



Legislative Assembly of Manitoba

**DEBATES
and
PROCEEDINGS**

Speaker

The Honourable Ben Hanuschak



Vol. XVII No. 145 8:00 p.m., Tuesday, July 7th, 1970. Second Session, 29th Legislature.

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OSBORNE	Ian Turnbull	284 Wildwood Park, Winnipeg 19
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THE PAS	Ron McBryde	531 Greenacres Blvd., Winnipeg 12
THOMPSON	Hon. Joseph P. Borowski	Legislative Bldg., Winnipeg 1
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THE LEGISLATIVE ASSEMBLY OF MANITOBA

8:00 o'clock, Tuesday, July 7, 1970

Opening Prayer by Mr. Speaker.

MR. SPEAKER: Presenting Petitions; Reading and Receiving Petitions; Presenting Reports by Standing and Special Committees; Notices of Motion; Introduction of Bills. The Honourable House Leader.

HON SIDNEY GREEN, Q.C. (Minister of Mines and Natural Resources) (Inkster): Mr. Speaker, I was asked this morning about forest fires. I'm advised that the serious fire that was being referred to by the Member for Roblin was declared officially out today, and at the present time there are two fires burning in the north part of the province which are inaccessible and they are not considered to be a serious problem. They are a problem as any fire would be, but they are not considered to be a serious problem. The general fire danger is assessed at low to moderate throughout the province.

ORDERS OF THE DAY - GOVERNMENT BILLS

MR. SPEAKER: The Honourable House Leader.

MR. GREEN: Mr. Speaker, we wish to proceed with third reading of the bills which were approved in Committee of the Whole House earlier today. I think that they can be called in order starting with No. 3.

BILLS NOS. 3, 99, 108, 34, 50, 77, 91, 92, 93 and 117 were each read a third time and passed.

MR. SPEAKER: The Honourable House Leader.

MR. GREEN: Mr. Speaker, would you call Bill No. 87, please - Page 5.

PRIVATE AND PUBLIC BILLS

MR. SPEAKER: Adjourned debate on second reading on the proposed motion of the Honourable Member for Kildonan, Bill No. 87. The Honourable Member for Kildonan.

MR. PETER FOX (Kildonan): Thank you, Mr. Speaker. I'll be very brief. I would like to thank the members for participating in the debate on this private member's bill. I should like to say to the Honourable Member for Churchill, I agreed with some of his remarks that we'd have to do more than just present the Denticare Bill in the province, especially for the north, because there is one of the difficult areas where we do have in respect of service of any kind, and I do hope that in the future we'll be able to tackle that problem and satisfy him and the people of the north, so that they will also have adequate service equal to others in the province.

In respect to the question that was raised by the Member for Rhineland, I would like to suggest to him that this bill is almost identical to the Medical Services Bill which was before us which provided medical services, and it does include provision for the officers of the corporation being renewed annually. They have already drafted by-laws in respect to the approval of this bill and these by-laws do indicate that there shall be an annual meeting held by the directors; that they shall be elected on a rotational basis; and that the membership, as also indicated, can be other than dentists on the Board of Directors.

I believe with those few remarks I shall conclude, Mr. Speaker. I should also like to indicate to the members of the House that when we get into committee there will be ample opportunity to question a number of the members who are proposing this bill and of course the legal counsel for the people that are involved. Thank you very much.

There's one other request, Mr. Speaker, I'd like to make. This is a private bill and I believe it's about the only one left on the agenda. I would like, by leave, to have it included in Law Amendments instead of Private Bills Committee being called because it would necessitate the committee being called for one bill only. Thank you.

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

MR. GREEN: Would you call Bill No. 114, Page 4 of the Order Paper?

MR. SPEAKER: Second reading, Bill No. 114. The Honourable Member for Fort Garry.

MR. BUD SHERMAN (Fort Garry): Mr. Speaker, I want to say that one of the most compelling things about Bill No. 114 for me is the fact that it was proposed and introduced in this Chamber by the Honourable Member for Ste. Rose. When the Honourable Member for Ste. Rose makes a suggestion in this Chamber, or outside of it for that matter, having to do with the affairs of the common weal of Manitoba, I suggest that most of us listen with interest and with

(MR. SHERMAN cont'd.) sincerity and with a knowledge that he speaks from a deep reservoir of feeling for the welfare of Manitoba born of the service that he has given our community and our province inside and outside this House, so I approach the suggestion of the Honourable Member for Ste. Rose that some trepidation and some awe, Mr. Speaker, and I say that without facetiousness and with complete sincerity.

I think that it's an extremely well-intentioned legislative proposal and there can be no question as to the motives and the sincerity of the mover of the bill, but there can be a question, Sir, as to whether I, acknowledging the thought and the conscience that the Member for Ste. Rose has brought to it, acknowledging his experience, his legislative experience which far outstrips mine, not to mention his contribution, there can be a question as to whether I agree with it and as to whether I find it realistic or not, and I must offer the thesis at this stage, Mr. Speaker, that it is not entirely realistic and for that reason, and others which I intend to articulate in the next few moments, I can't support it at this stage, Sir.

I think it seems to be a very great deal to expect realistically that a member of any party can vote against his leader on an emotional and a contentious issue in one sitting of a Legislature, a Legislative Assembly, a parliamentary body, and then turn around and vote confidence in that leader 24 hours later or less. It may be possible, I don't say that in all instances it's impossible, but it seems to me to be a great deal to expect that a member can do this easily and conscientiously and responsibly. To me, confidence implies confidence, and one in a position of leadership I suspect wrestles enough in the way of onerous problems and onerous burdens without having to worry about whether his troops are with him in a specific situation in the House, the place for expressions of oppositions and challenge, and I confess that I've participated in some of them myself. The place for questions of opposition and challenge, it seems to me, Sir, are in the caucus room and in the councils of the party itself, and the leader by definition must be able to rely on the support of his troops in the legislative battle, in the Legislative Assembly, where surely the burdensome responsibilities of leadership - and the Member for Ste. Rose is more conscious of them than most of the rest of us in this Chamber - surely the burdens of the responsibility of leadership would be intolerable it seems to me.

Mr. Speaker, the Member for Ste. Rose referred to a celebrated incident in February of 1968 in the House of Commons when there was an accidental defeat, as he described it, of the government of the day, the Pearson government, by the Conservative Party and the combined opposition in the House of Commons, of which my colleague from Morris and I were members at the time. We lived through that experience and we perhaps may bring a somewhat different perspective and a somewhat different definition to the events of the day and to the situation that transpired than the Honourable Member from Ste. Rose does. I think he's correct certainly in saying that the defeat of the government that those of us in the opposition managed to effect that evening was possible as a consequence of the mathematical situation in the House of Commons that evening, the mathematical balance, but the fact remains that in our view, and to this very day I think my colleague from Morris would agree with me, the fact remains that the government of the day was defeated, Sir, and had it not been for a personal decision made by the Leader of the Conservative Party, the Honourable Robert Stanfield, it may have been that history would have taken a different course, that the Conservative Party and the combined opposition would have insisted on adhering to the precedents of British Parliamentary procedure and insisted on their right to force the government to an election as a consequence of the defeat occurring as it did over a money bill, and the situation federally in Canada might be quite different today than actually exists.

This is not to say that the Honourable Member for Ste. Rose would suggest for a moment that the situation would be better than that which actually exists, but those of us who belong to the Conservative Party are entitled to our opinions as to the answer to that question. In any event, better or worse, it might well be, and the Member for Ste. Rose would agree with me, that the federal situation could be quite different had it not been for the fact that the Leader of the Conservative Party, the Honourable Robert Stanfield, determined that because of the financial crisis in which the nation was caught at that time, because of the gold crisis, because of the monetary crisis, that he felt it would not be in the best interests of the Canadian people to force the issue and to force the Pearson government to an election. There was never any question, however, that in Mr. Stanfield's view and in the view of many of us in the combined opposition, the official opposition of that day, that we had every right to push the government to an election and that there was ample precedent for it if not in Canadian parliamentary history, at least in British parliamentary history.

(MR. SHERMAN cont'd.)

There is also one other point on which I would engage in difference of opinion with the Honourable Member for Ste. Rose. I may be wrong, but I don't believe - and I didn't have a chance over the dinner hour to check Hansard - but I don't believe, Sir, that the vote of confidence that was ultimately held as a result of this issue was held the next day. I believe it was held two days later. There was a 24 hour hiatus, as I recall, during which time the Conservative Leader agreed to give the Prime Minister time to get back from a vacation which he was on in the Caribbean and to pick up the pieces of a rather shattering parliamentary experience and to consult with his colleagues, his Cabinet colleagues and others, and to address himself to the question.

As it turned out, Mr. Pearson sees the occasion to take his case to the Canadian people on television and through the press, and there was an interesting and a thoroughly phrenetic controversy that ensued as a consequence of that and I know the First Minister is fully in command of such recollection of the incident. There was a considerable controversy, a considerable unhappiness and criticism over the fact that the government of the day did use the opportunity, or did make use of the opportunity to take its case via television and other media to the Canadian people and did so very successfully, but this is a far different thing from the proposition advanced by the Honourable Member for Ste. Rose which suggests that should a vote on an important issue go against the government that a test of confidence be held the very next day.

So I just want to differentiate in the two instances and point out to him that really the situation in February of 1968 is not really analogous to what I think he's talking about, and if it is, it's not a very acceptable example because we did not go back into the House of Commons to vote confidence or non-confidence in the Federal Government the next day if my memory serves me correctly. As I said a moment ago, there was a hiatus of at least 24 hours before we held that confidence vote. It seems to me that if that kind of technique is suggested as a course for us to follow in this Chamber, then you leave yourself wide open to a 24 hour period when all kinds of exploitation of a situation can take place and the whole parliamentary and democratic process in my view, Sir, can be frustrated.

Mr. Speaker, having challenged my friend the Honourable Member for Ste. Rose on that chunk of contemporary Canadian history, I move on from there. I'm not really terribly interested in that incident except that it's a rather fascinating exercise now, I suppose, for all of us to look back on and ask ourselves what the course of Canadian contemporary political history would have been had we pressed for precedent in that case instead of making the decision that we've made. But that is all I want to say on that point, Mr. Speaker.

I feel that the proposal advanced by my Honourable Member for Ste. Rose is unquestionably deserving of very close examination and study by all members of this Chamber and I would like to address myself to it in the months ahead. I feel though, Sir, that it represents too serious a change, too revolutionary if not traumatic a change in parliamentary procedure to be introduced and to be given full, responsible, conscientious attention by members at this stage, Sir, in this session. This is a session that has already been laced with its full quota of controversy and contention - none of us needs any reminding of that - and I don't think that the climate in the present session is conducive, Sir, to bringing the kind of reasoned study to the very conscientious proposal of the Honourable Member for Ste. Rose at this stage. I don't think the climate is conducive to the kind of study that it deserves.

I would like to see a committee of the House, whether it's the Rules Committee or a special committee, between sessions examine not only this proposal but any other proposal that the Honourable Member for Ste. Rose may have, and any other members of the Chamber may have, for streamlining and improving and democratizing, if you like, in making more efficient the machinery of government in this arena, Sir. -- (Interjection) -- My colleague from Lakeside points out to me that we should press the Member for Ste. Rose into that assignment before he leaves to take up his duties in the Senate, Sir. But the climate I suggest is not right or ripe, Mr. Speaker, at this stage in this urgent and fairly dramatic session to consider a change like this which has very far-reaching and profound effects for democracy in the Province of Manitoba, and certainly has very important ramifications for every individual member in this Chamber.

So my recommendation for what it's worth at this point, Mr. Speaker, would be that we take the suggestion of the Honourable Member for Ste. Rose under advisement and assign it to the Rules Committee or some other agency of the House between sessions and charge that committee or that agency with the responsibility of examining it as fully and as profoundly as it

(MR. SHERMAN cont'd.). . . . deserves; and it deserves the very fullest examination.

We in the Conservative Party, Mr. Speaker, want reform of the machinery in this Chamber and reform of the parliamentary process in Manitoba where reform is rational. We want improvement in efficiency in the democratic process and the entire parliamentary process, and I don't think that any party in this province or any caucus in this Chamber has a monopoly on that ambition. I would suggest that all 57 members of this Chamber are interested in a system and a procedure that is as fair and as democratic and as efficient as is possible, consistent with the ensuring of freedom, consistent with the guarantee that debate won't be stifled and that the last repository, the last frontier of freedom and free speech on the floor of this Chamber, shall not be limited or foreshortened or hampered in any way.

Mr. Speaker, the Member for Churchill in addressing himself to this question spoke of the situation in parliaments like this one at the present time where the individual member to a certain extent perhaps feels himself muzzled by the unspoken admonition that he must hew the party lines and party loyalty on all questions. I don't know that he actually used the term "muzzled", but this is what he was talking about. But I don't accept that argument, Mr. Speaker; in fact I reject it. People who have not had the opportunity and the privilege of serving in a democratic legislative chamber in Canada often raise the argument that the party system imposes strictures and limitations and strait jackets on members that isn't right, it's not fair and it's not rational or sensible, but I don't accept that argument. I believe, Sir, that the free vote exists in this system at the caucus level and this is where it should exist.

There are certain questions, to be sure, raised on the floor of the Chamber which deserve a free vote, but there are certain questions raised on the floor of this and other Chambers in this land which are presented to members in the environment of the free vote. Important and contentious social questions in this Assembly and in other Provincial Assemblies and in the Federal Assembly in Ottawa very frequently are presented to members and to the full membership of the House for their decision on a free vote basis, and all of us are aware of a great many instances of that kind, so it can't be argued that the free vote in the Chamber is a non-existent thing.

The free vote is a frequent institution and a desirable one in our Legislative Chambers in Canada, and where the free vote always exists, where the free vote is inviolable is in the caucus. I've never belonged to any caucus other than the Progressive Conservative one, but I can assure you, Mr. Speaker, that there is no muzzle on any member of that caucus and I would be willing to bet that there's none on any member of any other caucus in this House, and this is the way -- or perhaps there is one on the Social Credit caucus but that would be due to circumstances beyond desire and beyond control.

But there is no question about freedom of expression, free expression of opinion in the caucus. The caucus is a very integral part of the democratic system in this country and why the system has to undergo surgery to the extent that certain elements and certain built-in safeguards are now considered no longer satisfactory or no longer necessary and therefore abandoned, escapes me. I see no reason why the safeguard on the free expression of opinion which the caucus provides should be minimized; I see no reason why it should be threatened; and I see no reason why it should be questioned; and as long as that exercise of freedom exists, then the democratic party system, the party system in parliament is safe. You can't take one element of the system and divorce it from the other. If there were no caucus system, if there were no caucus element in the overall institution, then I think you'd have a case when you argued for the free vote in parliament and on the floor of the Legislature.

But you can't take one part of the system and say this is all there is, there's nothing else. The system consists of the communication between the voter and the elected representative at the constituency level, between the individual party members themselves in their caucus and between the parties in juxtaposition in the Chamber, and as long as the caucus is there, the individual member has a free vote on every question raised in this House. Where there is a particularly contentious issue of a social nature where a party leader does not wish to lay down specific lines for his followers to adhere to in the House, he will make available to them the opportunity of a free vote on the floor of the Chamber. So that's an added bonus. But the fact that we don't have a free vote on every question on the floor does not and should not be allowed to suggest for one moment, Sir, that there is no opportunity for free vote and free expression of opinion in this system, because as I've said, it exists out there in the caucus room and that is where it should exist, and this part of the system couldn't operate properly without that part.

Furthermore, I think it's an illusion to suggest that 57 people in a Chamber would bring

(MR. SHERMAN cont'd.). . . . 57 different opinions to a question. I think that oftentimes people who argue in favour of the free vote system, the unencumbered, unhindered free vote system, think that it would make for a broader expression of opinion on a question. I don't believe that's true. I think that most questions of a social and public affairs nature really only elicit about three different types of answers. They don't produce 57 different types of answers. There can be shades and nuances of opinion on minor and individual aspects of the legislation or of the proposal, but those are dealt with on a free vote basis in the committee stage.

As far as the position on principle on any question, I don't believe, Sir, that it's human nature for 57 people, whether they're in the Assembly, the Legislative Assembly of the Province of Manitoba or whether they're in Westminster or whether they're in the diet in Tokyo or whether they belong to a military junta in South America, I don't believe that they bring 57 different opinions to a question, to an issue of social or public affairs consequence insofar as this principle is concerned. I think there are only two or three positions that are ever taken on the principles of a legislative proposal.

So it's an illusion to talk about all these different opinions that would be permitted and brought to bear. They won't be permitted and brought to bear any more than they are now permitted and brought to bear in caucus and at the committee stage of the legislation.

I also challenge the Member for Churchill, Mr. Speaker, on his suggestion that the institution of party discipline often forces a member to vote against his conscience. I don't have any recollection of this. . . .

HON. RUSSELL PAULLEY (Minister of Labour)(Transcona): You don't have that problem, Jake.

MR. JACOB M. FROESE (Rhineland): No.

MR. SHERMAN: No, well there's certainly -- the Minister of Labour suggests that the Member for Rhineland doesn't have that problem and perhaps the Member for Churchill himself doesn't have that problem, but I can go beyond that to say that I have in my brief experience in politics, Mr. Speaker, I have had no experience, I have no recollection of any of my colleagues coming to me and saying that they were forced to prostitute themselves on a question, that they were forced to vote against their conscience. In fact I think it's manifestly obvious, particularly in the party to which I belong, that it's often very difficult to get people to agree on a collective and a unified approach to a question, and the order of the day in the Progressive Conservative Party has been to vote according to your conscience.

I found it very -- well, I was going to say I found it very limited in the extreme, but I wish to have that phrase stricken from the record, Mr. Speaker, I wish to say that I have never found in my experience that any colleagues of mine in my own Party or any other have ever said to me, have ever said to me that they had to vote against their conscience, and I have seen innumerable examples of people in all parties standing up and voting against the party line on questions. So I really don't feel that we're impressed into a kind of a strait jacket in terms of voting and in terms of expression of opinion along the lines implied by the Member for Churchill, and implied by many other critics of the system who think that the free vote is the answer to all democracy's ills.

Mr. Speaker, let me take a minute or two to suggest to the Chamber what I think are the main dangers in the proposal advanced by the Honourable Member for Ste. Rose and others who quite sincerely subscribe to his proposition and advance it with all sincerity. The biggest danger, Mr. Speaker, it seems to me -- and it's easy to say at this point of the argument that the biggest danger is it would ultimately undermine the whole system and that's a kind of a superficial and a glib rider to put on the thing. But I think that if the things happen that I fear would happen under this kind of a system that one could quite conscientiously say, Sir, that the free vote if permitted on a relatively unlimited basis along the lines proposed in this bill, it would ultimately undermine the whole system. Because the biggest danger, Sir, is it would produce block voting in the Assembly. It would produce an artificial or at least initially artificial realignment of members that would make it extremely difficult for any party and any leader to carry out his mandate. It would tend to build up rivalries and to create new loyalties -- and I use the term in its literal sense, Sir -- and to create sort of rigid factional positions on questions that I think could render it impossible for this First Minister or any First Minister to carry out his mandate.

As an example, Sir, I suggest the kind of alignment that would occur say between the agricultural element, the representatives of an agricultural element, and the representatives of an urban element or a labour element or an academic element. The way it is now these

(MR. SHERMAN cont'd.). . . . elements are represented in cross-section form, more or less in all parties, more or less in all parties, but if you introduce the free vote system unencumbered in the Chamber, Sir, my fear would be, and I think it's a legitimate one, that you would find questions arising where the agricultural members or the representatives of the academic community, the representatives of the labour community, the representatives of the business or management community or the urban community, any individual element in society that you care to name would find themselves coalescing and banding together and forming rigid factions that would render it, Sir, I suggest without fear of contradiction at this stage, render it impossible for any Premier or any government to carry out its mandate, and that being the case it would undermine the system. So I don't think it's an exaggeration to say that I see a potential and an ultimate threat to the whole democratic party parliamentary process in the kind of proposal that we're considering at this stage.

Members are all familiar with the Churchillian dictum that democracy would be the worst system of government ever devised by man if it weren't for all the others and there is profundity to that proverb as there is to most of the things that Winston Churchill said and we all, I think, recognize the implications of that statement. What he said is what we're saying here, and it isn't perfect and there are improvements that can be made but democracy was not developed, was not produced yesterday, it's taken centuries to evolve, the party system has taken centuries to evolve and it contains within itself, built into itself, its own safeguards and guarantees for survival. If it were not so it would not have survived. I don't mean to suggest that I am taking a Neanderthal approach to the question of evolution because I think that certainly this system like everything else in the world can be improved. I don't think it can be improved in the dying days or the dying weeks of a contentious session when tempers are short and when pretty important and pretty controversial issues still hang unresolved in the air of the Chamber around us. I think that we have to recognize the fact that like the system itself, like the safeguards and the protections and the guarantees built into it, Sir, the improvements and the modifications are going to take time and are going to take blood and sweat and effort. As someone once said, it took the human race centuries of thought and tears and struggle to produce the evolution of the democratic system, that democracy is not a state but a process, and that's precisely what it is. It's a process and one that evolved over the centuries and to attempt to streamline and mechanize one aspect of it just for the sake of the streamlining and the mechanizing of that aspect and for the immediate efficiency to be gained, without regard, Sir, for the effects and the reactions and the counterreactions all down the line in every other part of the system, to me would be unreasonable and unrealistic.

Nothing that I've heard advanced by the Honourable Member for Ste. Rose in this session of the Legislature has been either unreasonable or unrealistic and I'm sure that he doesn't want to be unreasonable or unrealistic on this point either, Mr. Speaker.

MR. SPEAKER: The Honourable Member for Morris.

MR. FROESE: I have a question. I wonder if I could ask a question. Would the previous speaker submit to a question? I have two questions. One is: has the honourable member ever sat on the government side of the House? And secondly: do the federal statutes have provisions such as are outlined in Bill 114?

MR. SHERMAN: I'll answer the first question, Mr. Speaker. No, I've never sat on the government side of any House and there may be a lesson there for my party. I didn't catch the second question.

MR. FROESE: Whether there are provisions in the federal statutes such as are outlined in Bill 114.

MR. SHERMAN: To my knowledge, no, Mr. Speaker, no.

MR. SPEAKER: The Honourable Member for Morris

MR. WARNER H. JORGENSEN (Morris): Mr. Speaker, I'm sure that the Honourable Member for Ste. Rose after listening to the rather flowery compliments that were paid to him by my colleague from Fort Garry must be sitting there wondering why if he possesses all that wisdom and good judgment why nobody listened to him more carefully when he was the Leader of his Party on this side of the House. But I must agree that his experience in the Chamber does qualify him to a large extent to make a suggestion such as he has made in this bill. I have had the experience of being on both sides of the Chamber, both on the government side and on the opposition side, and whether or not that qualifies me to contribute anything to this debate I do have a few observations that I should like to make in connection with the proposal that we are now considering. I'm quite sure that the Member for Ste. Rose must feel somewhat like an

(MR. JORGENSEN cont'd.). . . . elder statesman after hearing the comments that have been made about him and his contribution to this province.

One of the concepts that is inherent in our system is that the government at all times must maintain the confidence of the House, and that confidence, Sir, is maintained by a majority, whether that majority comes entirely from the government side or whether it's a combination of members from both sides of the House, it must maintain that majority. My colleague from Fort Garry referred to the incident that took place in the House of Commons in 1968 and the First Minister was there at the same time so he well recalls it. But one incident that he did not refer to was the debate that took place following that particular episode when the then Minister of Justice, who is now the Prime Minister of this country, in speaking to the motion of confidence that was placed before the House following the one-day recess that was held, was asked the question if he thought that the government on the proposal of a motion of confidence, or if the government on any particular bill or any particular motion before the House would consider that motion to be one of confidence and his reply was a rather unusual one. He said that the government had the right to consider any bill and any motion a motion of confidence. --(Interjection) -- The present Prime Minister of this country. He was then the Minister of Justice and was speaking on this particular debate. He was then asked the question if the government would consider a motion of confidence before, during or after the vote and his reply was before, during or after. In other words he wanted the best of three worlds. I don't think that too many people in the Chamber at that time agreed with that attitude insofar as motions of confidence are concerned. But I do question whether or not the proposal that has been made by the Member for Ste. Rose would be in the best interests of this Chamber or the people of this province. Recognizing of course the problem that was posed by the Member for Churchill and indeed the frustrations that backbenchers always feel in an elected chamber: the difficulty of expression, the difficulty of getting ideas across, the difficulty of making their presence felt in the Chamber - and I have gone through those frustrations on both sides of the House myself. But -- (Interjection) -- Well I was a parliamentary secretary for a relatively short period of time when you consider the length of time that I have been in the Chamber, so I had ample opportunity to experience the frustrations and nobody here knows what real frustrations are unless you are a member of a party that has 208 members in a House of 265. That has to be the ultimate in frustration. The difficulties through the years have been with members and through the years, true to the parliamentary process there has been an evolution taking place. We've had 700 years of parliamentary democracy to draw from and the kind of procedures that we follow in the Chambers today are a far cry from the original concepts of parliamentary democracy. Those changes will continue and they will come about because of necessity, they'll come about because of the need to keep pace with the changes that are taking place in our world. But I doubt very much if the proposal that is made by the Member for Ste. Rose is one that we can accept and my main objection to it was referred to and dealt with very eloquently by the Member from Fort Garry, and that's the probability -- I say not only the probability but the inevitability of a bloc system of voting.

