$1.35. And I think this is unfair; it is very unfair in my opinion. It reduces the income of the farmer that could well be used to boost development capital. We have 36,000 farmers in Manitoba and if you have on an average of 300 acres per farmer, this gives you around 11 million acres, and if you could only increase the revenue by \$5.00 per acre, this would be \$50 million available, and if it was \$10.00 an acre, it would be \$100 million

(MR. FROESE cont'd) available, capital available for development, and I'm sure farmers in Manitoba would put it to use and would bring about development of these monies. So there are great possibilities here if we'll take advantage of them. And I feel that this government should take a careful watch as to what is going on and not find themselves later on in a bind with not knowing what had happened and not taking steps at the proper time to protect the farmer in western Canada and especially in Manitoba.

Some of the deals, the way the grain marketing is handled in this province leaves a lot to be desired. Lorne Parker at a meeting, speaking to a committee of this House at Carman this winter, went into great detail on the marketing of grain and how it was handled, and I don't know whether I should call it mismanagement, but certainly there is a lot to be desired in the way the grain is marketed and the way the grain is sold here in this province.

So, Mr. Speaker, while some members may take exception at the various points that I am taking because they think it's not applicable, I feel it is applicable because industry in Manitoba is not completely dependent on city people, it's also dependent on rural people, and we don't want development only in the City of Winnipeg we want it in rural Manitoba just as well, and therefore I feel that the comments that I did make are relevant and stand. And I certainly feel that the Minister of Industry and Commerce should have been in the House; he should take note of what is being said, because some of these things if they are not going to be acted on will come to haunt him in later dates.

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. SPIVAK: Mr. Speaker, I listened with interest to the comments that have been made with respect to the Department of Industry and Commerce. I listened to the Minister's immediate response to the, really the first criticism that was offered on Concurrence, and actually the use by him of his only opportunity in Concurrence for a rebuttal to the charges and allegations that are being made with respect to the government's policy with respect to industrial development. I'm one who for three years occupied the position of Minister of Industry and Commerce and had similar responsibilities to the Minister. I don't think it would be fair to those who criticize the Minister with respect to his enthusiasm and to his interest, to in any way suggest that he is not attempting to do the best that he can but the problem and this is a serious problem with respect to the department, is realistically what objectives has he set, has the government set; what is the performance of the department with respect to those objectives, and what does it really mean in terms of the total economic development of the province.

In answer to the essential charges, for lack of a better word, that the Member for Portage la Prairie made, the Premier said that there was an attempt on the part of the Opposition to discredit the Industrial Development Program of the government. I think those were his words, and that in effect that basic charge, along with other charges that have been made, have been an attempt to discredit it. That's based on a false premise, not just the false premise of discrediting because our function is to oppose as contrasted with the word discredit, but that's on the assumption that there is an industrial development policy. Now if one suggests that whatever action government takes it's policy, no matter whether it's co-ordinated or unco-ordinated, and therefore that's the policy, then I would suggest, all right, the Premier's right, would try to oppose the industrial development policy. But the essential feature, Mr. Speaker, of our criticism has always been that from its very inception as a government, the government never formalized or finalized what industrial development policy it was going to in fact undertake. And rather, Mr. Speaker, it has gone from situation to situation, and from crisis to crisis, and from response to response. When I say response, the response that government has to give to the reactions in the business community, from response to response, on an ad hoc basis hoping that both the personality and prestige of the Premier would more or less cover up the inadequacies of proper planning, and proper direction, and proper understanding of what was happening at this point in our history with respect to our economic development.

Now I listened to the Honourable Member from Churchill, and he's not in his seat, but I listened to his comments with respect to the Manitoba Development Corporation. I've listened to the Minister of Industry and Commerce with respect to his comments about rural development. It reminds me of the story of the woman who wanted her bathroom painted and she went on a holiday and arranged with the painter to paint the bathroom the same colour as her ashtray. She showed him the ashtray and said, paint it the same way. She came back and she met him

(MR. SPIVAK cont'd) and she said, I'm thrilled, you've done exactly what I've suggested. And the painter was then accosted by the landlord who said, how were you able to satisfy her because I found that in all my dealings it's been difficult? And he said, very easy, I painted the ashtray.