The parliamentary system that we enjoy here in this country is -- you can compare it to the American system. The Americans do have a system of bloc voting. Under their system, and although they have safeguards in other directions and in other ways in order to counteract the influence of the lobbies that take place in the congressional system, we don't have that here in this country and so to attempt to adopt a portion of a congressional system in this country without accepting all the safeguards that are built in to the American system is extremely dangerous I would think. In this country and under our system it is necessary that the government seek support from all parts of the country. In the federal system I don't think there is a part of Canada that can be ignored if the government hopes to retain power in Ottawa. I think the same is true in this Legislature, and although some of my friends opposite may think that all they require is a majority of votes in the city, I think that that theory may be doomed to failure if they attempt to put it into practice. The only way that you can maintain or gain the confidence of the people of an entire province, all sections of the province, is to develop the kind of reasoned thinking that takes into consideration the peculiar and particular problems of every part of the province, and to attempt to adopt the system that has been proposed by the Member for Ste. Rose would lend itself to the worst kind of bloc voting. One of the difficulties that you will find if one group happen to vote against a particular proposal is that if that particular group wanted something later on, guess who would be taught a lesson? And the consequence, of course, is that nothing would get through the Chamber.

(MR. JORGENSEN cont'd.)

I think it was President Eisenhower who had that experience for eight years in the American Congress and although he had a very large popular majority as a President of the United States was unable to get anything of substance through the American Congress because of the so-called bloc system of voting, the vested interests of the lobbyists, and if this proposal is adopted I am fearful that this is the sort of thing that we'd be confronted with and I would not want to see that happen in this country.

In addition to that, we have a more recent example, one that we can draw from our observations of just a week or so ago; if the system was adopted we would find ourselves conducting debates in much the same way that we had a debate in this Chamber on Bill 75. What we witnessed opposite was a government caucus and the arguments and name calling, and the time wasting that went on in this Chamber while members of the government side attempted to resolve their differences was a -- (Interjection) -- well, my honourable friend says all the members. Of course, but on our side of the House our job is to criticize. -- (Interjection) -- Well, that's fine it's not that important when you are in opposition you know. -- (Interjection) -- Because we have nothing to lose and everything to gain; we are on the Opposition side. But when you are on the government side then it becomes extremely dangerous to engage in that sort of thing. We had the experience of watching honourable members engage in a bitter and vociferous caucus meeting while they endeavoured to sort out their various shades of opinion on Bill 75; and what we would have in this Chamber, Sir, is a re-enactment of a debate that took place on every issue - and I wouldn't want to wish that on the Chamber, although it was highly entertaining to those in the gallery and particularly members of the Press gallery who suffer through hours of long and dull debate and are always looking for a little bit of life and a little bit of excitement in order to fill out their columns for the following day. But I do not think that the proposal that has been made by the Member for Ste. Rose is one that could be adopted if we are to maintain the essence of parliamentary democracy in this country, and if a government is to attempt to provide to all its citizens the kind of government and the kind of policies that will appeal to all parts of the province. That can only be done through the parliamentary system of democracy such as we enjoy in this country.

In saying that I don't want to give the appearance of being reactionary on the question of change. I've made some proposals myself in the committee on the rules that will I hope have the effect of enabling more members to participate more fully in what goes on in this Chamber, to expedite the business of the Chamber without restricting and circumscribing the contributions that members may wish to make. I think what is most important is that one can get the business of the House through as expeditiously as possible without unduly restricting debate and without feeling that efficiency is the criteria that we must follow in order to provide good government for this province. Because if it's sheer efficiency that we're looking for then, of course, the Russians provide us with what I would say is the most efficient government of all. There is no opportunity for anybody to question them. You don't set up one board or one government to carry out the program and another one to criticize them all the time, they don't have to answer to anybody. The lines that are drawn between our system and the totalitarian system are very thin indeed. The government, members of the Cabinet, have about as much power as a totalitarian system of government.

MR. PAULLEY: Oh come on now.

MR. JORGENSEN: Well indeed they have. There is only one difference and that difference is that honourable gentlemen opposite have to once a year appear before this Chamber and answer....

HON. ED. SCHREYER (Premier)(Rossmere): They're also subject to regulations and law.

MR. JORGENSEN: answer to what they have done or what they propose to do. And that's the difference. And if you circumscribe debate or attempt to stultify debate in this Chamber then you're moving into the direction of a totalitarian form of government. That's the reason, that's the reason, Sir, that opposition members guard so jealously, and they've done this through the years, guard so jealously their right to speak in this Chamber because they're guarding the freedoms and the rights of the people of this country; and you, Sir, have the responsibility of ensuring that we are given that protection under the rules that we have drawn up for ourselves by consent of members on both sides of the House. As long as that set of rules is followed - and we may have some more to say about rules later on when the motion is before us - but as long as they're followed, then no matter, no matter how difficult it may

(MR. JORGENSEN cont'd.). . . . appear, the process of democracy continues and the interests of the people of this province are being served.

I know there are many who may watch from the galleries and criticize the process, and I think largely because they don't understand it. I apply that same criticism to the members of the press gallery who seem to think that this is a sausage machine where you put the ingredients in one end and they must come out the other end as quickly as possible. That is not parliamentary democracy in my view. We're not here to provide material for the press gallery's column the following day. We're here to carry on the business of the nation, and if it happens to be dull that's tough but that's just the way it is. Ninety percent of the debate in this Chamber is dull, but it's carrying on the business of the Chamber and it's parliamentary democracy the way it should be.

MR. SPEAKER: The Honourable Minister of Labour.

MR. PAULLEY: Mr. Speaker, I've listened with a great deal of interest to my honourable friends across the way and I must confess that in listening to them that I have come to the conclusion that the subject matter of their dissertations have been very widespread and really in many instances has not referred specifically to the proposal of the Honourable Member for Ste. Rose. For it seems to me that in the proposal of the Honourable Member for Ste. Rose that it would be quite possible for a government to be defeated on a considerable number of measures and still hold the reins of power, which of course would be contrary to the normal concept of democratic government as we know it in Canada and it certainly to some degree would go against the traditional conduct of the parliamentary system in Canada.

I would suggest to my honourable friend the Member for Morris who did sit in a totalitarian government and he referred to it being one that had 208 members out of 265, and if there ever was a totalitarian government in Canada, Mr. Speaker, certainly that government was. But there the proposition as suggested by the Member for Ste. Rose in Bill No. 114 would have no effect in any case. There would be absolutely, I would suggest, no danger whatsoever of 208 Conservatives defeating a measure introduced from the Executive Council or from the front bench at any time. However, I did listen as I say, Mr. Speaker, with a great deal of interest to the contribution of honourable members opposite in respect of this resolution and I agree with them that the proposal is worthy of consideration, that we should not simply dismiss the suggestion of the Honourable Member for Ste. Rose. I've had the opportunity of sitting on a Rules Committee of the House on a number of occasions considering how we could better the rules of procedure and the Legislative Assembly Act of the Province of Manitoba. So I agree with my friends.

I question, Mr. Speaker, whether we need tarry any longer in debating the pros and cons of the Honourable Member for Ste. Rose but I think we should accept the proposition of the Member for Fort Garry, the Member for Morris and also the Member for Birtle-Russell who in his contribution suggested, too, that this subject matter of Bill 114 should be referred to the Committee on the Rules of the House. Now I believe that we have on the Order Paper a notice of the reconstitution of that committee at the present time before us, as the Member for Morris indicated a short time ago. We will be considering some of the suggestions that come as a result of the deliberation of the rules of the House Committee, which we have before us and one of the recommendations, of course, of that committee was that the Rules Committee be reconstituted for which provision we are now making.

So in all fairness to my friend the Member for Ste. Rose, in agreement with my honourable friends of the Conservative Party, I would beg to move, Mr. Speaker, seconded by the Honourable Minister of Mines and Natural Resources, that the motion of the Honourable Member for Ste. Rose be amended by deleting all the words after the word "that" and substituting therefor the words "Bill No. 114, an Act to amend The Legislative Assembly Act, (2) be not now read a second time but that the subject matter of the bill be referred to the Special Committee of the House on the Rules of the House either during recess or after prorogation for consideration and report to the House at the next session of the Legislature."

MR. SPEAKER presented the motion.

MR. SPEAKER: The Honourable Member for Fort Rouge.

MRS. INEZ TRUEMAN (Fort Rouge): Mr. Speaker, I move, seconded by the Honourable Member from Morris, that the debate be adjourned.

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

MR. GREEN: Mr. Speaker, I propose to call the resolution on the Northern Task Force on Page 4 of the Order Paper.

MR. SPEAKER: The proposed resolution in the name of the Honourable Minister of Mines and Natural Resources. The Honourable Minister of Mines and Natural Resources.

MR. GREEN: Mr. Speaker, I move, seconded by the Honourable the Minister for Cultural Affairs, that

WHEREAS it is deemed advisable to reconstitute the Special Committee of the Legislature appointed at the First Session of the 29th Legislature on Friday, October 10th, 1969, as a task force on Northern Affairs to consider and report upon the requirements for the economic, cultural and industrial well-being, growth and development of Northern Manitoba,

AND WHEREAS it is also deemed advisable that this task force should include, in addition to representatives of various interested groups of citizens, certain members of this Assembly,

THEREFORE BE IT RESOLVED that a Special Committee of the Legislative Assembly comprised of Hon. Mr. Green, Messrs. Allard, Barrow, Beard, Bilton, Johnston (Portage la Prairie), and McBryde, be reconstituted to consider and report upon the requirements and development of Northern Manitoba,

AND THAT the Committee hold such public hearings as it may deem advisable,

AND THAT the Committee have power to sit during recess or after prorogation and report to the House at the next session of the Legislature.

Mr. Speaker, His Honour, the Lieutenant-Governor having been informed of the subject matter of the proposed resolution recommends it to the House.

MR. SPEAKER presented the motion.

MR. SPEAKER: The Honourable Member for Rhineland.

MR. FROESE: Mr. Speaker -- (Interjection) -- Well okay, I'll adjourn it. Mr. Speaker, I beg to move, seconded by the Honourable Member for La Verendrye, that debate be adjourned. They didn't want. . . .

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

MR. GREEN: Mr. Speaker, Bill No. 138.

MR. SPEAKER: Adjourned debates on second reading. On the proposed motion of the Honourable Minister of Industry and Commerce, Bill No. 138. The Honourable Member for Riel.

MR. JAMES H. BILTON (Swan River): In the absence of the honourable member may this matter stand, Mr. Speaker?

MR. GREEN: Mr. Speaker, I have purposely on at least five occasions withheld calling of this bill because the member who I'm informed was going to speak on it was not present and I would not like to let it stand so that we can't discuss it tonight and get it passed.

MR. SHERMAN: Mr. Speaker, through you to the House Leader, Sir. I am advised that the Honourable Member for River Heights wants to speak on it, and he's on his way to the Chamber so if we could postpone it temporarily. . . .

MR. GREEN: Mr. Speaker, can you treat it then as though it were not called. Call Bill No. 135.

MR. SPEAKER: Second reading Bill 135. The Honourable Member for Roblin.

MR. J. WALLY MCKENZIE (Roblin) presented Bill No. 135, an Act to repeal an Act to validate and confirm a certain agreement between the Town of Dauphin and the Rural Municipality of Dauphin, for second reading.

MR. SPEAKER presented the motion.

MR. SPEAKER: The Honourable Member for Roblin.

MR. MCKENZIE: Mr. Speaker, I'm not any authority on this bill that's before us at this time. There is a controversy between the Town of Dauphin and the Municipality of Dauphin and I would humbly submit to the House that those governments be invited to the committee and that we will hear their case and legislate it so that I think everybody is satisfied.

MR. SPEAKER: The Honourable Minister of Municipal Affairs.

HON. HOWARD R. PAWLEY (Minister of Municipal Affairs)(Selkirk): Mr. Speaker, as the Honourable Member for Roblin has indicated the bill which he is introducing is the result of a conflict between the Town of Dauphin and the Rural Municipality of Dauphin relating back to an agreement which was executed between the two parties in 1943, which Act incorporated an agreement at that time in respect to the exemption from taxation by the Rural Municipality of Dauphin of properties with the R.M. owned by the town and vice versa. The contents of the

(MR. PAWLEY cont'd.). . . . agreement is such and the application of same, that it is of importance to the two communities involved, thus the reason that there is real conflict between the two municipal jurisdictions as to whether or not the old agreement should be repealed.

Certainly when governments take on to themselves to repeal an Act incorporating an agreement it's a very serious matter; at the time certainly the parties had felt that the agreement was fair and equitable for each. It appears now that there is disagreement as to whether the agreement should in fact be continued. It's a matter on which the committee is going to be required to give quite a bit of exhaustive thought and study to. It's something which has been lived with by the two parties since 1943 and the Committee on Municipal Affairs will be sitting between this session and next. Therefore Mr. Speaker, I would like to move, seconded by the Honourable Minister of Transportation, that the motion of the Honourable Member for Roblin be amended by deleting all the words after the word "that" and substituting therefor the words "Bill No. 135, an Act to repeal an Act to validate and confirm a certain agreement between the Town of Dauphin and the Rural Municipality of Dauphin be not now read a second time, but that the subject matter of the bill be referred to the Standing Committee on Municipal Affairs for consideration during recess or after prorogation and report to the House at the next session of the Legislature."

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

MR. GREEN: Mr. Speaker, I wonder if the Clerk will help me by giving me the Committee relative to the Whole House - the motion relative to the Committee of the Whole House.

Mr. Speaker, I move, seconded by the Honourable Minister of Cultural Affairs, that Mr. Speaker do now leave the Chair and the House resolve itself into Committee of the Whole to consider the following bills: No. 16, No. 25, No. 30, No. 31, No. 37, No. 53, No. 81, No. 137, No. 115.

MR. SPEAKER presented the motion.

MR. GREEN: Mr. Speaker, just record the seconder as the Minister for Cultural Affairs. You said the Attorney-General. He's not in his seat.

MR. SPEAKER: The Honourable Minister of Cultural Affairs. My apologies.

MR. GORDON E. JOHNSTON (Portage la Prairie): Mr. Speaker, I'd like you to repeat the bills, please.

MR. GREEN: From 16 down.

MR. SPEAKER: Bills Nos. 16, 25, 30, 31, 37, 53, 81, 137 and 115.

MR. SPEAKER put the question and after a voice vote declared the motion carried, and the House resolved itself into Committee of the Whole, with the Honourable Member for Kildonan in the Chair.

COMMITTEE OF THE WHOLE HOUSE

MR. CHAIRMAN: (Bills Nos. 16, 25, 30, and 31 were read section by section and passed) Bill 37 ... Credit Unions Act. Page by page?

HON. SAMUEL USKIW (Minister of Agriculture)(Lac du Bonnet): Call page by page, and the amendments.

MR. FROESE:

MR. USKIW: Pardon me?

MR. FROESE: . . . because there are too many clauses which I wish to speak on.

MR. CHAIRMAN: Okay. (Sections 1(a) to 1(f) passed) Section (g) . . .

MR. GREEN: Mr. Chairman, may I ask whether the honourable member does not have his notations on the pages referred to, and if possible then when that page comes he could indicate that he wishes to go section by section. If that's acceptable to him. -- (Interjection) -- I was asking the honourable member whether he doesn't have his notations on the pages which are referred to so that when we get to a page on which he has a problem then we could go section by section. It would save a bit of time.

MR. FROESE: In some cases I have it, not in others.

MR. GREEN: Okay.

MR. CHAIRMAN: (Sections 1 (g) to 2(1) of Bill No. 37 were read and passed) The Member for River Heights.

MR. SIDNEY SPIVAK, Q. C. (River Heights): Well I'm not sure that the Honourable Member from Rhineland has an amendment or not. It may be the same amendment. Mine is not directly concerned with item 2 (1) but is concerned with the heading of Part One referred to

(MR. SPIVAK cont'd.). . . . as Share Capital, and if it's appropriate, Mr. Chairman, at this point, I'd like to amend the section which shows Part One - Share Capital. I assume that that's appropriate before you deal with 2 (1). Is that correct?

MR. CHAIRMAN: Yes.

MR. SPIVAK: Mr. Chairman, before I move the amendment may I simply say that I repeat here in the committee as I repeated in the Agriculture Committee, my belief that the reference to share capital is misleading in that it indicates share capital in a general sense which would indicate a share in a corporation in which it is understood that there is dividends or interest which could be paid. There are sections here which provide that no interest or dividend shall be paid on the share capital. In effect, I think it's agreed that the share capital that we refer to here is really a membership in a credit union. One share which is a membership. There may be substantial money in a credit union but it will only be considered as one share and essentially it is a membership share. I think that this section should read -- and there was some discussion with the Legislative Counsel during the committee hearings and I'm not going to suggest that there be amendments with respect to the shares as was proposed in the committee, but I think that this heading in this particular section should refer to as "membership share capital" and I therefore, Mr. Chairman -- and I'm just in the process of writing this out -- would suggest that the section entitled share capital be amended by adding the word "membership" in front of the word "share" so that it would read "membership share capital." Seconded by the Honourable Member from Lakeside. -- (Interjection) -- I'm stating that the section should not read "share capital" but "membership share capital."

MR. CHAIRMAN: Would the Member for River Heights write out the amendment please?

MR. SPIVAK: Yes, I am.

MR. GREEN: Mr. Chairman, I'd like to ask the honourable member whether the amendment that he now proposes in any way changes the bill, in any of its legal effects or in any of the effects which are legislated for; and if it doesn't then why are we changing the bill.

MR. SPIVAK: Mr. Chairman, that's a very interesting question because I think there are many occasions in which someone could put the question properly to those who propose the bill: does anything we suggest change the bill, and if not why not add it, or why did you have it that way, why didn't you have it another way.

Mr. Chairman, as I indicated in the committee, there is an understanding that what we're really talking about is a membership, a membership fee basically which is returned if the -- or a membership -- an amount which is returned to the party if he withdraws from the credit union. It is not share capital in the common, conventional sense. It is not understood as a share capital that would be the share capital in a normal joint stock company in which you can assume that there was the possibility of interest or dividends being paid. There will be no interest or dividend paid and this legislation stating that there will be no interest or dividend, as far as I know, based on the representation to the committee, would be the only legislation, we would be the only Legislature in the country that would have this specific provision, and therefore I believe it is important that at least this section be distinguished from conventional sections that would refer to share capital in the normal sense which would lead one to believe that the share gave them an interest in an association or in a company in which there are certain rights. Those rights do not exist by this legislation. There are other rights but those rights are related to membership.

MR. GREEN: Mr. Chairman, the member says that it's an interesting question that I ask him whether or not the amendment that he is suggesting changes the legislation, and that he put the question to me: why did you bring it this way, why didn't you bring it in another way. I'm saying that that type of questioning could go on infinitely and therefore when the government proposes a bill and the opposition has no amendment which makes any change in the bill I say that the simple solution is to not make the change. And when you ask me why was it proposed in this way and not in another way, is because it happens to have been proposed in this way. There is no other answer. I'm only asking the honourable member whether the change that he now is proposing makes a change in the bill, and his answer is no, that it doesn't change the bill.

MR. HARRY ENNS (Lakeside): Mr. Chairman, let me perhaps intervene between these two lawyers before we unduly hold up the passage of this important bill. I think, it seemed to be to me that we had indication that aside from the House Leader who takes a legalistic position on the question referred to by my colleague the Member from River Heights that otherwise I seem to see a nod of approval to other Cabinet Ministers with respect to this change, and I think the change is. . . .

MR. GREEN: Mr. Speaker, I didn't say I'm against it.

MR. ENNS: Okay, then all the more reason why are we arguing about it? I'm simply suggesting, Mr. Chairman, that I think the Member for River Heights indicated that there was a specific reason for making it clear why the amendment was being requested and we should be attempting in all our legislation to make our intentions clear and not to in any way fog issues. Now the Member for River Heights has referred to what is conventionally understood by share capital and that there is a difference in this case. So I think that there's some responsibility on us to then so indicate that when we're speaking about share capital in this instance that there is a difference with respect to the conventional concept of share capital. That's really all that the Member for River Heights was suggesting and I think perhaps we could accept the amendment as proposed by the Member for River Heights.

MR. CHAIRMAN: The Minister of Health and Social Development.

HON. RENE E. TOUPIN (Minister of Health and Social Development)(Springfield):.... the amendment please?

MR. CHAIRMAN: Pardon? Yes, I'll read the amendment. The amendment is: Moved by the Member for River Heights that Part One be amended by adding the word "membership" in front of "share capital".

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

MR. CHAIRMAN: The amendment is approved. 2(1) as amended -- passed, 2 (2) -- the Member for Rhineland.

MR. FROESE: Mr. Chairman, I move that clause (2) of Section 2 be amended by deleting the words "not more than one" in line one and inserting the words "one or more" in its place.

MR. CHAIRMAN presented the motion.

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

MR. GREEN: Mr. Chairman, before we consider this may I move that the committee rise. The Lieutenant-Governor is here to give Royal Assent.

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

ROYAL ASSENT

SERGEANT-AT-ARMS: His Honour the Lieutenant-Governor.

MR. SPEAKER: May it please Your Honour, the Legislative Assembly at its present Session passed several bills which, in the name of the Assembly, I present to Your Honour, and to which Bills I respectfully request Your Honour's Assent.

MR. CLERK:

Bill No. 3 - The Local Authorities Election Act.

Bill No. 99 - The Thompson Charter.

Bill No. 108 - An Act to amend The Gasoline Tax Act.

Bill No. 34 - An Act to amend The Electricians' Licence Act.

Bill No. 50 - An Act to amend The Fire Department's Arbitration Act.

Bill No. 77 - The Payment of Wages Act.

Bill No. 91 - An Act to amend The Department of Labour Act.

Bill No. 92 - An Act to amend The Labour Relations Act.

Bill No. 93 - An Act to amend The Workmen's Compensation Act.

Bill No. 117 - An Act to amend The Employment Standards Act.

In Her Majesty's name His Honour the Lieutenant-Governor doth assent to these bills.

MR. WALTER WEIR (Leader of the Opposition)(Minnedosa): Mr. Chairman, Mr. Speaker, whoever is in the Chair, that appears to me to be a rather informal way to go back into committee when we went out of it so formally.

MR. GREEN: Mr. Chairman, I believe that the Clerk indicated that I was not supposed to have moved that the Committee rise, that no motion is appropriate, and that is the way we go back, with the Clerk's indication to.

MR. WEIR: The committee didn't rise?

MR. GREEN: No. The motion was not really a proper motion when the Lieutenant-Governor is coming in.

MR. PAULLEY: The royal prerogative.

MR. GREEN: Sorry.

MR. CHAIRMAN: We're back to clause (2) of Section 2 with the amendment by the Member for Rhineland. I'll read it again due to the interruption: "That clause (2) of Section 2 be

(MR. CHAIRMAN cont'd.). . . . amended by deleting the words "not more than one" in line one and inserting the words "one or more" in its place. Are you ready for the question? The Member for Rhineland.

MR. FROESE: Mr. Chairman, I indicated when speaking on the bill on second reading that I do not subscribe to the proposal that is incorporated into the bill of almost eliminating share capital and this is why I'm making this amendment so that members can buy any quantity of shares they so desire in a credit union. I feel that this is and has been the strength of the credit union organization for many years since its inception and. . . .

MR. CHAIRMAN: I wonder if we could have a little more quiet please.

MR. FROESE: . . . the strength of the movement is built on this, therefore I feel that it should be retained. Certainly when a credit union goes out to borrow money as an organization they need strength, this is the only way they can speak from and with strength and therefore I feel that it is very essential that the share capital be left in the credit unions.

The reduction as proposed in the Act is very very drastic. I indicated at that time that the credit union in my area the share capital would be reduced from seven and a half million to twenty-five thousand. This is far far too much and therefore my proposal is that the share capital be left in the credit union bill and that later on I propose other amendments which will permit the payment of dividend on these shares.

MR. CHAIRMAN put the question and after a voice vote declared the motion lost.

MR. CHAIRMAN (Sections 2(3) to 2(5) of Bill No. 37 were read and passed) Section 2(6)—

MR. FROESE: Mr. Chairman.

MR. CHAIRMAN: The Member for Rhineland.

MR. FROESE: Mr. Chairman, I move that clause (6) of Section 2 be amended by deleting the word "no" in the first line thereof and further that the word "shall" in the first line be changed to "may".

MR. CHAIRMAN presented the motion.

MR. CHAIRMAN: The Member for Rhineland.

MR. FROESE: I'll just speak on the amendment, Mr. Chairman. The substance of it is that instead of not allowing the Credit Union to pay interest on shares this would allow it - it would not be mandatory, it would be permissible. The reason I make it permissible is that if the Credit Union should not be in a position financially to do so, that it need not pay the interest; but certainly that a Credit Union could pay a return on the share capital that is left with it.

MR. CHAIRMAN put the question and after a voice vote declared the motion lost.

MR. CHAIRMAN: (The remainder of Section 2 was read and passed) Section 3—passed.

MR. FROESE: Mr. Chairman, if it would speed up the committee's work if there are no other amendments, my next amendment will be on Page 9.

MR. CHAIRMAN: Page by page. (Pages 4 to 8 of Bill No. 37 were read and passed) Page 9—passed. The Member for Rhineland.

MR. FROESE: Mr. Chairman, I move that Section 24 of the bill be deleted.

MR. CHAIRMAN presented the motion.

MR. CHAIRMAN: The Member for Rhineland.

MR. FROESE: In speaking on this amendment I feel strongly on this point as well because I feel that the credit unions should not go into the housing business, that they should remain a financial institution and concern itself with the finances, savings and loans and not go into housing. I think this will lead to trouble. Certainly if priorities are going to be placed later on by a credit union on its members, whether a member shall have a loan or whether the housing project should receive that money, there's going to be conflict and I think this should be avoided. This does not mean that monies cannot be borrowed from a credit union for housing purposes by individuals, or by corporations, but I feel that the credit union itself should not be involved in the housing project.

MR. CHAIRMAN put the question and after a voice vote declared the motion lost.

MR. CHAIRMAN: Page 9—passed.

MR. FROESE: Mr. Chairman, I've a further amendment to propose, that Section 25(1), clause(d) be amended by deleting the words "and supported by a central credit union" in the second last line thereof.

MR. CHAIRMAN presented the motion.

MR. CHAIRMAN: The Member for Rhineland.

MR. FROESE: Mr. Chairman, here again I feel that our credit unions should remain

(MR. FROESE cont'd.). . . . autonomous, that they should not be subjected to the central organizations which this would entail; that they could only deposit monies in central credit unions, or in chartered banks, or in trust companies which are supported by a central credit union; and I feel that this qualification should not be there, that the credit unions should have autonomy to do so as they please and not be dictated to by the central organizations.

MR. CHAIRMAN put the question and after a voice vote declared the motion lost.

MR. CHAIRMAN: (Page 9 of Bill No. 37 was read and passed) Page 10—

MR. CHAIRMAN: The Member for La Verendrye.

MR. LEONARD A. BARKMAN (La Verendrye): Mr. Chairman, I asked a question during the debate and I think it's clarified by now, but I just would like to have it checked out. I was asking if this would — Section 25(1)(e)(i) — concerning the investing or the — if this would include the selling of town debentures for example. Now I have checked under the Trustees Act and I now feel that it does include — am I correct in this assumption?

MR. TOUPIN: Yes, Mr. Chairman, it does include municipal debentures.

MR. BARKMAN: Thank you.

MR. CHAIRMAN: Page 10—passed. The Member for Fort Garry.

MR. SHERMAN: Mr. Chairman, on Page 10, I wish to move, seconded by the Honourable Member for Roblin, that Bill 37, The Credit Unions Act, be amended by adding after Section 25(3) the following: "Public deposits, 25(4). Notwithstanding the provisions of Section 25(2) the Minister shall not make any deposit of any public monies of the Province of Manitoba with any credit union for savings purposes until he has satisfied himself that such deposit or deposits will be protected under the Canada Deposit Insurance Corporation Act."

MR. CHAIRMAN: Moved by the Member for Fort Garry. . . .

MR. SHERMAN: Well, the amendment I would hope is reasonably self-explanatory, Mr. Chairman, as I said when we were on clause by clause in Law Amendments Committee, or perhaps it was on second reading. The safeguarding of public money is of paramount importance. There have been some sensational financial failures in this country in recent years with which all of us are familiar, not too many to be true, but those that have occurred have certainly resulted in great pain, anguish and suffering, and if any monies are to be protected insofar as it's possible against that kind of disaster, surely it is the monies of the people of the province, the public's money. Therefore when the Minister is considering making deposits of the nature discussed and described under Section 25(2) of the Act with a credit union, I think it's unquestionably and demonstrably in the public interest, Mr. Chairman, for him to satisfy himself that that deposit will be protected under deposit insurance, and under the terms provided by the Canada Deposit Insurance Corporation Act. The Minister of Health and Welfare seems to be addressing a question in his mind. I wonder if I could ask him to forward the question to me at this stage.

MR. CHAIRMAN: The Minister of Health and Social Development.

MR. TOUPIN: Mr. Chairman, it's really a clarification I'd like from the Honourable Member for Fort Garry. He's talking about the acceptability of his amendment regarding the central credit unions — there's no problem, they are covered; but so far as the local credit unions, and we have 250 in the province approximately, they are under the Stabilization Fund and this is comparable to what the centrals are themselves. So I'm just wondering if he would accept an amendment to his amendment to include either one of these stabilization funds. This would cover all credit unions and it would still be under the discretion of the Minister responsible for this Act.

MR. CHAIRMAN: The Member for Fort Garry.

MR. SHERMAN: If the Stabilization Fund, provides the guarantee of safety and security that the Canada Deposit Insurance Corporation Act does, then. . . .

MR. TOUPIN: This is the reason Mr. Chairman for the Stabilization Fund and Fond. . . . du Caisses Populaire.

MR. SHERMAN: Well my advice, Mr. Chairman, and of course part of it's predicated on a later stage of the bill to which we haven't come yet, but Section 99 which refers to deposit insurance and which says that each corporation may apply for deposit insurance under the Canada Deposit Insurance Corporation Act if it so wishes. My advice was that this kind of safeguard and guarantee was not available. The guarantee of security for such deposits was not assured, and that's the reason for my amendment. But on the strength of the Minister's advice I'd be prepared to consider a sub-amendment. However I think the Member for Lakeside would like to make a suggestion at this stage in the debate.

MR. TOUPIN: I'd like to clarify one point.

MR. CHAIRMAN: Yes. The Minister of Social....

MR. TOUPIN: This is now compulsory in the Credit Unions Act that all credit unions belong to either one of these stabilization funds, and this is acceptable by credit unions and it guarantees the funds of the members of credit unions. Now so far as the other part is concerned this is being done by the central, by the Co-op Credit Society of Manitoba and by Le Centrale du Caisse Populaire. There is now two centrals in Manitoba.

MR. CHAIRMAN: The Member for Lakeside.

MR. ENNS: Mr. Chairman, I would have to rise to support the motion as put by the Honourable Member for Fort Garry. I have intimate knowledge about the Stabilization Fund that has been referred to insofar as it was introduced by myself at the time that I had jurisdiction of the credit unions, and I must take a moment to congratulate the credit union movement for safeguarding their interests and their depositors and their memberships both the Caisse Populaire and the credit unions.

The Minister of Health is quite correct in describing the compulsory stabilization fund which my friend from Rhineland didn't agree with at the time that it was being established. But, Mr. Chairman, there is a difference, there is a difference. And here is why the difference - I think it should have to be appreciated. It's one thing for the credit unions and their membership to set up their rules, and their regulations, with respect to developing a stabilization fund which is satisfactory to them in the manner in which their depositors or their members shall be safeguarded and regulated. The question however that is now posed by this bill is that public funds may be put into the -- and deposited with the credit unions and then becomes a responsibility - I think that the safeguards that we require, because I think we always differ when we are talking about public funds and closed groups or closed societies' funds, they are masters of their own houses. But when we consider amendments that would make it possible for putting public funds in, then I think it's quite proper and quite in order to expect that the same safeguards, exactly the same safeguards that are required of the banks and other trust companies and other money institutions that is compulsory, that has been made compulsory under the Canada Depository Insurance scheme for the depositing of public funds, that the credit unions would have to consider that. Now my judgment would be that the credit unions would probably say, yes, we'll -- if they want to use this, or this avenue, that they would use the central which is covered I understand from the Minister through the Canada Depository Insurance Scheme.

But I think, Mr. Chairman, that the motion stands on its validity with respect to the many individual branches which while I recognize have -- are covered under the Stabilization Fund already referred to, but I suggest to you that the stabilization fund and the Canada Deposit Insurance scheme are not identical with respect to the safeguards that they offer to the depositor and I suggest to you, Mr. Chairman, that the nature of the depositor is different. It's a different matter when I as a member of a credit union deposits my money in a credit union and I'm satisfied that the safeguarding features in that credit union are such that I'm not concerned about; I was part and parcel of deciding how that stabilization fund should be set up. It's a different thing when I as a public servant or government official decide -- and as a trustee of public funds -- put public monies into that same credit union, then I think the rules and the regulations should be the same with respect to the safeguards that we demand for that money as we do from the chartered banks, from the trust companies, from other mortgage houses and so forth. -- (Interjection) -- Yes, Mr....

MR. TOUPIN: Is the honourable member aware that the Canada Deposit Security scheme, as he calls it, is a -- a requirement of this deposit security is eight percent of the undivided earnings, and that the compulsory stabilization fund established for credit unions is supported by approximately a quarter of a million Manitobans and the assets of the public is approximately \$160 million and the amount to be transferred to the Stabilization Fund at the end of each year of the undivided earnings is 10 percent, is even higher than the amount that is required by the Canada Deposit Security Scheme? And equally that the total amount, so far as the stabilization fund of credit unions, is based on the total assets of the credit union?

MR. ENNS: Mr. Chairman, I pick no quarrel with the Minister's statements. I'm well aware of the excellent features of the Stabilization Fund that has been set up and administered by the credit unions and the caisse populaire, but I'm simply -- I reiterate the terms of reference that the credit union organizations from time to time may wish to change, or alter, their

(MR. ENNS cont'd.). . . . own affair - and the stabilization fund is their own affair - that legislative bodies do not necessarily have control of as such. I'm suggesting to you though that quite aside from whether the scheme now is better or worse, that the same regulations, or the same safeguards, should apply when we're talking with respect to the investment of public funds in these organizations as it applies to other organizations that the governments of Canada apply their funds, or deposit their funds to.

MR. TOUPIN: Mr. Chairman, if we're going to accept the amendment from the Honourable Member for Fort Garry, it would definitely be duplication because we can't have the credit unions and the caisse populaire of the Province of Manitoba subjected to the Stabilization Fund and equally to the Canada Deposit Security Scheme. We'd have to either abolish one or the other. The central credit unions are not subject to the stabilization fund so this is why we're saying that they have, and any other credit union or caisse populaire in the province can apply, but the central credit unions are the only ones taking advantage of this now because of this, because they don't take part in the Stabilization Fund but we don't intend to have duplication and there's the same coverage and the same protection for the depositors of credit unions or Caisse Populaire in the province. -- (Interjection) -- Yes, it is.

MR. ENNS: Then, Mr. Speaker, I would suggest that the government consider seriously a sub-amendment to the amendment offered by the Member for Fort Garry that would limit the placing of public funds into the credit unions, to namely the Central Credit Union which is covered under the Deposit Insurance Scheme.

MR. TOUPIN: I'm very sorry, Mr. Chairman, but I still have to get up. I don't see why it should be limited, especially when you take the assets of some credit unions in the province, say like Steinbach, Winkler, and a few others, who are practically as large as at least one Central Union, why should they be subject to this, especially when they are covered under the Stabilization Fund the same as the Co-op Credit Society is covered by the Canada Deposit Security Scheme with the same protection and the same amount actually deposited at the end of each year in either fund.

MR. SPEAKER: The Member for Rhineland.

MR. FROESE: I wonder if I could have the amendment read out so that I'm sure exactly what I'm speaking on.

MR. CHAIRMAN: The amendment is by adding after Section 25 (3) the following: "Public Deposits 25 (4) - Notwithstanding the provisions of Section 25 (2) the Minister shall not make any deposit of any public monies of the Province of Manitoba with any credit union for savings purposes until he has satisfied himself that such deposit or deposits will be protected under the Canada Insurance Deposit Corporation Act." The Member for Rhineland.

MR. FROESE: Mr. Speaker, if I may speak to the amendment. There is a difference between the Stabilization Fund and the Deposit Insurance that is being provided by the Federal Government. The Stabilization Fund, if I understand correctly, is just a follow up of the reserve funds that the credit unions have which are there for the purposes of writing off loans - bad loans. -- (Interjection) -- Yes, that is right. Whereas the Canada Deposit Insurance is a matter of insuring the deposits of depositors, and if the credit union had the insurance naturally the deposits would be insured. There is this difference as far as I can see it, and if not, I would like to have legal counsel inform the Chairman so that we can have assurance of the situation that we're in, because I too feel very strongly that if the government is going to deposit funds with credit unions that there is proper precautions made. I'm not saying that the money is in danger at all because I think our credit unions are, most of them are quite strong, and have good reserves; nevertheless, I certainly do not want to discount the amendment as proposed by the Member for Fort Garry.

MR. CHAIRMAN: Counsel informs that he couldn't expect an opinion in respect to the Stabilization Fund or the Canada Deposit Insurance Corporation Act until he had a look at them; he doesn't have them before him right now.

MR. TOUPIN: Mr. Chairman, I would like to take exception to the last comment made by the Honourable Member for Rhineland because so far as the reserve fund is concerned, you're quite right. The reserve fund is there to protect in case of bad loan only, but the Stabilization Fund is not there for that, because if it was it would be the very same thing, we wouldn't have created a stabilization fund. The Stabilization Fund is there in case a Credit Union itself goes bad, not only insofar as loans is concerned but share savings, term deposits and the whole thing; the whole liabilities of the credit union. So the Stabilization Fund is there for the same reason as the Canada Deposit Security because at that time there was no question

(MR. TOUPIN cont'd.). . . . of credit unions becoming a member of the Canada Deposits Security Scheme. It was only the Co-op Credit Society who was a member. It is now allowable and permissible for the La Central La Caisse Populaire to become a member and even credit unions, but why should they when they have this scheme there for the very same reason?

MR. CHAIRMAN: The Honourable Member for Fort Garry.

MR. SHERMAN: It seems to me, Mr. Chairman, that coverage by the Canada Deposit Insurance Act would operate in the best interests of the credit unions because in the wake of what has happened in some financial crises in the country in the last few years the Canada Deposit Insurance Corporation and the Act which incorporates it have become household words and have become catch phrases for security, for safety for confidence. I must suggest to the Minister that although the Stabilization Fund and its rationale may be familiar to certain professionals in a limited field they certainly, I would suggest, are not widely understood by the public at large, whereas the whole function of Federal Deposit Insurance is widely understood and appreciated by the public at large, and it's the public money we're talking about. So it seems to me that if it were made necessary for the Minister to satisfy himself that such federal deposit insurance was available and was covering the monies, that this would operate in the best interests of the credit unions, would give them a stronger hand in terms of deposits, in terms of encouraging and attracting funds on deposit. I think it would operate to strengthen the credit unions hands as well as protect the Minister's hands, and it goes without saying, the public's hands.

MR. TOUPIN: Mr. Chairman, with all due respect to the Honourable Member for Fort Garry, I do want to go back to the statement I made awhile ago. It is provided in this Act, and you'll see further down, that each co-operative, each credit union can apply and become a member and pay their dues to the Canada Deposit Security Scheme, but till they have their membership and till they pay their say 10 percent of the outstanding - well 10 percent of the 25 percent of the undivided earnings of each year into the Stabilization Fund, there is no reason that they be members of both, but they can always convert at any time, and this can be actually asked by the Minister responsible for this Act through his Director of Cooperatives and Credit Unions. But I don't see why we should impose this while they are a member of one; that they be equally a member of the other.

MR. SHERMAN: . . . but the Stabilization Fund is a provincial institution not a Federal one. Is that correct?

MR. TOUPIN: Let me point out Mr. Chairman, that it is provincial but it's affiliated through the Co-operative Union of Canada and through the credit unions of Canada.

MR. SHERMAN: But it's a credit union, it's an industry, if you can call it that, an industry regulation and it's localized, and it's provincial in its effect and its impact and what I am looking for here is some clout, some protection with clout, with weight to it, some Federal protection.

MR. TOUPIN: We can't do it. Well we can under the Canada Insurance Corporation.

MR. AL MACKLING, Q.C. (Attorney-General)(St. James): Mr. Chairman, I would like to point out that the Honourable Member from Fort Garry is misconstruing the whole intent of the Act. The whole of the intent of the Act, and if he'll read the provisions of the Act, is that the credit unions are obliged to provide for the credit stability of the credit unions through participation, and it's mandatory under the Act. I wish the honourable member would hearken to my words. All right. I'd like him to look at the Act and to note that the Act provides - and it's not merely permissive, it's mandatory, that each individual credit union contribute to the provisions enunciated in the Act in respect to the Stabilization Fund. And that's mandatory.

Now later on in the Act, you'll find that it's permissive for the Stabilization Fund which must guarantee the individual credit unions - No, section 99, I believe it is - just a minute. 99. The Stabilization Fund then may take out deposit insurance with the Canada Deposit Insurance Corporation; but to ask each individual credit union to do that is as the Minister of Health and Social Development pointed out, doubling the cost of the individual credit union. The individual credit union must subscribe to the provisions of this Act and provide for payment into the Stabilization Fund. What the honourable member suggests is that they do two things which would be prohibitive in cost. Now if the honourable member wants to say that the corporation, that is the Stabilization Fund Corporation, must take out Canada Deposit Insurance, that's another thing; that's not duplication then. But to suggest the individual credit union must do that that is indeed duplication which would be a prohibitive cost to the individual credit union because they're having to protect themselves two ways: Instead of taking out one comprehensive insurance policy, take out two.

MR. SHERMAN: I suggest, Mr. Chairman, that the Honourable Attorney-General who began his remarks by saying I misconstrued the whole intention of the Act, I thank him for his solicitous education in the meaning of the Act. Might I just remind him that we are not asking, by this amendment we are not asking anybody to duplicate anything. At this point I moved an amendment to Section 25. I didn't think I was moving an amendment to the entire Act. There are other places, other points, other sections of the Act that would have to be adjusted accordingly.

What we have done in this instance is moved an amendment to Section 25 to guarantee to the public, whose money is in this case entrusted to the Minister, that if there are deposits made with credit unions they will have the protection of the well-known and highly respected and recognized and now widely relied upon, Canada Deposit Insurance Corporation. That is what the amendment says. If that requires adjustments at further stages in the Act, then we'll make those adjustments, Mr. Chairman, or we'll suggest such adjustments as we come to them. But at this point we're on Page 10, so I think the Attorney-General is jumping the gun somewhat.

MR. GREEN: Mr. Chairman, I wonder if the honourable member recalls, because I can't recall at this moment, the limit on insurance of the deposit insurance fund that he's talking about? As I recall it, when it was originally enacted, the amount of the deposit which would be insured by the fund was \$20,000 and if that is the case, and I think it still is, then is he really presenting a realistic problem? I mean the Provincial Government doesn't deposit funds of the nature of \$20,000 with anybody; they would be depositing hundreds of thousands or millions, and if the only protection is \$20,000 then really it's not a protection at all, and if the Minister was going to deposit quantities such as I have just mentioned then he would look for other assurances than a fund which guarantees a \$20,000 deposit. Wouldn't that be correct?

MR. TOUPIN: Yes, Mr. Chairman, that is a correct statement. The maximum amount insurable under the Canada Deposit Insurance Corporation is \$20,000 per individual.

Now so far as the Stabilization Fund is concerned, I would like the Honourable Member from Fort Garry to be aware that there is no maximum so far as protection through the Stabilization Fund and we have to be equally aware that the deposits made to the Stabilization Fund is not an investment but it is part of the undivided earnings at the end of each year, so if you're going to have duplication which will not cover more, the interests either of the province, the municipality, municipalities or individuals, why should we have duplication? Since this is actually done by the credit unions through the Stabilization Fund and then by the central credit unions themselves with the Canada Insurance Deposit Corporation, why should we insist on it?

MR. FROESE: Mr. Chairman, as far as Section 99 is concerned, I certainly would want to leave it as it is, that it be permissible only. I wouldn't want to have it apply . . .

MR. CHAIRMAN: . . . the Honourable Member for Rhineland we're on Page 10, we're not at 99 yet.

MR. FROESE: I'm coming back to the whole thing because we're discussing the whole matter of protection and insurance, and if we take a look at the Stabilization Fund on Page 37 which is part of the Act under "The Objects" it reads thus: "The objects of each of the corporations mentioned in Section 79 is to provide a Stabilization Fund for the purpose of protecting the members of a credit union against loss in whole or in part of deposits, savings and share capital." In my opinion, this is protecting only to the limits of the amount that is there for the purpose of protection. The Stabilization Fund at present in Manitoba is not large enough in case we had trouble in some of the larger credit unions, so that it is only a measure of protection, it is not insurance we are speaking of when we are speaking of the Stabilization Fund. It's an assistance towards protection.

MR. CHAIRMAN put the question and after a voice vote declared the motion lost.

MR. FROESE: Mr. Chairman, . . .

MR. CHAIRMAN: The Honourable Member for Rhineland.

MR. FROESE: I have an amendment to propose "that Section 25, (1) (e) (iii) be amended by deleting all the words after the word "Act" in the second line thereof.

MR. CHAIRMAN presented the motion.

MR. CHAIRMAN: The Honourable Member for Rhineland.

MR. FROESE: Mr. Chairman, the reason I'm putting this, I feel that credit unions should be allowed to invest and the items in which they may invest are set out in this particular section of the bill, but I don't feel that the Stabilization Fund should have the power of telling

(MR. FROESE cont'd.) the credit unions where they can invest and where they cannot invest. The centrals were organized at one time for the purpose of servicing and assisting the credit unions not to master them and I feel that here we are giving powers to the central organizations that we should not do. I certainly want to see that credit unions remain as autonomous as much as possible and that this power be left with them, the power of investment.

MR. CHAIRMAN: The Minister of Health and Social Development.

MR. TOUPIN: Mr. Chairman, in many cases I would like to agree with the Honourable Member for Rhineland when he's talking about autonomy of local credit unions or caissé Populaire in our province, I believe that they still can be autonomous; but we have to keep in mind that apart from a few credit unions that we have in the province many of them are, say, smaller credit unions with less assets; some of the board of directors can't afford to hire specialists so far as investment is concerned and in the twelve years that I have spent in credit unions, I've seen quite a few credit unions, not really going under because of bad investments, but they had to take very little so far as interest is concerned; and I do believe that the board of directors or trustees of the Stabilization Funds will be able to hire such experts to be able to invest to the best interests of the credit unions and its members. So I can't actually go along with the amendment of the Honourable Member for Rhineland.

MR. CHAIRMAN put the question and after a voice vote declared the amendment lost.

MR. CHAIRMAN: (Pages 10 to 12 of Bill 37 were read and passed.) Page 13 as amended passed -- The Member for Rhineland.

MR. FROESE: Mr. Chairman, on Page 13, I have an amendment to propose. I would like to have clarification, probably a legal counsel could do that in pertaining to Section 29 (11) where a person under 21 years. - I wonder if by amending it to 18 whether this would not go along with the Age of Majority Act that we are considering, and whether an amendment would be proper. So, Mr. Chairman, on that supposition, I would move Section 29 (11) be amended by deleting the words "twenty-one" and inserting the word "eighteen".

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

MR. CHAIRMAN: (Pages 13 and 14 of Bill 37 were read and passed.) Page 15 as amended passed -- The Member for Rhineland.

MR. FROESE: Mr. Chairman, I move that Section 32 (1) be amended by deleting the word "two" in the fourth line thereof and substitute the word with the word "five".