Now, Mr. Speaker, what has happened to the Minister of Industry and Commerce is that he is trying to paint a picture about Manitoba and he first has painted the ashtray; and the Honourable Member from Churchill has talked about the Manitoba Development Corporation and the Manitoba Development Fund, and he's painted the ashtray. He doesn't know what he's talking about when he talks about the Manitoba Development Fund and northern development. The Minister doesn't know what he's talking about when he talks about the Manitoba Development Corporation and rural development. He doesn't know what he's talking about. It's not borne out by any of the facts, statistics, information that's presented formally by the government, presented by any of the information that I have in front of me. In effect what we are dealing with is a government that likes to believe in the myths and fictions that they create, and are not prepared to accept that maybe some of the judgments and management decisions that have been made, have been made on basically no premise whatsoever, no factual information whatsoever, but because they as the government have arrived at it, it has to be right, and the criticisms that are offered on anything would indicate that the people are against us, the Chamber's against us, everybody's against us, and for that reason we simply close ranks and say, we're right, we're right, we're right. But the truth of the matter is if you look at the facts and figures they don't bear up any of the kinds of information that have been suggested. Mr. Speaker, the Honourable Minister of Industry and Commerce will have any opportunity he wants to debate me but I'm going to try and complete my remarks because the time has come for this to be said to him, and to the government . . .

MR. EVANS: On a matter of privilege.

MR. SPEAKER: Order, please. Will the Honourable Minister state his matter of privilege?

MR. EVANS: The honourable member opposite has stated that we have not presented statistics or facts on rural development and rural industrialization, and the fact is during my Estimates I did - and you can read Hansard - I did provide information on the increasing number of loans that were made in rural Manitoba and the increasing number of small business loans, and that is statistical information on the record, and as a matter of privilege therefore, Mr. Speaker, the honourable member is stating, is making a case which is based on no foundation whatsoever. As a matter of fact he should withdraw that remark.

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. SPIVAK: Mr. Speaker, there was no matter of privilege there, no matter of privilege.

MR. SPEAKER: Order, please.

MR. SPIVAK: Well at least we now have the interest and concern of the Minister of Industry and Commerce, at least - whether he'll accept anything I say he may very well listen. But what I have to say has to be said at this particular time. --(Interjection)-- I don't feel any compulsion, I just feel it's necessary because we are at the question of the concurrence of the Minister of Industry and Commerce and we are supposed to either approve or reject the government's economic policies.

Well having indicated to you that in effect the Minister of Industry and Commerce believes in rural development, and that's the announced policy, any everyone there believes in rural development. How many know really what's happening in rural Manitoba? How many of them really ever question that maybe some of these grandiose statements that the Minister's making are not actually so. That in effect all the work and effort of the Manitoba Development Corporation isn't really doing very much there; and all the work of his department and all the effort on his part isn't really accomplishing very much there; and in effect how many have ever thought or considered that it was possibly necessary to more or less change the policy which the Roblin Government introduced, which the present Minister is still following, and which the Honourable Member from Crescentwood had acknowledged over and over and over again. --(Interjection)-- No, the difference between what I say and the Member for Crescentwood's saying, is that you adapt that policy to the changing conditions, you recognize what is taking place, and you then develop your policy so that in effect you can have something more productive than what you had in the past, because it doesn't follow that what was carried out in the past necessarily must continue on in the future.

(MR. SPIVAK cont'd)

And now we come to the question of the Manitoba Development Corporation. You know, how many of you have ever looked at the Industrial Development Board's bank statement? How many members opposite have ever spoken to the members who are involved in loaning money from the Industrial Development Bank to find what developers and investors, small businessmen, need and want with respect to Manitoba? How many have ever spoken to people who have tried to loan money from the Manitoba Development Corporation recently, and have talked and then attempted to go to the Industrial Development Bank for financing? Can any of you really have confidence in the Chairman of the Manitoba Development Corporation when he comes before the Committee, he's asked a specific question of the companies in which the government has equity; he lists the companies verbally; he then comes in the following week and gives us a published statement in written form of the companies in which the government has equity, which eliminates some of the companies that he told us verbally, adds additional names that were not mentioned verbally when he was asked the question in the Committee. Does anyone really believe that under those circumstances we as an Opposition ought to have any confidence in that the government knows what they are doing?

Now let's look at the statistics and the information and the facts. In the August statement of the Annual Report of the Manitoba Development . . .

MR. SPEAKER: Order please. The Honourable First Minister on a point of privilege.

MR. SCHREYER: Yes, Mr. Speaker, the point of privilege being that I believe it is the usual practice in this House to acknowledge as a matter of privilege when someone in the employ of the public service is referred to, since he does not have an opportunity to defend himself in the Assembly, that it is certainly within the rules and entirely proper to rise on a point of privilege if a statement made with respect to such person is inaccurate, since the person himself is not in a position to defend himself here, and I refer specifically, Mr. Speaker, to the comment just made by the Leader of the Opposition that the Chairman of the Manitoba Development Corporation when he appeared before the Committee did not give the Committee the correct information as to which companies were subsidiary operations of the MDC, or in which the MDC had an equity interest. I was at the meeting of the Economic Development Committee of this Legislature and the particular circumstance and reasons were given by the Chairman of the Development Corporation at that time as to why he had omitted to name a firm that in fact should have been named, but he explained that. He did explain that, Mr. Speaker.