MR. CHAIRMAN presented the motion.

MR. CHAIRMAN: The Member for Rhineland.

MR. FROESE: Mr. Chairman, the effect of this is that where you have balances of accounts that have been inactive for two years would be taken off the ledger and taken into reserves and I feel this is far too soon. I feel that there should be a longer waiting period. I think it should be at least five years and this is why I'm proposing the amendment.

MR. CHAIRMAN: Are you ready for the question? The Minister of Social Health.

MR. TOUPIN: Mr. Chairman, I just want to say a few words not to support the honourable member's amendment for the simple reason that two years I think is sufficient. This is the amount of time that we allow for loans who are in arrears, is two years. And if there's no payment made in a period of two years they're actually sent to the reserve. So far as the two years regarding a deposit are concerned this is only spent -- actually transferred in the trust fund, and it's always there for the member to withdraw at any time. So it doesn't really change anything.

MR. FROESE: It does.

MR. TOUPIN: It really cuts down on some of the book work that's concerned. I've seen for instance, Mr. Chariman, that in some credit unions where you had 50 - 100 members who had accounts there of \$5.00 and stayed in there on the books for many years, and you know it's completely ridiculous.

MR. CHAIRMAN: The Member for Rhineland.

MR. FROESE: Mr. Chairman, you can have many accounts that may be active for a two-year period and when the member comes back he has no account. I feel . . .

MR. TOUPIN: Yes he -- Mr. Chairman, I'm sorry

MR. FROESE: it's transferred.

MR. TOUPIN: After two years the amount say of \$5.00 is sent to a trust fund. The member comes back it's actually given back to him on his own ledger; it doesn't really change anything since now there's no interest being paid on the share capital of \$5.00, so he hasn't lost

(MR. TOUPIN cont'd.) anything.

MR. CHAIRMAN: Are you ready for the question? The Member for Riel.

MR. DONALD W. CRAIK (Riel): Mr. Chairman, may I very briefly say that I support very strongly the position of the Member for Rhineland here and I speak as a person who has had shares in the credit unions for a great deal of time, in fact it is about four years since I've transacted any business with the credit union. Two years is too short a span of time to allow for this in this clause, and five years is much more realistic and if it passes I can yet redeem myself.

MR. CHAIRMAN put the question and after a voice vote declared the motion lost.

MR. CHAIRMAN: (Page 15 of Bill 37 was read and passed.) Page 16 as amended passed -- The Member for Rhineland.

MR. FROESE: Mr. Chairman, I move that Section 34 (2) be amended by deleting the words "ten percent of the" in the third line thereof and insert the words "twenty-five". -- (Interjection) -- No, just "twenty-five".

MR. CHAIRMAN presented the motion.

MR. CHAIRMAN: The Member for Rhineland.

MR. FROESE: Mr. Chairman, the intent of this amendment is that the way the section reads now you must have a petition of 10 percent of the members of a credit union when you want to ask for a special membership meeting. This in a larger credit union can mean up to five, six hundred members on a petition, that must sign the petition and I feel that it's far too much and when a question arises of importance it's very seldom that such a request is made, and certainly fewer members than the 10 percent should have the right to call for a special meeting and I feel 25 is sufficient.

MR. CHAIRMAN: Are you ready for the question? The Minister of Health and Social Development.

MR. TOUPIN: Would the Honourable Member for Rhineland consider maybe a sub-amendment since he has an amendment already that we drop this from ten to five percent?

MR. FROESE: I think it's still too high. Make it 50 members, make it double the number, but not ten percent.

MR. TOUPIN: No, from ten to five percent.

MR. FROESE: Mr. Chairman, it would still then mean in a credit union that has a membership of 5,000 it would still mean 250 people. I think this is still too many. We could probably double the 25 and make it 50 but I don't think there is need for having a larger petition than that.

MR. CHAIRMAN put the question on the amendment and after a voice vote declared the motion lost.

MR. USKIW: Mr. Chairman, I wonder if we could go back to page 15. There's an oversight there. We had accepted an earlier amendment reducing the age to 21 and I notice that in Section 33 (4) on page 15 there's also reference to age. So to be consistent we ought to change that to read 18 as well.

MR. CHAIRMAN: Is it agreed to change the age to 18? Last line of page 15. Agreed?

MR. FROESE: Mr. Chairman, I feel that the amendment should be properly moved by the Minister.

MR. USKIW: Mr. Chairman, I move that Section 33 (4) be amended, that the last line of Section 33 (4) be amended to read "eighteen years of age".

MR. CHAIRMAN: Would the Minister of Agriculture write it out please?

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

MR. FROESE: Mr. Chairman, I have a further amendment to propose on page 16, that Sections 35 and 36 be deleted from the bill.

MR. CHAIRMAN presented the motion.

MR. CHAIRMAN: The Member for Rhineland.

MR. FROESE: Mr. Chairman, I feel that these sections are unnecessary and uncalled for in the Act at this particular time. I don't think we should at this time have delegated conventions. The credit unions are not that large and I feel that we should have direct representation at annual meetings, and therefore the motion that I made.

MR. CHAIRMAN put the question and after a voice vote declared the motion lost.

MR. CHAIRMAN: (Pages 16 to 26 of Bill 37 were read and passed.) Page 27 as amended passed -- The Member for Rhineland.

MR. FROESE: Mr. Chairman, I have no prepared amendment to Section 65 but I just want to impress on the Minister that I feel there should have been precautions taken in connection with the matter of commercial loans. I feel that there should be monthly reports prepared by the manager and submitted to the board of directors. I feel that this should be mandatory because if we are going to have trouble in the movement this is the area where we'll have trouble develop, in the commercial loan field and while I have no prepared amendment I feel this is of very great importance and the Minister should definitely look into this.

MR. CHAIRMAN: (Page 27 Bill 37 was read and passed.) Page 28 passed -- The Member for Rhineland.

MR. FROESE: Mr. Chairman, on this page, again we are speaking here of liquidity and I question very strongly Section 66 (1) (b) - shares and deposits in central credit unions especially the credit society - because the shares in the credit society are subject to redemption and their particular by-laws state that they can only redeem 10 percent in any one given year, and therefore I question, I question the liquidity of shared capital in the credit society as far as this is concerned.

MR. CHAIRMAN: (The remainder of Bill No. 37 was read page by page and passed.) Bill 53, The Resources Conservation Districts Act. Page 1 - - -

MR. J. DOUGLAS WATT (Arthur): Mr. Chairman, would you give us the amendment on page 1?

MR. CHAIRMAN: The amendment on page 1 was in the definitions under (e) Municipalities. The first four words were crossed out and the municipality include the local government district, the remainder is left out. Do you follow me? -- (Interjection) -- in (e).

MR. FROESE: Mr. Chairman, I wonder if the members could be provided with the amendments to the bill. I think in past years this has been the practice that whenever amendments were made in committee that they were provided to members when they came to Committee of the Whole.

MR. CHAIRMAN: Are we ready to proceed? (Pages 1 to 18 of Bill No. 53 were read page by page and passed) Page 19 as amended --

MR. WATT: Mr. Chairman, on Page 19, would you give me the amendment?

MR. CHAIRMAN: Would the Member for Arthur be satisfied with the printed one he received from counsel, or do you want me to read it?

MR. WATT: I'd like to ask you, Mr. Chairman, has the amendment to this Act been passed around -- copies to members of the committee?

MR. CHAIRMAN: I believe it was.

MR. WATT: If not, I would ask, Mr. Chairman, that the amendment be read out to the committee. I'm referring to Committee of the Whole. I don't think the Committee of the Whole here understand what the amendment is to Page 19.

MR. CHAIRMAN: Well, I can read them out if that's what you desire. 47 (1) as amended - and it says:

Two or more municipalities may form a district.

47(1) Notwithstanding any other provision of this Act, two or more municipalities may apply to the Minister for the establishment of a district comprising those municipalities.

Composition of Board.

47(2) Where two or more municipalities comprise a district, the Board of the district shall consist of

(a) three persons appointed by each municipality, two of whom shall be councillors of the municipality; and

(b) one person appointed in accordance with subsection (2) of Section 9; and notwithstanding subsection (2) of Section 10, each municipality shall appoint in the case of the first Board:

(c) two members for a term of two years; and

(d) one member for a term of one year.

Estimates deemed not to be approved.

47(3) Where two or more municipalities comprise a district, the estimates of the board of such a district shall be deemed not to be approved if any one of the municipalities in the district does not approve the estimates.

Application of section of the Act.

47(4) The following subsections or section of the Act as the case may be

(a) subsection (2) of Section 3;

(MR. CHAIRMAN cont'd.)

- (b) subsection (3) and (4) of Section 9;
- (c) subsection (1) of Section 10;
- (d) subsection (1) and (2) of Section 28;
- (e) Section 29 and 30;
- (f) subsection 7 of Section 32; and
- (g) any other section that may reasonably appear to be applicable;

apply mutatis mutandis to a district that is comprised of two or more municipalities and to those municipalities.

MR. CHAIRMAN: (Page 19 of Bill No. 53 was read and passed) Page 20 as amended --

MR. FROESE: Was this amendment passed in committee?

MR. EARL McKELLAR (Souris-Killarney): Mr. Chairman, before you pass -- when you mean two or more municipalities, does that mean towns - does that include towns?

MR. USKIW: Yes.

MR. McKELLAR: That's fine.

MR. CHAIRMAN: (The remainder of Bill 53 and Sections 1 to 2-36(2) of Bill 81 were read and passed) Section 36 (3) (a) --

MR. WATT: Mr. Chairman, 36(3) as amended?

MR. CHAIRMAN: Yes, that's right. I'm sorry. 36(3) as amended --

MR. WATT: What's the amendment?

MR. CHAIRMAN: 36(3) reads: "The Minister" and "in his absolute discretion" is deleted, and then the word "may" follows. Now it reads: "The Minister may." That's Section 2 passed. Section 3-38(a) -- (Interjection) -- That's an amendment, that's right. (The remaining Sections of Bill No. 81 were read and passed) Preamble --

MR. McKELLAR: Mr. Chairman, I'm just wondering, before you finally pass this bill, how will these Fair Boards plan for the coming year? Will you come up with a schedule of grants, or how are you going to permit the Fair Boards to plan for the year 1971? I think this is their big concern with this Act where it doesn't spell it out. Will you list a schedule of grants?

MR. USKIW: I think I answered this question before although it probably bears repeating, and that is that the Agricultural Societies Board will be meeting with myself and the department to work out those arrangements. We have yet to determine the regulations that come under this Act, which will determine the procedure to be followed.

MR. CHAIRMAN: (The remainder of Bill No. 81; Bill No. 137; and Sections 1 to 3-7(1) of Bill No. 115 were read and passed) Section 3-7(2) --

MR. CHAIRMAN: The Member for Riel.

MR. CRAIK: Mr. Chairman, I would like to move, seconded by the Member for Arthur, that Section 3 of Bill 115 be amended by deleting 7(2), 7(3) and 7(3.1).

MR. CHAIRMAN presented the motion.

MR. CHAIRMAN: The Member for Riel.

MR. CRAIK: Mr. Chairman, if I might speak very briefly to this. Bill 115 brings in very drastic changes to a very vital industry in the Province of Manitoba and we have seen in Section 7(1) changes that change the taxation on our mining industry by roughly 100 percent, that is doubles the taxation on the mining industry by twofold. The bill has been approved in principle by the vast majority of the people in the Legislature, but Section 7(2), 7(3) and 7(3.1) apply in particular to developing mines in Manitoba. They apply to those mines that start out from very small starts such as we have seen in Flin Flon, such as we have seen in Sherridon and then in Lynn Lake - probably not in Thompson, but certainly two out of three of the major mining communities - we have seen them start from a very small beginning based on the tax incentives that have been traditional in the Province of Manitoba.

Sections 7(2), 7(3) and 7(3.1) do away with the incentives that provide for the small person to start a mining enterprise. Mr. Chairman, the most recent announcement that we've had in this Legislature made by the First Minister - south of Flin Flon - in his introduction, in his announcement of it he gave tribute to the fact that this had been discovered by a small enterpriser. He had discovered that mine and it's been taken over by the Hudson Bay Mining and Smelting, a low grade deposit that had then been announced and is now subsequently being developed. Section 7(2), 7(3) and 7(3.1) act as a deterrent against the type of development that we have seen in the most recent announcement in Manitoba. It vitiates against the development

(MR. CRAIK cont'd.) that took place at Sherridon that has been criticized somewhat in the last day or two in this Legislature by the Minister of Finance; against the type of development that originally set up Flin Flon in 1920; and against the development in Lynn Lake.

Section 7(2), 7(3) and 7(3.1) are very much against the entire philosophy of mining development. This is the sort of -- this incentive that provides some consideration for the new mine is the same sort of thing that started mining, along with the market demand in Ontario, the same sort of thing that started mining in Manitoba where we are behind Ontario. We are behind Ontario by two or three decades and should not be moved on at this time. It's bad enough, or enough let's say, to be putting us in the highest tax category that we are doing in 7(1) which puts us at 15 percent of over 90 percent of the mining operations in Manitoba, but to bring in the measures of this particular clause works against the small mine and those that might start up from a small start in Manitoba, and the 50 percent tax write-off is realistic.

You're well aware that the Benson White Paper in that same three-year period proposes to do away with the provision for that small mining company, and I suggest to you, Mr. Chairman, that in bringing this in we have not an omnibus bill on mining but a blunderbuss bill that simply says we're going to take what we can get while the getting's good before that Benson White Paper comes in. And this section, this section of the bill makes absolutely sure that this is going to happen. I suggest to you that the transportation costs that the Manitoba Mining Enterprise has put up with when you add it on top of the corporation tax that was added last year in Manitoba, that you are putting the industry in Manitoba in a very difficult position, and it's not like we have made here, because we haven't got it made in mining, we're still developing. I think we're well aware that the deposits in Manitoba are not high grade deposits, they're low grade sulphide deposits particularly in the nickel industry and that industry is quite capable . .

HON. JOSEPH P. BOROWSKI (Minister of Transportation)(Thompson): Highest grade in the world.

MR. CRAIK: No, my friend you're wrong.

MR. BOROWSKI: Highest grade in the world.

MR. CRAIK: Well we'll discuss that elsewhere. I sincerely hope that you'll substantiate that. The oxide deposits in nickel in particular, in other parts of the world . . .

MR. BOROWSKI: Read the report.

MR. CRAIK: . . . are much higher grade than the sulphide deposits are in Manitoba, and as the Member for Lakeside pointed out when he quoted from the statement made by the International Nickel Company, quote one, there are others -- when he quoted that statement saying that Moak Lake and the grade of deposit that was there would not be of commercial category under the proposed implications of the Benson White Paper . . .

MR. BOROWSKI: The company's not complaining, why are you complaining?

MR. CRAIK: I suggest to you that the proposals made in this bill are more ominous than the proposals made by the Benson White Paper. And so what I'm really saying, Mr. Chairman, is that it's enough to take 15 percent on the Royalty tax.

MR. BOROWSKI: It's peanuts.

MR. CRAIK: Because what this does is put the mining industry in a tax category which you don't think of until you look at what they pay in terms of corporation tax. The 15 percent on Royalty added to the proposals of the White Paper puts the mining industry in the 60-some percent tax category, at least 60 percent, when the rest of industry in Manitoba, and the rest of industry in Canada, under the same White Paper would be at 50. So it's hardly fair to this vital industry in our province to say that they should be taxed as far and as much as the trade will bear.

I suggest, Mr. Chairman, that the first section of this, Section 7(1) goes far enough. It puts us in the highest category, the same as Ontario and -- (Interjection) -- No, it's a little higher than B.C., B.C. is 12.5. It puts us the same as Ontario with the disadvantage, with the disadvantage of the higher transportation costs and in the interests of development, which we do not have to the same extent that Ontario has -- again I say we're at least two decades behind Ontario -- I suggest to you that the incentives provided by Sections 7(2), 7(3) and 7(3.1), which is the initial stage of operation of the mines, that three-year stage, let them get running, let them pay off their exploration costs and their development costs, and then tax them; that this is in the true spirit of what has given us the development in Manitoba that we have today.

So that with those comments, Mr. Speaker, which I think are the real concern of the developing industry in Manitoba I think that it's a realistic request of the government to support

(MR. CRAIK cont'd.) at this time, and in light of the fact that we haven't had a chance for representation by the industry at a committee outside of the House, that I would request in the interests of all Manitoba that they support the deletion of Sections 7(2), 7(3) and 7(3.1).

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

MR. GREEN: Mr. Chairman, I just think that the honourable member may not be getting what he wants, and I think that maybe have to be cleared up now, because what he has done is removed the relief sections. If you delete 7(2), 7(3) and 7(3.1) you delete any relief at all, and you would have to if you want to reinstate the old relief sections cross out, I believe, something in Section 3 because the way you are behaving now if your motion passed it wouldn't follow your words because there would be no relief; there would just be the tax and we wouldn't have the relief for the number of years that we say we're going to continue to give it to them. So I would think that if you want to amend subsection (3) -- I believe on the previous page subsections (1), (2) and (3) of Section 7 of the Act are repealed. Some of those sections would have to stay in, I'm not sure which ones. Perhaps the Legislative Counsel can tell you. (2) and (3) would have to come out of the subsection (3) on the previous page. So I presume that you want that amended as well.

MR. CRAIK: Well, Mr. Chairman, perhaps the easiest thing to do then is add on to the end of that "and be replaced by the previous sections in Section 3 of The Mining and Royalty Taxation Act."

MR. GREEN: Well we can let the Legislative Counsel handle that if need be. I believe he has your meaning.

Mr. Chairman, first of all with regards to the representations that have been made I can assure the honourable members that we have heard from various of the mining interests and my information is that the members of the Opposition have heard, so I don't want it to be left that the impression is that nobody has heard from them. As a matter of fact I believe the Minister of Finance indicated to all of the members of the House that at the series of regular meetings that I'm trying to hold with members engaged in the mining industry, both business-wise and academic-wise, we had a full night's discussion on what we're doing. In addition to that they submitted information to us, and some of the information that was submitted to us, copies have been sent to the Leader of the Opposition, the Leader of the Liberal Party. So I don't want it to be suggested that the interests of the companies haven't been presented, and I think indeed the Member for Riel is now presenting what would be a position that coincides at least with what some of the companies are saying. So the House has had an opportunity of hearing the points of view that are involved. I don't think that we should escape that fact.

The Member for Riel also says that this is a -- I believe he called it blunderbuss, a blunderbuss act, whose effect it is to take all you can get -- take while the taking is good, words to that effect. And he said that this is intended to move in before Benson's White Paper. May I advise the Member for Riel that one of the criticisms directed against this kind of relief, and I have had it confirmed to me from many sources, including very knowledgeable sources, is that it encourages a company, a mining company, to high grade for a very fast period while the relief is there and then to move to another area where they can do the same thing with the same type of relief -- and I don't think that that is a practice which I will attribute to anybody but I suggest to you that knowledgeable sources have indicated to me that this type of provision makes for this type of action.

The Member for Riel is worried about the small companies, he said, that have to get started. I believe that there is an exemption in the Act which applies to any small company and which will continue to apply so that we are not talking about companies who have a problem, those are dealt with by an exemption from the mining tax, and he refers to certain explorations which this type of relief initiated. Now, Mr. Chairman, I'm not sure what the provisions were but when he talks about the Centennial Mine which has been discovered, the people who were looking for it didn't know whether it was going to be a small mine or only pay off for the first three years. I don't think that that had anything to do with their exploration, and as a matter of fact I am of the opinion that part of this measure of relief just came into existence in 1966 so that it would have no effect on the Hudson Bay Mining and Smelting when they located their mine way back when. -- (Interjection) -- Of course, of course. I agree with you. But the Member for Riel, the Member for Riel has said that this is the kind of thing that stimulated the development at Lynn Lake. It wasn't in existence to my knowledge. There may have been other types of incentives. It just was not that kind of provision. And, Mr. Speaker, there -- Mr. Chairman, there just is no end to the argument that is being pursued by the Member for

(MR. GREEN cont'd.) Riel. One has to exercise a judgment as to what type of revenue is collectable for the resources of Manitoba, and then one has to stick by that judgment, and the government's judgment has been based on not being below what is happening in other provinces.

The Member for Rhineland seems to imply that we can go even further, and you've heard what the Minister of Transportation has said. But frankly the judgment has been exercised on the basis of not being below what the tariff is in other provinces.

And then, Mr. Speaker, all kinds of other factors come into it. The Member for Riel talks as if transportation costs have to be equalized. Well that's just not so in mining. Because transportation costs may be higher but ore may be more accessible, and these things are intangibles which cannot be equalized across the board, and therefore one just has to pick a figure and exercise a judgment. Because, Mr. Chairman, may I say that if we try to do this with some type of scientific logic it becomes impossible. What makes the existing rate the rate at which most mining will be attracted? If we followed my honourable friend's logic to its conclusion -- I said this yesterday to the Member for Sturgeon Creek, I didn't say it facetiously. Maybe we should be in this House, and maybe some will advocate that we go from 11 percent to 5 percent; and if we don't have enough mining at 5 percent we should eliminate royalties and that will give us lots of mining. And of course if we don't have enough mining at zero royalties, then the thing to do is to pay the mining companies to come in and develop the mines. And if you followed that, that is the kind of discussion that this leads to.

So, Mr. Speaker, I suggest to you that what the Member for Riel is saying has a ring to it that you're going to get more developments but I suggest to you that it -- that he can base that ring on no logical premise whatsoever; that the premise that the people of Manitoba are going on, that the government is pursuing, is that the mining taxes should be no less favourable in the Province of Manitoba than they are in other provinces in Canada, and that if this does not result in that degree of development which the Member for Riel says would necessarily come, then, Mr. Speaker, I refer to what the Minister of Finance said. The resources in Manitoba are in Manitoba; they can be fairly dealt with under the existing laws; that if they are not dealt with under those existing laws, we will have children and grandchildren who will also be able to benefit by the resources that are in this province and I wouldn't want to -- I wouldn't want to in a panic see these resources taken without a fair return to the people of the Province of Manitoba.

And, Mr. Speaker, we don't see any panic; I don't get the notion from the industry concerned that they think that we're doing anything unreasonable, and even if they said so, Mr. Chairman, I have never heard anybody who says that the tax that I'm being taxed with is right. We heard Mr. Schwartz who appeared before Law Amendment Committee the other day. He said, I reject all taxes; I reject any increase in tax. And I think that that is the normal reaction of a citizen who is being taxed. He says, I'd rather not pay it. And I don't see any -- I wouldn't criticize him for saying I'd rather not pay it. But we, here in this room, have to decide what is a fair share and the government feels that it has come up with a fair formula.

MR. CRAIK: Well, Mr. Chairman, let me say with respect to the remarks made by the Minister of Mines and Natural Resources that first of all, is 60 percent a fair share to be taking back from the profits of the mining companies in Manitoba? What you're going to do plus or minus a few percent whether this section is in or not, and let me say additionally with his charge about high grading, can he honestly sit in his chair and say that a company that goes through the costs of exploration, the cost of setting up the head frame, the main shaft and the drifts to get to the load, is in fact when he gets to a point going to say, we're cutting off now and we're going to go to that additional cost which is the majority of the cost to set up another mine because we're now going to -- we're now at the point where we're going to make more money out of the three-year forgiveness period? It's absolutely ridiculous. You're going on hearsay. -- (Interjection) -- The claim that you're making is not realistic. Do you not think that a mining company has thoroughly explored through its diamond drilling program exactly what is in a deposit? Now if you're going to justify . . .

MR. GREEN: Do you want me to answer?

MR. CRAIK: . . . if you're going to justify killing the incentive program of that three-year period, and I suggest to you that mining is different than oil well drilling . . . (Interjection) -- Then I suggest to you that the onus is on you to justify your claim and show what the cost distribution is between the various stages of the development of a mine, because, Mr.

(MR. CRAIK cont'd.) Chairman, the Minister of Mines and Natural Resources is not sufficiently justifying imposing this additional taxation in this clause of the bill. I suggest further that you're taking enough from the mining community, which is still under the proposals that are being made by the Federal Government going to put them in the 60 percent bracket and you cannot look at this in isolation and at Manitoba's development stage, you can't look at it in isolation to the other areas of Canada. And again, with the few remarks that the Minister of Mines and Natural Resources has made, he cannot write off the transportation costs, which point was dwelt on by the Member for Churchill who knows this industry as well as anyone in this House, and when you know that when you combine all the factors here, that what your imposing on Manitoba through this bill alone puts it in the highest bracket, and when you superimpose the transportation costs on it that you're putting them far beyond -- (Interjection) -- to either port, to either port, either way you like it? Until you've got yourself a copper facility in Manitoba you are putting yourself in the highest bracket by far of anywhere in Canada.

You know very well, and the Minister of Mines and Natural Resources should know, that the Province of British Columbia has been trying for years to establish through incentives a copper facility in B.C. and has never been able to do it, through all the incentives they have provided. He made reference also here to we might as well pay them to explore. Well, whether he knows it or not, he is paying them to explore. He's paying them on the east side of Lake Winnipeg. He's paying them grants to explore. We've been doing it for years because that's where some of the exotic metals lie. But what I am saying again, and I'll repeat it, that this is a blunderbuss bill, and talking about coming in and doing something in a rash manner, this bill has been done in a rash manner. We have had this no less than ten days and it is a bill that affects a very, very vital industry in this province. I suggest to you that if you remove this sort of over-allsoteric abandonment of an incentive program on the basis that you have for this section, then I suggest that you have not given this sufficient thought and you have not given justification for including the change in this particular section in this bill . .

MR. CHAIRMAN: The Member for Flin Flon.

MR. THOMAS BARROW (Flin Flon): I would just like to add a little to this debate, Mr. Chairman. Referring to the Hudson Bay Mining and Smelting Company, their profits this year will be over 30 million dollars and they are well able to absorb any tax that may be imposed, and personally I don't think it would be any deterrent to any further development. Thank you.

. Continued on next page

MR. CHAIRMAN: The Member for River Heights.

MR. SPIVAK: Mr. Chairman, I enter this to make two or three observations. The related one to the statement that the Minister of Mines and Natural Resources made and to a couple of others that were made in connection with the debate on second reading which are relevant to what is taking place here.

There are many on this side who voted in principle for the bill, recognizing that there were going to be amendments introduced and that we were going to have an opportunity of dealing with it, because I think that there is, and there must be, some division and an understanding of what this bill really accomplishes and what we on this side are attempting to accomplish through the amendment. But an interesting point and one which really intrigues me is the comments that have been made by the Honourable Minister of Mines and Natural Resources that representation was made to them, and that obviously representation has been made to members of the Opposition, and therefore we are in a position to be able to adequately deal on this matter.

MR. GREEN: Mr. Chairman, I didn't say that. I responded to the suggestion by the Member for Riel that the mining companies did not have an opportunity to make representation. That's all. We did not rely on that to make the bill.

MR. SPIVAK: Well, Mr. Chairman, I am not an expert - well, I do not have the expertise that the Honourable Member from Riel does in connection with this and I would suggest probably a greater expertise than the present Minister of Mines and Natural Resources has in this field, and I want to suggest, Mr. Chairman, that I don't think that I or any of the others on this side are really in that kind of a position to adequately deal and solve in our own mind the basic assumption of the government that this area should be changed, and that by doing this we accomplish a good result for Manitoba. Beg pardon? -- (Interjection) -- Well, the Honourable Minister of Mines and Natural Resources has assessed it. That's very interesting, very interesting you assessed it. I think the very important comment is that you have assessed it, and you obviously assessed it after the budget was prepared, and you obviously assessed it after almost all the other bills were prepared, because it was not mentioned in the Speech from the Throne as far as I know and there's been no indication in advance that this was going to be done and now we are forced in this situation at the tail-end of a session, when it's customary to try and ram through - and this we all know - ram through as many bills as we possibly can and which in many cases poor legislation, comes forth, it suggests to me, Mr. Chairman, that there really has not been given the opportunity for members on this side - I think my Honourable Member from Lakeside may refer to that in a letter that he will be dealing with in a few moments - to indicate that we really have an opportunity and we really understand what we're talking about. Because what we're really talking about is whether by this course of action, not by the provisions in terms of increased income and royalties, but by this section, whether we really are jeopardizing opportunities for the future for Manitoba for its development growth, and you have to make assessment of that in the context of what has happened in the past year with respect to a variety of other matters.

This brings me now to the second point, Mr. Chairman, and I'm sorry that the Honourable Minister of Finance is not in his chair because I think reference has to be made to it. Yesterday, in a rather sarcastic manner, he referred to the Honourable Member for Lakeside as the Honourable Member for Wingate. Now the Honourable Minister of Transportation thinks that's very funny. -- (Interjection) -- I'm not being sensitive at all - no, I'm not being sensitive at all because as a matter of fact I don't know Mr. Wingate and I have never met him and I am not really interested in him, but I am interested in Manitoba and I am interested in the foolishness that has been continued on the part of the government when they were in opposition and since they have been government, of trying in some way to insinuate that those people who either head organizations that make profit, who carry on business for profit, are in some way doing something basically that's wrong, and I must say, Mr. Speaker -- (Interjection) -- Mr. Speaker, well if there's any . . .

MR. MACKLING: On a point of privilege, Mr. Chairman, I would like the Honourable Windbags across there to cite chapter and verse - cite chapter and verse in Hansard where any member, any members of this caucus has chastised anyone for making a profit. Name me the particulars in Hansard - not generalizations, not innuendo, not subjection - facts!

MR. SHERMAN: When the Honourable Attorney-General talks about Windbags, Mr. Chairman, he should perhaps consider himself. We'll just consider the source of the remark,

(MR. SHERMAN cont'd) but if he wants a citing of chapter and verse, all he needs to do is look at his own speeches in the debate on Bill 56 when he accused the automobile insurance industry in this province, in general, of dishonesty. All he has to do is look at his own speeches. I can't cite the pages for him because I'm not interested in recalling the page numbers, but he can find them because he wrote and made the speeches. He is one of the worst critics and one of the most destructive critics of the free enterprise entrepreneurial motive in this province. He has branded a whole industry as dishonest.

MR. CHAIRMAN: I wish the members would get back to the question at hand. Order, please. I think we are discussing the Mining Bill. Can we get back to the topic instead of trying to indicate to each other what we haven't done?

MR. SPIVAK: Well, Mr. Chairman, one only has to listen to the comments of the Attorney-General and his demeanor to recognize what an inquisition under him would really be. Now, Mr. Chairman --(Interjection) -- It's not stupid, it happens to be true. It happens to be true. This happens to be a Legislature and no one has the right to be cross-examined by him in the manner which he suggested just now. He interrupted me, he did not allow me to speak, he did not ask leave for question and he continued on. Now I wonder if the Honourable Minister of Transportation woke up a few moments ago, and I am not going to address this question to him, but he seems to think that what is happening . . .

MR. BOROWSKI: At least I was here all night.

MR. SPIVAK: Well, I must tell the Honourable Minister for Transportation I was away but I think my reasons were pretty valid. They're personal, but I think they happen to be extremely valid. But I want to tell the Minister of Transportation if he thinks that what's happening is peanuts, I think he had better stand up and tell us what he feels, what he feels it should be, because I think it is time that he not sit there as he has in the past and suggest, you know, what is happening is wrong without at least expressing his opinion.

Now, Mr. Chairman, I have said before in this House with respect to other legislation that there appears to be an element of revenge on the profit system on the part of the government, and there's no question this applies to some of the statements that have been made on Bill 56. And I suggest as well that in this particular section, not in the sections dealing with the increase in royalty because that the government has the right to do if it so desires, that the government has the right to do if revenue is required, and that the government has to do if it in fact meets their requirements in terms of meeting their commitments to carry on the service that government offers; but in terms of what you're doing here, and with reference to the remarks and the remarks yesterday about Mr. Wingate and about the remarks that are made here, I suggest that there is a bit of feeling here that by God, we are now going to be able to get revenge on a corporation that has made profits. -- (Interjection) -- I'm saying that. The Honourable Member from Flin Flon just stood up and said Hudson Bay Mining made 30 million dollars and they can absorb everything. -- (Interjection) -- Yes they can, they can absorb everything, but I am suggesting to you, Mr. Chairman, that if we are really seriously concerned about continued investment opportunities in this province, unless we are going to adapt our society to the point where government is going to run everything, which would achieve the objective of the Honourable Member for Crescentwood who believes in Bill 56 we have the first stage, and unless we are prepared to accept that as our ultimate objective, then you know to a certain extent, Mr. Chairman - and I said this before - the members of the government are playing with the destiny of the people of this province and the destiny happens to be the proper development, the encouragement of the development of all our resources for the benefit of our people, and this is why -- (Interjection) -- we didn't throw away anything. This is why, Mr. Chairman, the refusal to proceed on the high level diversion and other matters in which the government has seen fit to play a political role instead of getting on with the job, so that in fact there will be some benefit for the people. Mr. Chairman, let me suggest here -- (Interjection) -- Well, Mr. Chairman . . .

MR. GREEN: You're really chastising the people for throwing you out of office because you want them . . .

MR. SPIVAK: Mr. Chairman, it's an extremely interesting thing - it's extremely interesting, Mr. Chairman, that every objection to the legislation that's been introduced by the Honourable -- (Interjection) -- I wonder if you would allow me to continue. Every piece of legislation that we in fact object to obviously are related to the fact that the people saw fit to give the government, not a majority, but to give them sufficient numbers to form a government.

(MR. SPIVAK cont'd).

Now, Mr. Chairman, my point in this discussion and at this point in dealing with the amendment, is simply to suggest, and very strenuously, that what is happening in this particular section by changing it is one additional step, along with all the other steps, that can affect the overall development that will occur in the province in this coming decade and the decade to come, because as I've said before, Mr. Chairman, we might as well accept this - the honourable members opposite won't - the people that are going to make things happen in this province are going to be the private entrepreneurs and the private corporations. They are not going to be government, because if it is left to government's devices, we'll have exactly what we have in South Indian Lake which is procrastination, an increased rise in hydro rates and the probability of a brownout. Therefore, Mr. Chairman, I would suggest that this amendment be supported.

MR. SCHREYER: Mr. Speaker, I feel that the amendment that is being proposed by the Honourable Member for Riel demonstrates clearly that there is simply a legitimate difference in judgment, a difference in approach between those who led the previous administration and the present administration. The members opposite who have spoken so far are primarily concerned as to whether or not the legislation that is before us now will result in a reduction in the pace of mining development in the Province of Manitoba, and I suppose that that is a valid concern, but it is an equally valid concern, one that has not been manifest enough in recent years and which this government hopes to manifest more clearly, the concern that natural resources, particularly mineral resources, should bring a return to the public to a degree that has not been the case in the past. We all recognize that there is a need to make a difference, a distinction between those natural resources that are renewable and those that are non-renewable. That is the kind of simple distinction that there has been much discussion about, and I think that the distinction has to be shown up in the way in which the government of the day charges its royalties for the benefit of the public. Natural resources are in the public domain in the first instance, and any responsible government who has any feeling for the general public interest will always be wanting to maximize a return for the public.

Now the Member for River Heights has suggested that because we are introducing changes in the mining royalty rates that we are demonstrating our lack of concern for the viability of mining corporations' operations and that we are demonstrating, so he argues, that we are opposed to the profit motive, and that we are casting aspersions on these gentlemen who have the responsibility of leading the mining companies as their officers. Let me say to the Honourable Member for River Heights that it is perfectly understandable that those who are officers of mining companies, just as officers of any corporation, they are charged with the responsibility among other things of maximizing profits and returns to the shareholders of their respective corporations. That's understandable. It is the function and duty of government, on the other hand, to reconcile that pretty basic urge, pretty basic responsibility that these gentlemen are exercising, to reconcile that with our own responsibility and obligation as custodians of the public interest to make sure that the amount that is being realized for the general public is as high as is practicable and as high as can be possibly attained.

Now, would the Honourable Member for River Heights, or anyone opposite, argue for a moment that this is not a valid point of view and a valid responsibility to exercise and undertake. It's as simple as that. We have given the matter consideration and we are of the judgment and view that it is practicable, realistic, to adjust the mining royalty rates upward to bring them in a closer relationship to those in effect in Ontario and British Columbia, and we have taken into consideration the many factors that come to bear on this, including that of transportation cost differentials. But I want to make this point, and I want to make it with all the emphasis that I can muster, that because mineral resources are non-renewable, there's only one time in all of eternity that a government can exercise its responsibilities in a meaningful way to maximize the return to the public and to the public purse, and if you don't do it at the time when a given unit of ore is taken out of the ground, you've lost the opportunity to maximize and return to the public for all time insofar as that given unit of mineral resource is concerned.

However, I take it that the honourable members opposite are not objecting to the increase in the royalty rate so much as they are objecting to the proposed discontinuance of the

(MR. SCHREYER cont'd) tax holiday, and that raises another interesting point because first of all members should note that the effective date of the discontinuance is not tomorrow or when the bill receives Royal Assent or is proclaimed but on a date definite about three years hence - two years hence. It is set forth so that it coincides with the likely application of the Benson White Paper. Now I know that honourable members opposite have a particular point of view on the Benson White Paper, in particular as it applies, or would apply rather, to the mining industry.

But I want to put forward this argument for them to consider, if not now, at least over the next year or two, and that is that the Benson White Paper and those who support tax reforms generally would argue that it is more equitable to allow mining companies to charge off against their taxable income the amount that they actually expend on mining exploration and development rather than under the existing and old system whereby they were allowed a certain flat percentage write-off against taxable income regardless of whether they actually spent that amount on exploration and development or not. I'm inclined to the point of view that a mining company is likely to make greater efforts in exploration and development if it knows that the amount it can charge off is what they actually spend on exploration and development, because if they're allowed a certain percentage charge-off whether they really spent it for that purpose or not, there is no particular incentive for them to do so except that of assuring themselves a source of supply. That's only one motive, whereas under proposed reforms they would have two motives, if not more, for stepping up the tempo of exploration and development.

One other point to make in this connection relates back to something raised by the Member for Riel. He seemed to find something ironic in the situation whereby a government, while it is putting an end or discontinuing a tax holiday arrangement for mining companies, should at the same time, or could at the same time be making outright grants to mining companies for exploration development purposes. Quite frankly, Sir, I find nothing ironical in that at all, because again I'm inclined to accept the arguments of those - and I point out to the Member for River Heights that there have been a number of experts who have been studying mining taxation, not just here at the provincial level but at the federal, and who have in the full knowledge of their expertise made supporting arguments for certain tax reforms relative to mining taxation.

But to hark back to the point I was at, I'm inclined to accept those arguments which contend that it is perhaps a more effective way for the public, for government to encourage mining companies to engage in resource exploration and development, to make specific grants for the purpose, to allow charge-offs for the purpose on the basis of actual expenditures than it is to allow a flat percentage charge-off that really doesn't require companies to really spend the full amount that they are allowed to write off.

I think that if honourable members ponder our proposal long enough, they will agree at least with these points, that when you are dealing with non-renewable resources there is a greater onus and responsibility than ever to make sure that you are not alienating, that you are not allowing the exploitation and development of those non-renewable resources except under laws and rates of taxation that maximize the return to the public to the greatest extent compatible with prevailing economics that work in the mining industry in our province, in our country and internationally.

Now I'm not going to get into the argument which seemed to have welled up between the Minister of Transportation and the Member for Riel as to whether or not ore bodies in Manitoba were high grade generally or low grade. I suspect that some are high grade and that some are low grade, just like ore bodies anywhere else, but I do know that mining companies - and I'm not accusing them of any deliberate intent - but I do know that the history of mining shows pretty clearly that there is always a tendency to underestimate the life expectancy of an ore body. I know that in the case of a number of ore bodies in this province that had been worked for many decades now, there was a tendency always to say that the ore body had a life expectancy of 10 or 12 or 18 or 20 years, and they've been worked that long already and have a life expectancy - it always seems to be another 12, 15 or 18 years. So I think the Honourable Member for Riel would have to agree that there has been this prevalent practice to underestimate life expectancy of ore bodies and I suspect that the same could probably be true with respect to the estimate of the degree of concentration of actual mineral in ores as well. In other words, a tendency to underestimate the value of a given ore deposit.

(MR. SCHREYER cont'd.)

Again, like in so many - so many cases, Mr. Chairman, when determining public policy and changes in public policy, after considering all of the multiplicity of facts and factors a government must make a judgment, just as the officers of a mining company or any corporation must make a judgment, as to which course of action is the more prudent and more likely to maximize returns for those for whom they are responsible, and just as officers of mining corporations are under a clear obligation to operate the mine, the company, to maximize returns to those who own or own shares in the companies, it is our responsibility when considering all these facts to make that judgment which we feel will maximize the return to the public. In so many cases there is a calculated risk, but it is one that we are prepared to look to the future and be held accountable on.

MR. CRAIK: Mr. Chairman, just primarily two or three questions. First of all, before I ask them, I want to indicate to the First Minister that I appreciate his grasp of the problem in what he and his government are facing with regard to mining taxation. At least I want to indicate that I feel that he has a grasp of the mining industry which is probably greater than with which I may well have credited him with and probably greater than what has been indicated on the government side of the House. -- (Interjection) -- That's right, he probably has. I've yet to discover them but I will give due credit where credit's due, because the comments that he has made indicate that he has this grasp.

After those comments I can't help but ask the question with respect to the Act which he has brought in, which the Minister of Finance has brought in since it falls under the Minister of Finance's Department, as to how much money the province gains out of the two different sections of this Act. I suggest that probably the Section 7(1) is the money side and the sections that I am referring to are the incentive side. And further, I would suggest that the statement which he has made and attributed that I said it was ironic that they should be making grants for mining in contrast to the money they're taking away, it was the Minister of Mines and Natural Resources who said we might as well be giving them money, and that's why the point was brought up. I simply pointed out that over the past many years that grants have been made in those areas of the province where it was felt, at the discretion of the Department of Mines and Natural Resources, that mining exploration was in the best interest and could provide the incentive for the small man to go in and discover deposits of ore.

So I would ask you first of all, in terms of dollars, where does the money lie for the public treasury in this Act. I don't think that the money lies in the incentive portion of it, but until you've indicated that, you haven't given members of the Legislature much to go on. I would like to suggest that 7(1) is where the royalties lie and not in the other sections of the Act, and it's the other sections of the Act, the incentive section, that exceptions are being taken with here, and I would ask you to indicate to us, in terms of dollars, where the money is. Now that's the first question.

Now the other question is with respect to the point made by the Minister of Mines and Natural Resources who has said that mines are high grading and that when you provide this incentive it provides the incentive for them to begin a mine, go to a certain point and move out and go to another high grade area. Well if that is true, Flin Flon would have been closed down long ago; Snow Lake would have been the area of operation. There's higher grade ore in Snow Lake than there is in Flin Flon, and it's the same company, but why aren't -- (Interjection) -- if the Minister of Mines and Natural Resources' argument is correct, Flin Flon would have been closed down long ago and the entire Hudson Bay Mining and Smelting operation would have been at Snow Lake. But it's not at Snow Lake. -- (Interjection) -- No, no. You haven't indicated to us any justification for that argument.

The fact of the matter is that you've made the statement that the mines will high grade under the present and past incentive program and you have given no justification for it. The fact of the matter is that the development money goes into the facilities that are above ground and the facilities for your shaft, and once you've got the mine in operation you don't close it off at 1.5 percent of copper because there's a load over there that has two percent copper. That's the simple fact of the matter and the argument that the Minister of Mines and Natural Resources has presented is just not valid. -- (Interjection) -- Well, if it is valid why doesn't he present the proof? Where is his economic study? We've had a bill in this House for the last ten days that we're trying to, on behalf of the government, get through so that it can extort more money -- and I call it again a blunderbuss bill with very little justification for the

(MR. CRAIK cont'd.) clauses that are in it saying that we should do away with this incentive under this section that provided for a new mine, whether it's from the mine of an established company or not, but primarily for a mine that is starting out because there's a section of the bill here indicates that this mine must be pooled with the other operations of the company.

Therefore, this section applies to a new mine and not necessarily to a mine that has an established operation where they do pool their results. I suggest to you that this section of the bill takes away any incentive program for a new company, a company that may be Manitoban, a company that may be nucleated from prospecting, a group of prospectors who wish to start a new mine. It works against them more than it does against the established mining companies.

Again I ask you to give some indication on those two basic questions. Does the money come from Section 7(1) to the province or from these other sections (2) and (3); and secondly where's your feasibility study in terms of the cost of development of a mine, because neither one have been given.

MR. CHAIRMAN: The Attorney-General.

MR. MACKLING: Mr. Chairman, my remarks will be very brief, but I do welcome the opportunity to say something in reply to the Honourable Member from River Heights and the Honourable Member for Fort Garry.

You know, it's very interesting, Mr. Chairman, to watch the performance of the Honourable Member for River Heights tonight. He was available last night when this bill was being debated in principle and he sat in his chair, and he was much more eloquent in sitting silent in his chair than he was tonight, even though he was speaking. After the conclusion of the remarks of his colleagues, four of whom spoke against the bill in principle, then the vote was taken, Mr. Chairman, and what did the Honourable Member for River Heights do? Obviously there was a quick consultation, and instead of the seeming result . . .

MR. SPIVAK: Mr. Chairman, on a point of privilege. Mr. Chairman, in my remarks earlier I indicated that I voted for the bill. I indicated as well -- (Interjection) -- yes, I indicated -- he can comment, but he suggests -- (Interjection) -- I indicated as well, Mr. Chairman -- (Interjection) -- he's imputing motives to me, Mr. Chairman. Yes he is, he's imputing motives, Mr. Chairman. -- (Interjection) -- Well, Mr. Chairman, on a question of a point of privilege, the fact that a member does not express an opinion on second reading but votes for it, is that to be a subject of discussion?

MR. GREEN: Absolutely. Why not? Why not?

MR. SPIVAK: Mr. Speaker, if it's a subject of discussion, if it's subject to -- (Interjection) -- Mr. Chairman, if it's a subject of discussion, it's subject to a question of facts, it's not subject to a question of motive, and in effect the Attorney-General is imputing motives and that's what was based in his language, and I suggest, Mr. Chairman, that he's out of order and he should not be allowed. Mr. Chairman, I voted for the motion; I indicated that I was aware that amendments were going to be introduced, and I'm going to support this amendment because I think it happens to be correct. I've also indicated, Mr. Chairman, that in my opinion . . .

MR. GREEN: Mr. Chairman, on a point of order, the honourable gentleman surely has not any grounds for a point of privilege . . .

MR. SPIVAK: Well, Mr. Chairman, the point of privilege I think takes precedence over the point of order.

MR. GREEN: . . . and I ask that he be called to order.

MR. CHAIRMAN: I was going to indicate that I think the member is starting to enter debate instead of stating his point of privilege.

MR. GREEN: He has no point, Sir.

MR. CHAIRMAN: The Attorney-General.

MR. MACKLING: Mr. Chairman, there's no question about the position of the Honourable Member from River Heights tonight apparently, but the other evening . . .

MR. SPIVAK: Mr. Chairman, again there's an imputation that there was a question. I'm sorry, Mr. Chairman, the corollary of what the Attorney-General has said is that there was in fact a question yesterday, and I suggest, Mr. Chairman, that the only matter that the Attorney-General can deal with are facts. If he wants to impute motives, then . . .

MR. MACKLING: I'm dealing with facts.

MR. SPIVAK: . . . I suggest, Mr. Chairman, that is a question of privilege and I would like a ruling in that connection.

MR. MACKLING: I'm dealing with facts.

MR. GREEN: . . . whether the member has a point of privilege.

MR. CHAIRMAN: I'm going to rule that the member has no point of privilege. We are in debate, the Attorney-General can state his opinion as he wishes. -- (Interjection) -- I haven't completed my ruling. May I? And I say if the Attorney-General wants to impute motives then the member will have the privilege to indicate -- (Interjection) -- at that time. But the Attorney-General to date as I understood him has only indicated what the actions of the Member for River Heights have been -- (Interjections) -- not including any motives yet.

MR. WEIR: Mr. Chairman, he did, and I challenge your ruling.

MR. GREEN: Mr. Chairman, that means that we go back into the House, and the Speaker will have a chance to peruse the honourable member's remarks and decide whether there was a proper point of privilege. -- (Interjection) --

MR. WEIR: Mr. Chairman, there's another one I'd like registered. I was called a bloody hypocrite by the Minister of Transportation and I would like the record to show that when the Speaker is perusing Hansard.

MR. BOROWSKI: I'd like to call you more than that.

MR. PAULLEY: Mr. Chairman, may I suggest -- (Interjections) -- Let's cool down. Your ruling has been challenged, we have no alternative but to ask Mr. Speaker to assume his position in his Chair and anything other than that would not be in order no matter what happens, so I suggest, Mr. Chairman, that you request that Mr. Speaker, or the House Leader ask Mr. Speaker to come into the House.