MR. SPEAKER: The point is well taken. The Honourable Leader of the Opposition.

MR. SPIVAK: Mr. Speaker, the explanation given by the Chairman of the Manitoba Development Corporation was not a satisfactory one and in addition to the information that was furnished - I should mention even the question of equity, the percentages of equity in some of the companies were not the same as the listed form that was given the following week after. And surely to God somebody, somewhere, must know what we as a people own.

Now the interesting thing is the statistical information about the jobs that have been created as a result of the Manitoba Development Corporation activity in the last little while, about the number of loans, about the development of rural areas; --(Interjection)-- which shares? Well, you know, if the government policy is a continual policy of buying shares and shares and shares, then I guess it's going to be impossible, you know, it's like the bank interest rate it may fluctuate from every day, but surely we are not in the situation where every day we're buying shares of companies. I mean, we haven't reached that stage in terms of our economic development where that's all we can do, you know. As a matter of fact even though you are as a government very good as cheque writers, there must be a limit to how many cheques you can write on the public purse. --(Interjection)-- Now, well you should, I would say to you, because there doesn't seem to be anything that stops anybody from writing any cheques about anything, whether it be Saunders, whether it be Flyer, or whether it be anything else. You know, Mr. Speaker, let's look at terms of the activities between the only public statement we have which is 1970 and 1971. We have 53 loans for the year 70/71. In the back of the 71 Financial Statement of the Manitoba Development Corporation there are 32 names, and not all the names were included because it was only from July 22nd. There are 44 loans against the 32 names, and I would take it, Mr. Speaker, that with respect to the number of loans, the likelihood is that the 44 loans to the 32 companies would represent the number of loans, and the jobs are 545, and the amount of loan increase in terms of total estimated capital investment, or at least the estimated, which would be both borrowing and I guess new investment

(MR. SPIVAK cont'd) would be \$26 million, and when you look at it, Mr. Speaker, you then have to look, how many are re-financed, how much money was given to these companies, and you recognize, Mr. Speaker, that very little if anything new has really come. And I can go over the individual loans one by one if I had to, and indicate the history. What do we have? We have Western Flyer Coach, there's three loans, that's part of that 53. We have Saunders Aircraft, there's three there, that's another part. We have A.E. McKenzie, that's two, three; Lake Winnipeg Navigation has two; King Choy has one; we have Columbia Forest, one --(Interjection)-- Yes, and that's the interesting thing because in terms of the total amount of money, Mr. Speaker, that the Manitoba Development Corporation is involved in, it would appear at this stage, 15 million of the 26 million is involved in CFI. Now that's interesting, Mr. Speaker, because all that proves with respect to the Manitoba Development Corporation is that not a heck of a lot has really been happening with the Manitoba Development Corporation, even though there has been this posture that quite a bit has been taking place, and the Minister of Industry and Commerce has painted that ash tray and has painted the room, and has tried to get the people to believe that it really is as he's represented and really is as it was supposed to have been. The Manitoba Development Corporation is not doing the job in Manitoba that it was originally conceived to be doing. It in effect has become an instrument to be used by a few people, including the Minister of Industry and Commerce, who is going to prove, no matter how much it costs the people of Manitoba, that he can run a business, whatever the business is, whether it be Saunders Aircraft, Flyer Coach, etc., he's going to prove it, and we're going to pay for it, and that's really what we are talking about.

You know, Mr. Speaker, let's look at the Industrial Development Bank for a period of time which would be equivalent to the year 1971, and we see that their loan increased by 56, and we see an increase in monies, the net monies that were loaned to small business of several million dollars. In my discussions with them as to what's happening in Canada, the very obvious thing that has taken place, particularly in an area like British Columbia, is that the small businessman has been able successfully to go to the Industrial Development Bank to meet the needs that the normal institutions would not be able to meet, and as a result because the government wasn't in the funding business at this time, they have loaned substantially and percentage increases in substantial amounts. That's an important factor, Mr. Speaker. In 1969 as an example British Columbia had 751 loans from the Industrial Development Bank.

MR. SPEAKER: Order please. The Honourable Minister of Labour.

MR. PAULLEY: Mr. Speaker, it is time that we should loan ourselves to the dinner table for a wee while. I move, seconded by the Honourable the Attorney-General, that the House do now adjourn.

MR. SPEAKER presented the motion and after a voice vote declared the motion carried and the House adjourned until 2:30 p.m.