MR. BILTON: On a point of order, Mr. Chairman, before you . . .

MR. PAULLEY: There's no point of order after the challenging of the ruling by the Chairman.

MR. BILTON: My leader is being called by a bloody hypocrite by the Honourable Minister of Transportation, and he should be made to withdraw that statement before we complete one moment longer.

MR. PAULLEY: Mr. Chairman, may I suggest to my honourable friend the Member for Swan River that notwithstanding whether he is right or not . . .

MR. BILTON: You condone that . . .

MR. PAULLEY: . . . the only privilege . . .

MR. BILTON: You condone that language.

MR. PAULLEY: Just a minute, will you please. The only procedure is for Mr. Speaker to be called in to consider the ruling of the Chairman of the Committee and nothing else. Let's be gentlemen, for a change. -- (Interjection) -- Yes, and there's others in this House, there's others in this House, including you . . .

MR. CHAIRMAN: Would all the members kindly come to order. I'm getting the Clerk to prepare the motion, and in the meantime I would suggest everybody cool off. Call in the Speaker.

MR. WEIR: Mr. Chairman, I can't hear the motion and I wish the Chairman of the Committee would use the microphone.

IN SESSION

MR. FOX: Mr. Speaker, while in the Committee of the Whole dealing with Bill 115, an Act to amend the Mining Royalty and Tax Act, on a question of privilege by the Member for River Heights, stating that the Attorney-General had imputed motives to him, I ruled that on the motion of privilege there was no imputation of motives. The Leader of the Opposition challenged by ruling. I therefore refer it to the House.

MR. GREEN: Mr. Speaker, there is no immediate necessity for going back into Committee of the Whole. I would therefore suggest that you arrange with the Hansard people to have the remarks transcribed so that you could take this matter under advisement and rule on it, perhaps sometime tomorrow.

MR. WEIR: Mr. Speaker, on the point of order, may I say, Sir, with all respect, I would ask that the members of this side of the House have made available to them prior to any ruling or consideration of it, the same copies of Hansard that you, Sir, have and that there be no ruling prior to Hansard being available to members of the House.

MR. PAULLEY: No question, no question at all.

MR. SPEAKER: I would certainly welcome comments at this time as to whether or not the Speaker ought to make a ruling on this . . .

MR. WEIR: Mr. Speaker, at the same time, Sir, I would ask you to take into consideration the charge that the Minister of Transportation made that I was a bloody hypocrite.

MR. GREEN: Mr. Speaker, the Honourable the Leader of the Opposition has raised referring to nothing that was recognized at any time by the - where the member was recognized by the Chair, nor can it be determined that the remarks were made to him; but with regard to your question, Mr. Speaker, with regard to your question, my understanding is from people who know much better than I, that when a Committee Chairman is challenged that there is an appeal that the House does not, that the committee does not sustain or reject his ruling, but that the ruling is then appealed to the Speaker who makes a ruling as to whether the Committee Chairman was correct or not correct in making his ruling.

MR. SPIVAK: Mr. Speaker, on the point of order, there isn't anyone, Mr. Speaker, in this Chamber that does not know that the boor from Thompson made that statement.

MR. PAULLEY: Mr. Speaker, if I may, could we not carry this further to the discussion that took place between myself and the Honourable Member for River Heights insofar as a challenge in an election. The point I would suggest, Mr. Chairman, is the appeal of the ruling of the Chair and not what transpired afterward. I would suggest in all due respect to the Leader of the Opposition and the Member for River Heights, if they want at some subsequent time to raise a point of privilege, if they have indeed a point of privilege, it would be at that time. May I respectfully suggest, Mr. Speaker, the reason that we're not any longer in the Committee of the Whole is because of the fact of a ruling of the Chairman, of the Committee has been challenged, and in accordance with the rules of our House it then becomes your duty to consider as to whether or not the ruling should be sustained, and nothing else.

MR. SPEAKER: On that very point . . .

MR. WEIR: On a point of order, Mr. Speaker, may I suggest that my recollection of the ruling privilege is that it must be taken immediately and not at some later stage, Mr. Speaker, and may I say that while I was on my feet when the comment was made by the Minister of Transportation, I brought it to the attention of the Chairman of the Committee at that time, and, Sir, I report to you that I got no action out of the Chairman.

MR. SPEAKER: . . . as I read the report received from the Chairman, the matter is referred to the House and not to the Speaker.

MR. GREEN: Mr. Speaker, it's my understanding that the Clerk is shaking his head, therefore we had better look at the rule. My understanding of the rule is that the Speaker must rule, but the Clerk is shaking his head, perhaps he can direct us to the appropriate rule.

MR. SPEAKER: All right.

MR. BILTON: I would suggest, Mr. Speaker, if I may that -- (Interjection) -- it has been said that the transcript will be taken and I'm sure you in your wisdom will be able to peruse the transcript and probably come to a conclusion, having done that, and for the purpose of this evening's session, probably we could continue from that moment on.

MR. GREEN: Mr. Speaker, apparently the ruling is -- correct procedure is, shall the ruling of the Chair be sustained and that you call that question.

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

MR. WEIR: Yeas and nays, Mr. Speaker, please.

MR. SPEAKER: Call in the members.

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

YEAS: Messrs. Barrow, Beard, Borowski, Burtiak, Desjardins, Fox, Gonick, Gottfried, Green, Jenkins, Johannson, McBryde, Mackling, Malinowski, Paulley, Pawley, Petrusson, Schreyer, Shafransky, Toupin, Turnbull, Uskiw and Uruski.

NAYS: Messrs. Bilton, Craik, Einarson, Enns, Froese, Girard, Graham, Hardy, McGregor, McKellar, McKenzie, Sherman, Spivak, Watt, Weir and Mrs. Trueman.

MR. CLERK: Yeas, 23; Nays, 16.

MR. SPEAKER: I declare the ruling of the Chairman confirmed.

MR. GILDAS MOLGAT (Ste. Rose): Mr. Speaker, I was paired with the Honourable the Minister of Youth and Education. Had I voted I would have voted against.

MR. BARKMAN: Mr. Speaker, I was paired with the Honourable Member for Winnipeg Centre. Had I voted I would have voted against.

MR. GREEN: Mr. Speaker, would you please call Bill No. 138. -- (Interjections) --

MR. SPEAKER: On the proposed . . .

MR. WATT: Mr. Speaker, on a point of order. Was there a motion that the committee rise?

MR. PAULLEY: . . . the Committee did rise.

MR. GREEN: Mr. Speaker, I believe that we are now sitting in the House and I don't believe that it is necessary at this point to go back into Committee of the Whole.

MR. PAULLEY: The committee did rise on the point of order.

MR. GREEN: Maybe I'm incorrect but I'd like to be . . . We're in the House now.

MR. WEIR: Mr. Speaker, I'm not sure whether the House Leader is or not. The only thing I'm wondering is that the committee did some business and I'm wondering whether there should be a motion to receive the report of the committee at that stage or whether it's not — (Interjection) — now I don't know, Mr. Speaker, I'm really thinking of a House entanglement next time we meet rather than being argumentative, which is different.

MR. PAULLEY: You may have a point there.

MR. FROESE: Mr. Speaker, on the point of order. Is it not too late now to make a report? I don't think we can make a report.

MR. PAULLEY: Mr. Speaker, if I may. There was a report from the committee and that report was that the ruling of the Chair was challenged which in effect meant that the committee rose to go into the House to consider whether or not the Chairman's ruling should be sustained. Now maybe it goes beyond that I don't know.

MR. GREEN: Well, Mr. Speaker, this is the kind of occasion where I would think that we should do what everybody will agree on, and then we can get on with the business. So that if honourable members feel that we should go back into the Committee of the Whole House and move the committee rise and report at the stage that we're in, that will be acceptable to me and then we can come back into the House.

MR. WEIR: Mr. Speaker, well if that would be necessary, I would think that notwithstanding the fact that the committee has reported, which they normally do, except that there was a rider attached to it that there had been an appeal of the Chair. Normally there are two motions, one that the committee rise, and another motion that is made by the Chairman of the Committee when he returns to his Chair that the report of the committee be received, which moves forward the other bills for third reading and it's the other bills that have been reported that I'm interested in getting ready for third reading next time we meet.

MR. SPEAKER: The Honourable Member for Kildonan.

MR. FOX: Mr. Speaker, I move, seconded by the Member for Flin Flon, the report of the committee be received.

MR. SPEAKER presented the motion.

MR. BILTON: Mr. Speaker, before you put the question I wonder if the Honourable Member for Kildonan will tell us what the report is about.

MR. PAULLEY: That his ruling was challenged, not the bill. -- (Interjection) --

MR. FOX: Well that's part of it. The other part is that Bills 3, -- if the Clerk will give me the numbers I'll recite them for him.

MR. BILTON: I'm a little worried about 115.

MR. FOX: I believe the member knows full well we didn't get done with it and I didn't call it. Seeing as how we're getting technical it was Bill 16, 25, 30, 31, 37 -- no we didn't get complete -- yes, 37, 53, 81, 137, and at 115 we are only half way through. That's the report, Mr. Speaker.

MR. SPEAKER: Are you ready for the question?

MR. FROESE: Mr. Speaker, I beg to move, seconded by the Honourable Member for La Verendrye, that debate be adjourned.

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

MR. SPEAKER put the question on the motion that the report of the committee be received and after a voice vote declared the motion carried.

MR. GREEN: Mr. Speaker, would you call Bill No. 138.

MR. SPEAKER: The proposed motion of the Honourable Minister of Industry and Commerce, Bill No. 138. The Honourable Member for Riel.

MR. CRAIK: Mr. Speaker, I adjourned this for the Honourable Member for River Heights.

MR. SPIVAK: Mr. Speaker, if there - I think would have been more co-ordination in what was happening tonight we probably would have had this adjourned, at least remain

(MR. SPIVAK cont'd.) standing adjourned until the next sitting. The subject is an important one; it's worthy of a very serious debate. It's difficult at 12:30 after having sat all day to deal with it. I'm afraid, and I've already made reference to that to the House Leader, I'm put in somewhat of an embarrassing situation in that my remarks to a large extent are going to deal with the Minister who introduced the bill who is not present today because he's attending a particular function in Brandon, and I understand that, but it does put me in an uncomfortable position of making reference to his statement, and making remarks in connection with it, that should be made directly to him because it's extremely important, Mr. Speaker, that there be no impression created that the legislation introducing a Manitoba Development Corporation is anything -- Development Corporation Act at least -- is anything basically new. The remarks of the Minister of Industry and Commerce -- and I have the notes in front of me, and I've had an opportunity of perusing them although I was absent when he made his presentation -- indicate nothing new. As a matter of fact the specific paragraphs were expressed in a speech that I gave in the House, in Hansard, on May 12th of 1969 on Page 2092 of that session. -- (Interjection) -- I'm sorry, the First Minister says it wasn't new?

MR. SCHREYER: I said it wasn't new then either.

MR. SPIVAK: No, it wasn't new then it was incorporated in the TED Report and I indicated at that time, Mr. Speaker -- (Interjection) -- I'm sorry, what did the First Minister say?

MR. SCHREYER: I said and it wasn't new then either.

MR. SPIVAK: It wasn't new then either. Well, Mr. Speaker, it wasn't new when I introduced it; it wasn't new when the TED Report said it, but on the other hand the Minister of Industry and Commerce in his remarks states that we in fact -- the proposed act will enlarge the corporation's area of operations and make it more development-orientated and as well place special emphasis on the expansion and strengthening of small to medium sized operations. And those are his words, Mr. Speaker. And we now have the admission from the First Minister that there is nothing new in what he said; there was nothing new in what I said, so then the question, Mr. Speaker, that we have to come to in our minds is, why did we change the Development Corporation Act from the Development Fund to the Development Corporation except that we wanted to call it the Development Corporation?

A MEMBER: You're imputing motives.

MR. SPIVAK: I'm not imputing motives -- (Interjection) -- no, I'm not imputing motives, Mr. Speaker, because the Honourable Minister of Mines and Natural Resources in the debate on credit unions when I suggested that one part be changed to have membership shares instead of shares said that was meaningless, it was unnecessary.

MR. GREEN: Of course, but we did it.

MR. SPIVAK: Yes, we did it and so, Mr. Speaker, I wonder on the same logic that the Minister of Mines and Natural Resources applied why it was necessary to take the Development Fund Act and to incorporate it as a Development Corporation Act when in effect it really does not accomplish anything new. In fact what we really have, Mr. Speaker, if we analyze section by section as I have, the Act itself, and the Minister indicated in his remarks, is really the Manitoba Development Act almost incorporated completely with some very few amendments that I'll deal with. And where the previous said "Fund" we now have "Development Corporation". But it's interesting, Mr. Speaker, to -- (Interjection) -- Oh, the Honourable Minister of Mines and Natural Resources says they're not going to hide the money. Well we'll come to that in a few moments.

Mr. Speaker, it's interesting to note that in the opening remarks the Minister of Industry and Commerce said, "This Act to establish the Manitoba Development Corporation is designed to strengthen and expand the existing Development Fund and make it the key agency in the promotion of investment in new industry and the expansion of existing businesses in the province."

Well, Mr. Speaker, the Development Fund has been the key agency in the promotion of investment in new industry and the expansion of existing businesses in the province. -- (Interjection) -- The Honourable Member for St. Boniface says how do I know? Well the difference between the Honourable Member of St. Boniface and myself is that I have had the opportunity of perusing annually the report of the Fund and I have by perusing it some determination of its involvement and the number of manufacturing enterprises it has financed. I know, Mr.

(MR. SPIVAK cont'd) Speaker, and I do not have the exact figures in front of me, that it financed some 300 manufacturing plants, which would represent approximately 20 to 25 percent of the total manufacturing plants in this province. And I suggest, Mr. Speaker, from my knowledge as Minister of Industry and Commerce that there was no other agency in this province, no other commercial agency, banking institution, industrial concern that -- industrial development bank, that financed as many or gave the sums of money to those plants that were responsible for the development of our manufacturing in this province. So, Mr. Speaker, what I'm suggesting is that the statement that the Honourable Minister made is nothing new. He restated it as if in fact there was something new, and in turn in restating this we come to a very -- a design if nothing else, a design on the part of the government . . .

MR. GREEN: A conspiracy.

MR. SPIVAK: . . . to always attempt in what they do to try and to make something appear different than it actually is.

MR. GREEN: Oh, horrors, horrors.

MR. SPIVAK: Mr. Speaker, I know that the Minister of Mines and Natural Resources is enjoying himself, and I know he would like to suggest that there is some comparison to the previous debate that occurred in committee.

MR. GREEN: Oh yes, yes.

MR. SPIVAK: But there isn't and he knows that as well as I do. There isn't.

MR. GREEN: Oh yes.

MR. SPIVAK: The imputation of a motive to an individual member is one thing; the imputation to a government in terms of its policy is another and . . .

MR. GREEN: You're talking about the Minister.

MR. SPIVAK: Yes, I'm talking about the Minister but this statement is a matter of government policy and we are now talking about policy matters; and I'm suggesting that the government in this has not introduced anything new.

Now, Mr. Speaker, I'm going to read without dealing at any depth the various paragraphs and the headings and then I'm going to make reference to the particular statement that was made in the House on May 12th. The Minister said that the government - and this is government policy - intends to expand the activities of the corporation - before it was called the Fund - specifically we intend that the corporation take the following steps: (1) Adopt a more aggressive attitude towards capital supply. Mr. Speaker, in my statement I said that the Manitoba Development Fund has been asked to review the TED Report; they have done so and with the consent of the government will take action on the following recommendations that will enlarge and diversify the present MDF. "Programs by adopting a more aggressive policy towards capital supply." - that was the first heading. First statement of the Minister, statement made May 12th by myself as to the policy.

Second, Mr. Speaker, saying is not doing -- (Interjection) -- saying is not doing. Mr. Speaker, insofar as I know, with the exception of the equity matters that we are going to discuss with - unless there is something that the government on the other side has not told us - the Manitoba Development Fund -- (Interjection) -- the Manitoba Development Fund is operating as it was operating before. -- (Interjection) -- It's not.

MR. MACKLING: No, we're telling the Legislature what we're doing.

MR. SPIVAK: Well, I'm not going to give up my opportunity to speak but I would like the Attorney-General to present at some time the differences and I would like to know how he knows, and what he's suggesting their operation is suggesting their operation is different. -- (Interjection) --

The second statement that the Minister made is that the Manitoba Development Corporation would institute a broadened program of research to develop major new projects. Mr. Speaker, I say that they are going to engage in research and developing major new projects.

The third paragraph, or the fourth paragraphs says introduce financial packaging and financial counselling into its program. And, Mr. Speaker, I said undertake financial packaging and counselling.

The next paragraph, Mr. Speaker, says engage in plant and equipment leasing. Mr. Speaker, in my statement I said engage in leasing of plants and equipment. I reversed it, Mr. Speaker. One was plant and equipment, they've changed that around.

The next paragraph says that the Minister says set up an internal consulting group. Mr. Speaker, I said supply -- I said provide management assistance to firms in which it has an investment.

MR. MACKLING: Will the honourable member yield to a question?

MR. SPIVAK: No, Mr. Speaker, I will yield afterwards.

MR. MACKLING: Oh, I see.

MR. SPIVAK: Then, Mr. Speaker, the next paragraph of the Minister said make loans in support of export activities. Mr. Speaker, I said supply financial support to exports of manufactured goods.

And then, Mr. Speaker, the next paragraph that the Minister suggested, establish a pilot enterprise program. I said, Mr. Speaker, the pilot enterprise program which was also referred to in the TED Report will be established by the Manitoba Development Fund.

So, Mr. Speaker, I must say that if you examine the notes — and I do not have the Hansard in front of me — but the notes that were presented by the Minister in connection with this matter there is nothing new, it's been said before, there has been a change — and I'm going to deal with that in a few moments. But frankly, Mr. Speaker, the suggestion that the Fund, or that the government as a result of what it's doing has now taken the Fund into a different area of activity is wrong, misleading and false.

Now, Mr. Speaker, there's another interesting matter, and I had an opportunity, and I'm not going to bore the other members on the other side but I'll make reference to it. I looked through my notes, Mr. Speaker, and I looked at a speech that was prepared April of 1969 and I — when I read the comments and remarks that the Honourable Minister made I was aware of the fact that I had read them before, I was also aware of the fact that as insofar as I'm concerned I had presented it, and I found, Mr. Speaker, to my surprise that that was not presented in the House. As a matter of fact it was prepared for the House but because of the statements that were made it was not necessary to deal with this in any depth. And the similarity in paragraphs, in wording, is -- (Interjection) -- The speech writer? No, well you have to ask the Minister of Industry and Commerce. He's not here to be able to defend himself. Mr. Speaker, I must say that this was prepared, prepared for the estimates of my department when I was Minister; and I must say, Mr. Speaker, it was prepared by the civil servants with myself — and I'll say, Mr. Speaker, in connection with this that I wonder whether this was prepared by the Minister with the civil servants or whether this was just prepared by the civil servants.

But the point, Mr. Speaker, in this whole debate is that realistically the suggestion that the Fund is now entering into a new area of activity is false and that there is only really here a continuation of the Fund's operation. But there are some changes. The name is changed from the Development Fund to the Development Corporation. And I think that that is an important change. -- (Interjection) -- The changing of the Development Fund to the Development Corporation? I'm not against the specific change but I would like, Mr. Speaker, and I suggest to the House and I'm going to deal with it, I would like to see a development corporation, a proper development corporation operating in this province because we've reached the point where a development corporation, I believe, could accomplish quite — you know, a great deal of good in this province, and frankly would be far more productive than the efforts so far produced by the government who continually try to talk as if something really has changed with respect to the fund or that its equity financing is really such a basic change. Instead of talking and talking and talking and doing nothing, doing nothing, Mr. Speaker, instead of not doing nothing, what they should have done is address themselves to the possibility of dealing with the development corporation, and for a few moments, Mr. Speaker, I'm going to deal with what a development corporation should be doing and what I visualize it should have been doing.

Mr. Speaker, in case of any question by any of the members, I would suggest that if I had been the Minister that a development corporation along the lines that I'm going to suggest would have been introduced, because in fact the matters along these lines were discussed and they were discussed for one objective, Mr. Speaker, and the objective was continuing the momentum in our economic life and the development of more new job opportunities for our people and the ability to be able to allow those people who have, because of technology and because of the change that occurred in our economic life, the opportunity to be able to enter new industrial activity that will be created for new job opportunities, to be in a position to raise their income levels.

But there are some changes, Mr. Speaker, before I deal with the development corporation that should be mentioned. There are references, and the references are made as well in

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(MR. SPIVAK cont'd) the Minister's statement, to the fact that there will be a new general consideration in making loans. The reference here is to - and I quote from the Minister - "this Act includes an assurance that the Manitoba Development Corporation in its consideration of loans or financial arrangements shall include such matters as social significance, external costs such as pollution, and the effects on the income levels."

Mr. Speaker, those are very nice words and they're very desirable. The only question is I'm not sure that anyone really knows what they mean, and I think the time has come for the government, who have used this on the hustings and who have used this in the House with reference to other debates in connection with economic matters, to give us some definition of what they're talking about. And let me say, Mr. Speaker, let's take the example of one company which has been loaned money - we are aware of that - by the government and which the government may very well purchase an equity, and that's Versatile.

Now how do we determine whether Versatile's income levels are the levels that are referred to in this objective or not. Now I don't know whether I can say that Versatile's income levels, that is the levels that are paid to employees, really achieve a social significance and the effects on income levels that is desired, because we have a very interesting thing, Mr. Speaker, and the record has to show this now because the point has to be made.

Versatile is a non-unionized plant and, Mr. Speaker, is it the government's intention to buy equity in plants that are non-unionized? Is it the government's intention, if a plant is not unionized and it does buy equity, to unionize it or to allow or to encourage that there in fact be unionization? Because we have to determine, Mr. Speaker, if we're talking about the effects on income levels, whether we really mean that there is going to be some judgment made as to what income levels we're talking about. Are we talking particular standards? Are we talking particular dollars? Are we talking relative to other industries in a particular area? Are we talking about industries that are unionized or not unionized whose agreements, collective agreements may be higher or lower? Because, Mr. Speaker, unless we define this, the objective as stated, of social significance and the effects on income levels, is meaningless. It's a nice word but it doesn't really mean anything. Now, Mr. Speaker -- (Interjection) -- Yes, as soon as I'm finished.

MR. GREEN: I want -- well Okay. I believe that I'm trying to help if the Honourable Member would . . .

MR. SPIVAK: Mr. Speaker, I know the Honourable Minister of Mines and Natural Resources is trying to help me, but I would prefer that -- (Interjection) -- I don't think I need that much help, I think I . . .

MR. GREEN: Mr. Speaker, I want the honourable member to -- I was involved in a case in which there was a union trying to . . .

MR. SPIVAK: Well, Mr. Speaker, I don't think I've given leave . . .

MR. GREEN: I believe you are wrong when you say they are not unionized.

MR. SPIVAK: Well, Mr. Speaker, the Honourable Minister of Mines and Natural Resources disagrees with me; that's something we are aware of. Well I wonder -- you know, it's very curious, I was referred to I think as a windbag by the Honourable Attorney-General -- I wonder if he would stop his chirping for a few moments. It's not accomplishing anything. He's in an area that he knows nothing about and his contribution will be the same kind of contribution he's made generally to this House which is nil, but I think it will be very interesting - loud, but nothing - and, Mr. Speaker, I think it would be much better for the purpose of the debate if he could control himself. This may be difficult, and he's not at a municipal meeting and he's not in a position to be able to shout me down, so I think if we -- (Interjection) -- Well, Mr. Speaker, . . .

MR. GREEN: Something wrong with municipal councils?

MR. SPIVAK: No, there's nothing wrong with municipal councils.

MR. GREEN: Well then, why are you making reference to them.

MR. SPIVAK: I made reference to the Honourable Attorney-General and -- (Interjection) -- Mr. Speaker, if it's privilege -- do you want to stand up and . . .

MR. MACKLING: What are you saying about my councillors?

MR. SPIVAK: I'm not saying anything.

MR. MACKLING: You better be careful. Don't impute any motives.

MR. SPIVAK: Let me say to the Honourable Attorney-General that I'm not afraid of him at all.

(MR. SPIVAK cont'd.)

Now, Mr. Speaker, there's another section, Mr. Speaker, that reference has to be made and that is the reference to the Manitoba Development Fund will have in attempting to draw reports on those people on whom loan applications will be made. Now we have, Mr. Speaker, a Personal Investigations Act that is being proposed for this House and I would want, Mr. Speaker, that the same rights that are asked with respect to personal investigation be given to those individuals who make application to the Manitoba Development Fund and who are going to be in the same position as other individuals who have credit ratings given by other credit rating institutions, to have whatever information is sought by the Board or by the Loan Committee furnished to them so that they are in a position to be able to make a judgment as to whether the credit information that has been referred is correct or not. Mr. Speaker, this is an extremely important part and it would be my intention to either amend the Personal Investigations Act or to amend this Act, or propose those amendments so that this will be considered. Because, Mr. Speaker, the individual has a right to get from a credit group particular information with respect to his credit so that in effect he's in a position to dispute and to be concerned about the allegations that have been made and be in a position to set the record straight.

So, Mr. Speaker, those people who appear before the Board and apply for a loan must be put in the same position that their credit, which is a factor in the determination of a loan and may not be the only factor but which is a factor in their loan, should also be in a position to be able to have that information furnished to them so that they can determine whether there are in fact allegations and credit references that are incorrect so the record can be set straight.

MR. BOROWSKI: Losing audiences.

MR. SPIVAK: Well, I must tell the Minister of Transportation that it's ten to one and I don't expect to have an audience. However, I expect, Mr. Speaker, it will appear in Hansard and I suspect that at least the record will be straight, and it's important, Mr. Speaker, at this point to mention this. We'll have an opportunity of dealing with it in committee and when we go back into third reading, but I want the record to show this because I have suspicions that some of the things we're talking about may be reviewed the next time this Act comes forward in the next session.

Now, Mr. Speaker, there are references to the particular disclosure sections which I think are important. They carry out the policy the government announced or had indicated. It's also a policy that they have expressed on this side of the House. In effect it's not, and I suggest, Mr. Speaker, it's not as complete as it was announced by them in opposition; it carries out some of the intent but not all of the intent. It really will not give the members of this House very much more information, because as the Minister indicates, almost all of that information, if not all of it, was readily available or is available and he made reference to it in his remarks.

In this respect I would like to indicate, Mr. Speaker, that the suggestion now that the Fund is open or now is available for the real public scrutiny of the members of this House, is not so. — (Interjection) -- No, it isn't so, Mr. Speaker, because there's a great deal of information that isn't forthcoming and will not be forthcoming. Mr. Speaker, I must say that in talking about disclosure, we have another section — and I'm not in a position to read the section although I'd like that opportunity because I'll have to deal with it when we get into committee — in which it suggests, and I believe it's Page 18 and Section 31 and I won't deal with the section but just to make reference to it. Disclosure by the Chairman, which says, Mr. Chairman, without reading it, that there is to be disclosure before a Legislative Committee on Economic Development, that the Chairman may be required to appear and he may then therefore present evidence.

Now, Mr. Speaker, we had asked — and it was a recommendation of the TED Report that the Chairman of the Manitoba Development Fund come forward to the Committee of Economic Development annually and to make a presentation similar to the presentation of the Chairman of Hydro or the Chairman or the General Manager of the Telephone System. The opportunity was to be given — and I believe, Mr. Speaker, if I'm correct, the TED Report says the General Manager and not the Chairman; it may have said both but I have a suspicion it said the General Manager — that the opportunity would be given, Mr. Speaker, for the members of the committee to then talk to the General Manager, who is involved in this key development agency in the

(MR. SPIVAK cont'd.) province, so that they could get a better understanding of what is taking place with respect to industrial development and that they would have the opportunity to deal with the matters that were concerning them by asking direct questions as to the policy of the Fund - not on the individual loans, but as to the general policy and as to the general economic climate, in order to be able to make recommendations from the committee to the House for whatever action is determined.

Now, Mr. Speaker, if one looks at what is taking place with the Standing Committee on Economic Development, one must get concerned with this particular recommendation because the Standing Committee on Economic Development for all intents and purposes does not exist. We have it in a form and in a structure. We met to determine what we would do and then we reported that we met, and that's really all we've done. It will not be meeting obviously during this session. It may be meeting afterwards, Mr. Speaker -- (Interjection) -- Well, Mr. Speaker, it met three times more. I think I indicated - and I don't want to read chapter and verse - but it was our intention to proceed with these recommendations of the TED Report. Mr. Speaker, it's important that there really be given an opportunity for the Chairman to report, but as well, Mr. Speaker, if we are going to enter into a field as the government suggests of equity participation -- (Interjection) -- Well, Mr. Speaker, it's not a question again of what we can do or what we didn't do; it's a question of what you have said in the past and what you've said now.

MR. GREEN: And we're doing it.

MR. SPIVAK: You're not doing it.

MR. GREEN: And we are doing it.

MR. SPIVAK: Well you're doing it.

MR. GREEN: That's right.

MR. SPIVAK: Yes, you're going to announce your economic development policy on some occasion. Well, we had the announcement of the Economic Development policy by the Minister of Industry and Commerce who made such a phenomenal statement that it took the supper hour and the Premier to be able to convince him that maybe he should change his opinion, and then we had his opinion changed and then we had a new policy announced about three hours later. So, Mr. Speaker, we really haven't had any economic development policy announced. But, Mr. Speaker, the important thing is that if we are going to have the government entering into equity positions, we at least are entitled now to know the kind of transactions they're entering into and what kind of commitments are being made with respect to the equity participation and on what -- (Interjection) -- I beg your pardon?

MR. GREEN: You will know.

MR. SPIVAK: Yeah, we will know, but I don't know when we'll know. We've asked for certain specific information already and it's not available to us.

MR. GREEN: You got it.

MR. SPIVAK: No it isn't.

MR. GREEN: Yes.

MR. SPIVAK: No, Mr. Speaker, let me talk about Lake Winnipeg Navigation. I want the Minister of Mines and Natural Resources, and he'll have the opportunity, to tell the members on this side what we know about Lake Winnipeg Navigation in which there has been an equity purchased by the Manitoba Development Fund and which the government says, you know, we're getting equity. The Minister of Industry and Commerce in a speech in Brandon, or in a report in Brandon said, you know, all I'm doing is trying to save businesses, one of which was Lake Winnipeg Navigation. Now, Mr. Chairman, I have no objection to the fact that the Development Fund has to get involved in financing businesses that have difficulty and even some that may in fact have had loans from the Manitoba Development Fund, and because I am a solicitor I have some knowledge because I was consulted in connection with Lake Winnipeg Navigation and I know a little bit more about those financial matters than the members here on this side.

MR. BOROWSKI: How much money did you give them? Tell us.

MR. SPIVAK: Mr. Speaker, for the benefit of the Minister of Transportation, I gave them no money at all, not one bit. I want to assure him of that.

MR. BOROWSKI: That's a lot of baloney.

MR. SPIVAK: Well, Mr. Speaker, it's not a lot of baloney. I have made a statement that I, or members of my family, have contributed no money.

MR. BOROWSKI: MDF - not you.

MR. SPIVAK: Oh, MDF has given.

MR. BOROWSKI: While you were Minister.

MR. SPIVAK: While I was Minister, MDF was given and you assume that that's the money I gave. Is that right?

MR. GREEN: That's right.

MR. SPIVAK: Well then, why did you say that I gave it.

MR. BOROWSKI: Well, you're asking about facts.

MR. SPIVAK: No, Mr. Speaker, the facts I'm talking about are the economic facts as to how much money was made by Lake Winnipeg Navigation last year, as to what its indebtedness was, as to what creditors it had, as to what its potential was in the coming years, and I am one who is aware of the financial position and I'm not interested because I think that the government took the right step. I'm not suggesting that. But anyone who suggests, or the Minister of Mines and Natural Resources who suggests that we know because of the statements made what's happened in connection with that transaction which the government now has 25 percent, I suggest is ridiculous. We do not know. Nobody knows any information on this side and we don't whether it necessarily was a good deal or a bad deal.

Mr. Speaker, when we talk in terms of equity participation and we talk about a declared policy of government that we are going to go in to equity and partnership with individuals, then I must say, Mr. Speaker, if this is the announced policy and this is what we're going to proceed with, then, Mr. Speaker, I suggest that we have a right for a full examination. Because, Mr. Speaker, if in fact this is going to cause new jobs, help hold jobs that may be lost, help develop this province, I am not going to be against it - and I've said this publicly and I'll say this now - I am not going to be against it because the change in policy that is proposed is really nothing that was not included in the Act before and nothing which we were not prepared to do in a given situation.

But the point is, Mr. Speaker, there is an accounting that has to be given - and the Honourable Minister of Mines and Natural Resources said this - by the government, and that accounting is more than just filing a statement which says we have a letter of intent and this is what we're going to do. There has to be some procedure -- (Interjection) -- Well, Mr. Speaker, if we'll get it. I don't want the Minister of Mines and Natural Resources to tell me we'll get it. I know some fish processors who thought that they were going to get paid when they were redundant and who had no guarantee in legislation and are not getting it. Mr. Speaker, I want -- (Interjection) -- Mr. Speaker, there's nothing in the Act that will give us the information that I'm -- (Interjection) -- Mr. Speaker, there's nothing in this Act that will allow, Mr. Speaker, this to happen, and therefore, Mr. Speaker, there's nothing in this Act that allows the opportunity for this Legislature to be in a position to review those items and those matters in which the Fund has taken equity at the direction of the government. There is nothing, Mr. Speaker . . .

MR. GREEN: That is not true.

MR. SPIVAK: I wonder if the honourable -- (Interjection) -- Well, you say it's not true. You know, Mr. Speaker, it's interesting. The Minister of Mines and Natural Resources, for every statement that he doesn't like, says it's not true, it's not true, it's not true. Well, Mr. Speaker, I know that there is a particular section which says that in fact there will be an annual report and it will show the amounts and names, the rates of interest and the terms of the loan -- (Interjection) -- No, Mr. Speaker, the Chairman may . . .

MR. GREEN: All right, he couldn't do it before. Under your rules he couldn't do it.

MR. SPIVAK: Mr. Speaker, we're going to propose a change, and our proposal will be, Mr. Speaker, so that the Honourable Minister of Mines and Natural Resources will know it, our proposal will be that the Chairman after the end of the fiscal year at the next, or during the session, the earliest session - the wording I do not have in front of me - the Chairman will then be obligated -- (Interjection) -- Yes, will then be obligated to appear before the Standing Committee, and if this is the intent, Mr. Speaker, by the Honourable Minister of Mines and Natural Resources, there should be no objection to the suggestions we are making, or the proposed amendments, that the Chairman will be obligated to appear before the Standing Committee and to make his presentation.

MR. GREEN: This is nothing but a death rattle on your part because you didn't do it.

MR. SPIVAK: No . . .

MR. GREEN: And you know that the public wants it . . .

MR. SPIVAK: No, I want the Honourable Minister of Mines and Natural Resources -- (Interjection) -- to know there is no death rattle on the part of the Conservative Party as you'll find out. -- (Interjection) -- Yes, Mr. Speaker. But I must tell you, Mr. Speaker, there is nothing in this section that allows the Chairman of the Manitoba Development Corporation to appear, obligatory appear . . .

MR. PAULLEY: Well let him go to Law Amendments.

MR. SPIVAK: . . . before the Standing Committee. He may do this and that's not good enough, because, Mr. Chairman, we already - Mr. Speaker, we already have an example in connection with the Hydro where we are not going to have the opportunity because of the government majority, and we haven't dealt with it fully, but I am sure . . . -- (Interjection) -- of having the Chairman, of having the General Manager, the General Manager of Hydro appear before us. We've had the Chairman. But I bet, Mr. Speaker, that before this session -- well I bet that at the end of the session we will not only have had the opportunity to have the General Manager appear . . .

MR. PAULLEY: . . . and his office boy, and the clerk and the stenographer . . .

MR. SPIVAK: No, I'll settle for the General Manager. I'll settle for the General Manager.

MR. GREEN: If we gave you the General Manager, you would want the Assistant General Manager.

MR. SPIVAK: Well, Mr. Speaker, you know it's interesting . . .

MR. PAULLEY: If we gave him enough rope he'd hang himself. And maybe that's a good idea.

MR. SPIVAK: Let's talk about the debate, Mr. Speaker. Let's talk about the debate. -- (Interjection) -- When I made a suggestion that there is nothing in this Act which provides the General Manager is obligated to appear -- (Interjection) -- the Minister of Mines and Natural Resources says that isn't true. When I then suggest that we are going to change it to include this, even if my wording itself is not adequate, -- (Interjection) -- he says, well we are going to have the office boy. Let's accept the fact, Mr. Speaker, that there is nothing in the Act that obligates us and when we enter into this equity position we have to be concerned about it . . .

MR. PAULLEY: The government proposal will do it.

MR. SPIVAK: . . . to deal with it.

MR. PAULLEY: . . . proper place.

MR. SPIVAK: Mr. Speaker, if the Honourable Minister of Government Services continues -- (Interjection) -- I would think in the interests of the decorum of the House -- (Interjection) -- and in the interests . . .

MR. PAULLEY: Yes, you're darn right.

MR. SPIVAK: . . . that the matter should be allowed to stand in my name and I can continue at a time when it will at least be given the decency and the opportunity of being able to be heard. I know the Honourable Minister of Government Services is a little bit uneasy. He's challenged me that he is going to come in to River Heights. . .

MR. PAULLEY: That's right.

MR. SPIVAK: . . . and I guess he's a little bit concerned and maybe would like to start the campaign now -- (Interjection) -- Well, Mr. Speaker, I am prepared to start the campaign tomorrow -- (Interjection) -- but just allow me the opportunity to be able to finish my remarks tonight.

MR. PAULLEY: . . . and you continue even . . .

MR. SPIVAK: Now there's another section, Mr. Speaker, that -- (Interjections) -- and this is a change Mr. Speaker, and I go back to the powers of the Fund in which - it's difficult without reading a particular section, and if I may, Mr. Speaker, have leave to read it. -- (Interjection) -- I have no leave? Oh, I have no leave. All right. The reference is made in this particular section that the Lieutenant Governor in Council, that is the Cabinet, must approve.

MR. GREEN: Mr. Speaker, on a point of order, the member knows full well that not only must he not read a section but the rules of the House are that he must not be talking about the details of the section, and we are supposed to be engaged in a discussion on the principle of the bill and I would ask that he stay within the rules.

MR. PAULLEY: . . . and he will have the opportunity in Law Amendments to move an amendment.

MR. SPIVAK: Mr. Speaker, in the powers there is reference to the fact that the Lieutenant Governor in Council, that is the Cabinet, will be subject, or have a right to review and deal with the purchase of shares of the companies, and I suggest, Mr. Speaker, that this brings the government directly into the question of the purchase of equity. There's no point in now suggesting that it's not government's intention to become involved, that it's the Fund alone, the government's involved. The government will in fact be part, I assume, of the negotiation of the purchasing and the shares in the company.

Now, Mr. Speaker, . . .

MR. PAULLEY: Try it tomorrow . . .

MR. SPIVAK: Now, Mr. Speaker, . . .

MR. PAULLEY: . . . at Law Amendments.

MR. SPIVAK: Mr. Speaker, well maybe we'll reach it, Mr. Speaker, maybe we won't. Now I would like to talk about the Manitoba Development Corporation. . . .

MR. PAULLEY: I'm not too tired tonight, you go ahead.

MR. SPIVAK: I would like to talk about what it could have been and what it should have been. Now I want to make a proposal, Mr. Speaker, because I think consideration should be given to it. We have, Mr. Speaker, a number of successful business enterprises in the city — (Interjection) — We have a number of business people who have been involved in those enterprises; who have been successful in carrying out a number of community functions. And one only has to suggest the Winnipeg Enterprise as one, or the Pan-American Games as another, in which the expertise and the talents and the ability of a number of the top executives of our city were used in a way which brought credit to the community and gave, and had a benefit, a total benefit for the community.

Mr. Speaker, the Department of Industry and Commerce continually identifies business opportunities which it attempts to sell to a variety of investors both in Manitoba and outside. There are many occasions in which the investors are not prepared to come into the Manitoba market because of a variety of reasons. One, because they can't get the management personnel here to live; secondly, because the market itself may be a market that they are unfamiliar with; thirdly, because of factors of weather and other factors that they may consider, and that are not as seriously entertained by those people whose living and whose life and homes are in Manitoba.

We have reached a point, Mr. Speaker, that if we really want this partnership between business and government, and I think we do — and I am not quarrelling with the statements that the Honourable Minister of Industry and Commerce has made in this respect. If we really want it there are vehicles with which to accomplish it — and I must suggest, Mr. Speaker, that the Federal Government in its proposal on the Canada Development Corporation is going to be proceeding in this way — and I am going to suggest, Mr. Speaker, that there was an opportunity for the Manitoba Development Corporation to truly become a Manitoba Development Corporation. Because I visualize, Mr. Speaker, a corporation which would have the capital investment of five, or ten, or fifteen or twenty million dollars in which we would have some of the major concerns in this province, without naming specifically some of the insurance and finance companies, who in fact would have contributed by way of capital share subscription a quarter of a million dollars each — and I think this could have been done — that would have given the basic two or three million dollars in corporation, and then would have allowed the people of Manitoba to invest in those companies so that they could then really truly profit on their investment in a Manitoba corporation, that could have moved forward and entered into those areas in which we have identified industries which could be carried on in the interests of the province.

Now I believe, Mr. Speaker, that a Manitoba Development Corporation which would be able to take advantage of the talent that we have in the province — (Interjection) — the business talent that we have in this province, who would have been prepared, Mr. Speaker, to work . . .

MR. SPEAKER: May I remind the honourable member that he has been speaking for 35 minutes.

MR. SPIVAK: Mr. Speaker, may I say that I believe that we could have, Mr. Speaker, and we still can, we can develop the Corporation so that it could enter into a number of areas

(MR. SPIVAK cont'd.) of activity where in fact there are, Mr. Speaker, there are no undertakings now being carried out in which the individuals in Manitoba would have had an opportunity of investing their funds on the basis of a return. And we probably, Mr. Speaker, based just on the savings or subscription of the government, we probably could have achieved a 15 or 20 or 25 million dollar capitalization, and that could have been carried on by a board of directors appointed by the shareholders of the Manitoba Development Corporation, encouraged by the government. And the Manitoba Development Corporation would then have been able to enter in those specific areas where there was some degree of research to prove a project out; and they in turn as a corporation would have been able to apply to the Fund, and they in turn like private corporations would have been in a position to have received the financing from the Fund and you would have the Manitoba Development Corporation building plants, employing people, and in turn receiving loans from the Manitoba Development Fund to carry out the project. In this way, Mr. Speaker, the people of Manitoba would truly invest because the suggestion that's made here that what the government is doing now is — the suggestion now is that the government, that the government by what it's doing is allowing the people to invest in Manitoba is not correct . . .

MR. PAULLEY: You couldn't even get five cents.

MR. SPIVAK: . . . because the money will only go back into the tax revenues of our likeable Minister of Finance who is going to use that in his Consolidated revenue . . .

MR. PAULLEY: Sixty-three million bucks you invested.

MR. SPIVAK: . . . to carry out the government programs and the individual Manitobans who really want the opportunity to purchase ten or twenty or fifty or a hundred dollars, or two hundred dollars or three hundred dollars, in a Manitoba corporation so that they can benefit by it, are not going to be in a position to achieve this. Mr. Speaker, that would have been a very worthwhile, and would have been a great opportunity for the people in this province to have had an opportunity in our Centennial year to have . . .

MR. PAULLEY: Sixty-three million bucks of Manitoba dollars in Manitoba which exceeded anything in the whole caboodle that you got when you were government.

MR. SPIVAK: Is that what you're suggesting that you've done now? Well that's the election you're going to be fighting in a few weeks. All right.

MR. PAULLEY: . . . over in River Heights.

MR. SPIVAK: I wonder if the Minister of Government Services could just button his lip, Sir, just for a few moments so I can . . .

MR. PAULLEY: If you could only button up as quickly as I could you'd be more people than you are.

MR. SPIVAK: The Manitoba Development Corporation that I proposed would have been truly a Manitoba Development Corporation with the people of Manitoba having the opportunity to invest in Manitoba; having the opportunity to receive a return on their monies; being able to become shareholders in the Corporation which would have been, I believe . . .

MR. PAULLEY: Sixty-three million bucks.

MR. SPIVAK: . . . capably led by some of the business expertise that we have who I know would have given of their time and energy at no cost to achieve this. Mr. Speaker, I am convinced that they would have but I must say, Mr. Speaker, that I did have discussions during my time as Minister of Industry and Commerce and I have indicated as well, Mr. Speaker, that had we been on that side it would have been my hope in the Centennial year to have introduced this, because this would mean, Mr. Speaker, would have been the way to have encouraged our people to invest in Manitoba. What we now have is the Minister of Mines and Natural Resources and the others saying that because we're the government, and we're taking these funds, and we're investing, that the people are investing in. Well that may be technically true but I suggest, Mr. Speaker, that the same people who purchase shares, . . . purchase shares for brokers throughout this whole country, in shares and private corporations would have had an opportunity . . .

MR. GREEN: Three percent, three percent.

MR. SPIVAK: . . . and would have welcomed, would have welcomed the opportunity of being able to go in.

MR. GREEN: Three percent of the people.

MR. SPIVAK: Now, Mr. Speaker, maybe it would have been only three percent but it is an interesting thing they would have the freedom of choosing whether they wanted to or not

(MR. SPIVAK cont'd.) . . . -- (Interjection) -- and I have greater faith than the Minister of Mines and Natural Resources -- (Interjection) -- and I'll tell you, Mr. Speaker, that my faith would have been that the people in this province, in a truly Manitoba Development Corporation would have invested. What the government has attempted to do is to suggest that they are creating a Manitoba Development Corporation when all they have done is change the word Fund to Corporation, brought in some disclosure provisions, which is said what they would do, not as complete as they suggested they would, and nothing else. And I suggest, Mr. Speaker -- and I'm sorry that the Minister of Industry and Commerce is not here -- that the representations that have been made to this Act is anything more than what's happened in the past is incorrect, or the representations to this Act is going to accomplish more with respect to industrial development, I suggest, Mr. Speaker, is not the case.

The Fund may very well accomplish more if it's given encouragement to in fact loan money, and I must say because there was a question asked of me earlier, that I am aware of the fact that there are loans that are not being processed, and in fact there are applications before; and I may say to those who say how do I know, that some of the solicitors who were very close to the government are the ones who have indicated that in fact there are loans which are not being processed because of the slowness with which the Fund is dealing. We know that we have a tight money situation, and we know that the people are looking to the Fund as a source of revenue, as a source of financing, and therefore, Mr. Speaker, I suggest that the Fund in its continuing of its policies will be continuing the same policy as in the past, that we had an opportunity for a proper Manitoba Development Corporation, that has not been undertaken, and that in the interests of trying to develop the kind of community involvement, and community spirit, and nationalism within our own province; because there is a nationalism within our own province that we want to accomplish, and it's not going to be accomplished by the overt act of the government, it will be accomplished by the technique that I suggested. And I would hope, Mr. Speaker, that in consideration for a Manitoba Development Corporation in the context of what I suggested would be undertaken in the future.

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

MR. CY GONICK (Crescentwood): Mr. Speaker, I would move, seconded by the Member from Osborne, that debate be adjourned.

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

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

MR. GONICK: Mr. Speaker, this is a very important bill that we are considering. The Manitoba Development Corporation is a means by which the government can hope to shape the economical development of the province and so it's important that this agency be looked at carefully by the members, so I would say a few words about the changes that are recommended by the government.

I would say first that the disclosure measures in the bill are, of course, welcome but that one should not go overboard in one's praise for this change because the kind of secrecy which was in evidence by the former government was a left-over from the nineteenth century, so that any honest and open and liberal government would naturally include disclosure measures of the kind that are recommended in this Act.

So I come to other more serious and more innovating parts of the Act which deserve more attention I think.

The Act suggests that the government set up guidelines with regard to the kinds of industries that it is willing to loan funds to, and suggests that matters of pollution and wages and decentralization of industrial activity are important guidelines in the loans that it provide for industry.

MR. SPIVAK: It always did. Decentralization was always in.

MR. GONICK: Well, the member said it always did. I have never seen any evidence of that and what I am going to question is . . .

MR. SPIVAK: The Act says it; you may not have seen it but the Act says it.

MR. GONICK: . . . is just what evidence there is that the criteria are tough enough with respect to this Act that there'll be any change.

MR. SPIVAK: Well why don't you change the Act?

MR. GONICK: For example, there is no indication and I would hope that the Minister

(MR. GONICK cont'd.). . . . would have an opportunity to tell us what wages, for example, would be required for a loan to an industry - \$2.00 an hour, \$2.50 an hour? This of course is nothing that can be placed in the Act, but we would like to have I think an indication. What about pollution? How would the government, how would the Manitoba Development Corporation decide as to which industries to support on the question of pollution? What measurements will be used. Does this mean that the Department of Industry and Commerce would now abandon, for example, chemical plants which are heavy pollutants in its efforts to bring new industry in?

MR. SPIVAK: Has it?

MR. GONICK: I don't know if it has. With regard to decentralization. . . .

MR. SPIVAK: If you don't know, how do we know?

MR. GONICK: With regard to decentralization, would there be incentives offered for plants to locate in areas other than Winnipeg? Will there be dis-incentives - plans to locate in Winnipeg when they could locate elsewhere? Again these are measures which the Minister will have to indicate in order for us to be able to tell whether or not these guidelines will be effective or whether they are to be ineffective as they apparently have been in the past, since the former Minister tells us that they have had these guidelines in the past, and as I've said, there seem to be no indication whatever that they were effective in the past. If they're going to be effective in the future, I'd suggest that the guidelines have to be tough. There has to be some muscle in these measures and the Minister will have to indicate to us just what he has in mind.

With respect to the equity provision, which is a departure for the government, we must ask again, people of Manitoba must ask I think, what is the purpose of a government going into equity with industry. Is it simply to get a piece of the action, as they say, for the people of Manitoba or to prop up sick businesses. If the firm that government buys into, if they are sick, then having equity in this business means only that the people of Manitoba share in the losses; and if they do become profitable, does this mean that the government would then sell back their shares? Again I think we need a clear understanding as to what is the function of government going into equity arrangements with enterprise. Is it to prop up losing business or is it to get into highly profitable businesses so that the people of Manitoba will indeed share in the profits and the growth of the province.

The Act says that the Manitoba Development Corporation will emphasize loans to small and medium sized businesses, which again the former Minister would probably tell us was the intention of the Manitoba Development Corporation.

MR. SPIVAK: And it did. It did.

MR. GONICK: And now he says it did. The fact of the matter is of course that over 90 percent of the loans have gone to very large enterprises in the past, so whatever their intentions were, if those were their intentions, they're hardly implemented.

The new Act says - and I know that the old Act said the same - that there would be no loans to businesses that can find other sources of finance, and again if that was the intention, if that was the intention of the previous government, they certainly didn't live up to it, and what we have to talk about here is how much more serious will this government be in implementing that position. In putting forward this particular position that loans will be given to small and medium sized businesses, the clear assumption on the part of the government is that small and middle sized businesses have ideas, they have energy; but they lack expertise perhaps, they lack capital perhaps, they lack sophisticated research facilities perhaps, and these are the things that the Manitoba Development Corporation are supposed to provide in a bundle so as to allow the small and middle sized businesses to be able to advance their projects. The guidelines rule out loans to big businesses because big businesses can always secure funds for investment, either from their profits, internal profits, or from loans or by selling shares - offering shares. So that by this position it seems to me what the new Act is saying is that no loans will be - no M.D.C. loans will be made to large corporations which. . . .

MR. HARRY E. GRAHAM (Birtle-Russell): Like Versatile.

MR. GONICK: . . . which we can assume are able to find funds in the open market like Versatile was not able to.

Now it was also clear to me, as I've said in the past, as it should be clear to other members, that it is the large businesses, large enterprises that make things happen, to quote the Member from River Heights.

MR. SPIVAK: No, it's the small enterprises.

MR. GONICK: So that if these projects, these great projects that would provide jobs and new opportunities in abundance are taken up by large enterprises, then the Act tells me

(MR. GONICK cont'd.). . . . that the government will be doing nothing to prohibit or inhibit that enterprise from taking up this project - will do nothing to stop them and nothing to discourage them. But if they do not, if large corporations which are able to take up these projects do not put up the equity themselves and can in fact get funds elsewhere, which we know they can, then according to the way I read the Act, the M.D.C. will not provide help to them from the public trough. So that if there are large opportunities, profitable opportunities - potential, which are not taken up, what the Act says to me is that the M.D.C. would, through the Crown, make arrangements to take up these projects. This sounds good. This was a provision that was in the Act before but never used, and I think what the Minister is saying is that the M.D.C. will be more willing and more energetic in taking up that provision where there are possible opportunities of a large scale that are not taken up by private enterprise, and I don't think that members even opposite would oppose that in principle.

So we have to therefore ask the Minister to what extent he has altered the staff of the M.D.C. and the Department of Industry and Commerce so that they are in a position to take up this new role, this more energetic role of being able to undertake new enterprises and oversee them. And again I'm sure that he would be able to, or would be willing to answer us with regard to what engineering staff, what financial staff, what entrepreneurial staff is now available in the M.D.C. and in the Department of Industry and Commerce sufficient to undertake these new big tasks.

And now we get to the matter that the Member for Birtle-Russell's been mumbling about in the back. If the government is sincere in its pledge not to make loans to companies which can really supply funds on their own, either from internal profits or from the money market, then I would ask the government why it is unwilling to say that no loans, no loan capital would be made available from the M.D.C. from the people of Manitoba to foreign-controlled companies who we know do have the funds, either from their internal profits or from funds they can raise in the money markets, to be able to finance themselves these industrial projects. In other words, we should be asking the government if they are sincere in living up to that provision of the Act which they have written into the Act, as the former government had also, why it is unwilling to say that it will not encourage the expansion of foreign-controlled companies in the Province of Manitoba by the use of Manitoba funds - public funds. We would ask this question primarily because I had always thought that it was the function of foreign companies to provide Canada and Manitoba with capital. If they are unable to provide us with capital -- (Interjection) -- well, if we look at C.F.I. with regard to expertise, the expertise has come from here - from Canada, not from Switzerland.

I am deeply disappointed, I must say, in the failure of the government to be willing to state this explicitly because I think it follows logically from the provisions in the Act and because I think it should want to say that of course it would do nothing to stop enterprises, foreign or domestic, from doing business in Manitoba, but to use public funds to stimulate expansion of foreign ownership in the Province of Manitoba would be something I would have thought this government would want to avoid and to say so, this being the party that convention after convention passes resolutions warning about the dangers of Canada being swamped by foreign capital, losing its economic independence - and I know that the members opposite don't care about this issue, it's not a matter of high priority with them - but for members of this Party, at least its conventions, the costs of foreign enterprise, economic and political, are widely recognized.

There are of course the economic costs, the profits that leave the country. Between 1960 and 1970, there was a net outflow from Canada of \$2 billion from subsidiaries of foreign companies in excess of the monies coming in from parent companies, so that Canada is actually exporting capital to the U.S. from subsidiaries. The imports, we know that it is the practice of foreign companies not to use local suppliers but to import largely from abroad so that the multiplier effect of foreign companies is one which is beneficial to host countries, to the country of origin, not to this country. We know that personnel, the senior personnel they use are by and large brought with them. We know that today we face inflation brought about by the close economic ties that draw the two countries together. We know especially in this Party, the party that advocates economic planning, that there can be no economic planning in this country which is independent of the direction that is occurring in the U.S. as the two countries become drawn closer and closer together through trade and investment ties. We know that our attempt to alter priorities are made very much more difficult, the countries as closely tied together as they are, and it would become impossible if the economic ties between the two countries become any greater. We know too that the growth of foreign companies occurs largely out of

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(MR. GONICK cont'd.). . . . internal, the plowing back of profits earned in this country, so that at the moment over 80 percent of the resource field is foreign owned and over 50 percent of the manufacturing field is foreign owned, largely due to investments out of profits that these companies have earned while operating in this country.

So here we have a government which has an opportunity to do something about slowing down foreign investment in Canada, through Manitoba showing an example, which I think might be emulated elsewhere because of the popular pressure, sentiment in favour of Canadianization of the economy. And this again I repeat, not by denying them the right to set up businesses in this Province but simply by refusing to give up public funds to stimulate the expansion of foreign-controlled enterprises, by saying that if you want to set up business in Manitoba, you provide the dough. I wonder if this is so much to ask. Apparently it is because we see no provision in the Act which would prohibit the Manitoba Development Corporation from making loans available to foreign-controlled companies.

So we can only guess why this is so, why no effort was made to have this kind of provision in the Act. I can only speculate on the reasons and I offer my explanation, which is that apparently the government wants to leave the door open for Manitoba Development Corporation to loan funds to foreign companies. That's the only conclusion I could come to. So I think we have to ask the Minister for a definitive statement on this, and I would phrase it in the way which I think he would be sensitive to; namely, will the only New Democratic Party Government in Canada stimulate foreign ownership by providing public funds for foreign companies?

MR. SPIVAK: Amend it and see how they stand.

MR. GONICK: I say that I think the Minister would be sensitive to a question like this because he knows as well as I know that this matter has been of utmost importance to this Party, both on the national level and at the provincial level, and I would remind him and other members that in 1967 the provincial party, at the provincial convention of the New Democratic Party, a resolution was passed with respect to the Manitoba Development Corporation exactly on this theme, and the resolution stated to the effect that the M.D.C. would accept, under a New Democratic Party government, would accept loans from foreign companies or from foreign individuals but would not loan to foreign companies if these foreign companies have effective control over their enterprises, that is if they control 51 percent or more shares.

Now the government may argue that this is a national affair, a national matter, that a province can't really affect the matter of ownership, it doesn't have the economic leverage to do so, and I would say to that that there may be certain policies that are beyond the jurisdiction of the province, but surely I would say to the government it is not too much to ask of a provincial government that it not invest public funds in such a way as to stimulate the expansion of foreign ownership, to stimulate, to take over our economy from outside. It isn't only an economic cost of course - and I want to stress this because I missed it in my earlier remarks in talking about costs - it is the whole question of political sovereignty. We know that decisions made outside of our border are made in jurisdictions which are beyond the control of the Canadian government. We know that there is a loss of political sovereignty which is over and beyond the real economic losses involved, and the economic losses, I suggest, because more and more it's become clear, that most of the foreign investments that are occurring in this country is financed with Canadian capital, so that it is unnecessary.

So we again must trust the Minister and ask him why it is that they have omitted such a provision which would be totally consistent with the principles of this party as espoused both at the national and provincial levels over and over and over again. I would suggest that perhaps the reason is that the government will have to show far greater entrepreneurship and innovations and risk-taking. Rather than assisting foreign businesses, it would have to take more responsibility for providing jobs and growth, and perhaps, despite the brave words which we hear from the Minister, perhaps the government is not yet that anxious to take this responsibility. Perhaps he'd rather do it the easy way, which has been the Canadian way in the past, which has been the Tory way in this province, and that is to pay others to do it for us.

Now is this the reason why the government is unwilling to commit itself to a policy which would try to make some dent into growing expansion of foreign investment in this country, which I suggest is a matter of sovereignty as well as a matter of economic cost. Does the government want to leave the door open so as to be able to make loans to foreign companies because it is unwilling to take the responsibility, the necessary responsibility to undertake these projects themselves if large companies would not come in here unless they received

(MR. GONICK cont'd.) welfare from the government.

I just want to say a few more words on this matter, and this is for the record. A possible response might be that this is a matter not for a province but a matter for the Federal Government, and once the New Democratic Party achieves office in Ottawa, then we will do these things. But in reply to that, and I think at the federal level perhaps more things could be done, but I would remind members that it is the province which now accepts responsibility for economic development, and I would suggest that it is possible that the members who argue this way would also argue once we have achieved office in Ottawa, that if any action is taken towards foreign investment in Canada at the federal level, then the foreign companies will go to New Zealand or Australia or Indonesia or some other country, and therefore it will not be until the New Democratic Party or its equivalent has taken office throughout the world that any effort could be made to thwart the expansion of foreign capital. So I discount that reasoning. I think that we have the ability in this Province of Manitoba to do something about this question if we wanted to, if we're willing to take the responsibility which is involved.

I would say secondly, with regard to possible responses that there might be to the points I'm raising, that the government might commit itself very clearly not to repeat a CFI affair which of course would be welcome news to all Manitobans, but surely I think we could say that this is a minimal kind of a promise. Surely nobody would expect a reasonably intelligent government to want to repeat a CFI. Surely we can expect that this government would want to go beyond that minimal concession, that we won't pay 100 percent equity. But does that mean that the government will then come to us and say, on a deal that's been offered to them from some foreign corporation, or domestic corporation for that matter, it's not 100 percent that they're after, they're only after 30 percent, therefore it's not as bad as CFI and why shouldn't we go into it. If that's what the government is going to be offering us in the future, I don't know, and by the absence of a provision, a clear-cut provision in the Act which would say that there will be no loans provided for foreign companies, foreign-controlled companies, I wonder if this will be the attitude of the government, that as long as it's not as bad as CFI, using CFI as a standard against which all other deals are compared, and nothing could be as bad as that, as long as it's not as bad as CFI then it's okay. I wonder if that will be the attitude of the government? I don't know.

So I wonder if we can be satisfied therefore with the minimal kind of promises which we may receive with regard to this question. I for one am unwilling to accept these kinds of answers. It means in effect that we will be selling out this country, not in ten years but 25 years. We'll slow down the rate at which we will sell out our country. The Conservatives were doing it in ten years and under us it'll take 25 years as a result of our policy. I'm not saying this is so, I'm saying that this is a possibility, depending on how the government acts, because what is really important here is not what is said explicitly in the bill but how in fact the government acts - and we wait to see how the government acts. In fact I think that the people of Manitoba wait on this matter with great expectation. I think even more so the members of the New Democratic Party, both provincially and nationally, will wait with great expectations to see just how, once a New Democratic Party takes office, it handles this question which vexes members of our party; namely, the expansion of foreign control over our economic life and our political life and our cultural life.

. . . . continued on next page.

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MR. SPEAKER: The Honourable Member for Lakeside.

MR. ENNS: Mr. Speaker, as has become the custom of this session and this government, we do indeed discuss the important things of state around the hour of midnight or thereafter, and I intend to speak briefly to the subject matter before us and specifically to some of the comments made by the Honourable Member for Crescentwood. Quite frankly, Mr. Speaker, I really want to start by issuing the Member from Crescentwood an invitation to come and join us on this side of the House, in this caucus, because, Mr. Speaker - and I'm deadly serious - he has more opportunity perhaps of wielding some influence with us than he has with the government that he is part of and a backbencher of, because if ever we heard colossal tripe, poppycock - to use the terminology of the Minister of Labour - to get on this "Holier than thou" attitude that the MDF Corporation is going to take now with the bill before us, he has the nerve, Sir, to suggest to us and talk about foreign ownership, when at this very moment the first act of this government was to despatch a very capable consultant, we are told, to look and pursue through Scandinavia, western Europe and Israel for some foreign pharmaceutical firm to come to bonny Manitoba. And I'll tell you one thing else - and I hope these connections are correct - because when they will come, the MDF will be there to help them even after this bill is passed.

And so, Mr. Speaker, really - really, Mr. Speaker - and you know, I must admit that I've lost a tremendous amount of respect for the Honourable Member for Crescentwood by his parroting - and it is parroting - and I only wish that even at this later hour of the day that surely by now members of the news media would begin to acknowledge the fact that he has only one stock speech that he delivers to this House and that he subjects us to listening to from time to time.

So, Mr. Speaker, somehow, and particularly earlier on, he was going to have that the MDF were going to alter its bad ways of loaning money and would certainly not loan money to big business. Well now, Mr. Speaker, one of the first acts of this government when it had control of MDF was to negotiate a loan of some six millions of dollars to a well-known Manitoba farm implement firm. Now by his criteria -- (Interjection) -- Certainly not. Certainly not, but I'm just trying to understand the criteria that's just laid down for the kind of loans that the government and the new MDF should give; the companies should have no opportunity for other financing. We knew Versatile had all kinds of other opportunities for their financing. North Dakota was after it; several other firms in the United States were after it -- (Interjection) -- They told us that

Mr. Speaker, I don't condemn the government for the action that they take. They're taking exactly the attitude in their program position that the former administration took. We wanted Versatile in Manitoba; we needed Versatile in Manitoba; and it should stay in Manitoba. Your government put \$6 million on the table to keep them in Manitoba and you're prepared to put another \$35 million to keep them in Manitoba. This is -- you know somehow, Mr. Speaker, this is under the aegis of the new government and this is difficult. Now on top of that, Mr. Speaker, and I'm really a little upset by that aura of moral righteousness which was going to accompany the loans now made by the MDF. We even talked about maybe conditions should be attached in terms of the kind of wages and working agreements that should accompany conditions to any loans.

Well, Mr. Speaker, I have this little booklet in front of me - it's with respect to the Royal Commission on Farm Machinery and this particular section of that royal commission report was set out by a Mr. Neil D. McDonald and it talks about the locational advantages in the farm machinery industry. And you know, Mr. Speaker, it's rather interesting, that one of the reasons why - and it comes out rather heavily that Winnipeg is ideally suited for the location of farm implement manufacturers - and one of the reasons is that "essentially the level of fringe benefits and costs" - I'm reading from the report, and they're relating this to other industries in the farm implement field - "related to the degree and type of union organization in the area. In the Ontario area, considered west of Toronto, industry is strongly unionized, largely by major international unions, and all farm machinery companies except Erie and Welland were organized under UAW or USA. In Winnipeg, only about one third" - and I'd like to carry on my conversation with the Minister of Mines and Natural Resources on this particular subject. "In Winnipeg, only about one-third of the farm machinery workers surveyed belonged to an international union, subsequently providing in Winnipeg, because of the unorganized state of labour" - and, Mr. Speaker, I wish to make it very clear, I'm not charging this government with the responsibility of the unorganized state of labour, the responsibility lies with the labour organizations themselves.

(MR. ENNS cont'd.)

But the fact of the matter is, Mr. Speaker - the Honourable Minister of Mines and Natural Resources shakes his head - but surely I could expect, I could expect even before as a pre-condition of the tables that were documented with the six million dollar loan that was made with Versatile, some understanding about bringing into Versatile, as a first prerequisite, good strong organized labour unions and good . . .

MR. PAULLEY: Would my honourable friend permit a question? Would he suggest that in order to enhance the position of Versatile and other farm implement organizations in Manitoba that we should abolish the right of employees to organize in unions in Manitoba, because that's what my honourable friend is saying.

MR. ENNS: Mr. Chairman, let's keep this debate in context. It's late. The Honourable Member from Crescentwood suggested to us just a few moments ago that these were the kind of . . .

MR. PAULLEY: I asked my honourable friend a question, and I think I deserve the courtesy of an answer to my question to my honourable friend.

MR. ENNS: Mr. Speaker, if in the course of my next few remarks and comments the Minister of Labour deems that he has an answer from me, he'll have an answer; otherwise he won't.

The Honourable Member from Crescentwood a few moments ago indicated that these kind of moral conditions - and, Mr. Speaker, I agree with him because let's examine the record. I'm prepared on the basis of the performance of the ten years of record of the administration of the MDF under this administration and the one year record on a relative basis, that the loans made to companies provided better working conditions under unionized conditions, or something like that, than the first big initial effort made by this company, and my understanding is that that much beleaguered firm of CFI -

MR. PAULLEY: Poppycock.

MR. ENNS: . . . understand it's all union, well organized union help that's working there, particularly in the construction, providing good paying jobs. Now maybe somebody from the north can provide me. Are the construction industry not being paid, certainly prevailing and going rates, in the construction of CFI? If there's somebody that can tell me that that's not the case, then I stand to be corrected.

MR. GREEN: Surely the honourable member knows that whatever organization has taken place in the complex, and there is some, it wasn't a condition of the loans.

MR. ENNS: No, Mr. Speaker, but the Honourable Member from Crescentwood took it upon himself to lecture us, to lecture us about the kind of conditions that this government was now going to put on the conditions of loans.

MR. GREEN: Mr. Speaker, wouldn't the honourable member agree that the Member for Crescentwood was lecturing us? He wasn't lecturing you.

MR. ENNS: Well, Mr. Speaker, I agree, but then I'd also like him to take seriously the fact that his lectures fall on deaf ears and that really he should perhaps come and occupy a seat with us here. You know, we have the Red Tory from River Heights and the Red NDPer from Crescentwood, and there's more chance of some meaningful dialogue going on on this side of the House than with the company that he's now travelling.

MR. PAULLEY: May I suggest that the daft remarks of my honourable friend are falling on deaf ears.

MR. ENNS: Mr. Chairman, all I want to suggest to you is that this is the kind of politicking that I would expect from the Minister of Labour, from the Attorney-General perhaps - and I want to be careful -- (Interjection) -- yes, from the Minister of Mines and Natural Resources, but I wasn't quite prepared to accept that kind of crass political posturing from my academic learned friend the Member from Crescentwood. -- (Interjection) -- Well, Mr. Speaker, if he would join us, perhaps he would enhance our caucus meetings.

MR. PAULLEY: You're damn right he would.

MR. ENNS: I'm prepared to accept that.

MR. PAULLEY: Any semblance of intelligence would improve your lot.

MR. ENNS: I also know - and, Mr. Speaker, I say this as a believer - that I have enough faith in my system that I would convert him to it in short order, with the help of the Member for Fort Garry. With the help of the Member from Fort Garry, we would accomplish that feat.

Well, Mr. Speaker, we're getting off the particular subject, but I wanted to make those

(MR. ENNS cont'd.) two particular points, that while the honourable member makes great to-do and concern, a concern that we on this side share too, the response that he makes of simply turning aside the benefits of development in this country on a suddenly aroused national patriotic fervor and thereby shutting off whatever benefits that can accrue to us, are not acceptable to me. I'll accept the concern, I'll accept the means of devising methods of preventing any erosion or further erosion, and indeed recapturing any loss or erosion of our sovereignty - that I agree is implicit in this kind of a situation - but I suggest to you, and I don't want to use the term hypocritical because it's not parliamentary, but I suggest to you that it is most inopportune that the Member from Crescentwood should choose to make that speech today when it was revealed to us with some considerable pride about the efforts of his Department of Industry and Commerce and his consultants -- (Interjection) -- well, is he now divorcing himself from the government, Mr. Speaker? If he is, the invitation is open. But, Mr. Speaker, as I say, it was a most inopportune timing of that speech, and to make that speech at the time that we all wished well, the well-qualified consultant that's touring Europe and other countries to endeavour to bring a foreign-owned pharmaceutical firm to Manitoba, no doubt with the substantial help of the MDF. Thank you, Mr. Speaker.

MR. SPEAKER: The Honourable Member for Rhineland.

MR. FROESE: Mr. Speaker, I'd like to move, seconded by the Member for Lakeside, that debate be adjourned.

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

MR. FROESE: Yeas and nays please, Mr. Speaker.

MR. SPEAKER: Has the honourable member support? Call in the members.

MR. FROESE: On a point of order, if the vote is in favour, then I don't ask for a division. I thought the vote had gone the other way.

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

YEAS: Messrs. Bilton, Craik, Einarson, Enns, Froese, Girard, Graham, Hardy, McGregor, McKellar, McKenzie, Sherman, Spivak, Watt and Weir.

NAYS: Messrs. Barrow, Borowski, Burtniak, Fox, Gonick, Green, Jenkins, Johannson, McBryde, Mackling, Malinowski, Paulley, Pawley, Petursson, Schreyer, Shafransky, Toupin, Turnbull, Uskiw and Uruski.

MR. CLERK: Yeas, 15; Nays, 20.

MR. SPEAKER: I declare the motion lost.

MR. MOLGAT: Mr. Speaker, I was paired with the Honourable Minister of Youth and Education. Had I voted, I would have voted in favour of the motion.

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

MR. WEIR: Mr. Speaker, I really hadn't intended to take part in this debate, but with the Member for Rhineland foregoing the pleasure, which I can understand, I think I would like to record what the attitude of the government has been on this bill and some of the experiences this evening.

Mr. Speaker, it's gone on through a lot of the session and the result of this vote is just an indication, and the vote earlier, that the government is prepared to accept the adjournment in terms of this bill, or were prepared to, and when the Member for Crescentwood, a member on that side of the House . . .

MR. PAULLEY: Mr. Speaker, on a point of order, is it proper for my honourable friend to reflect on a vote that has been taken in this Assembly.

MR. WEIR: Well, Mr. Speaker, I'll try not to reflect on the vote. May I say . . .

MR. PAULLEY: . . . whether at this stage and the hour, my honourable friend says he will try . . .

MR. WEIR: Mr. Speaker, he doesn't rise unless you recognize him. Sit down till you're recognized.

MR. PAULLEY: You sit down while I'm up on a point of order. I ask you, Mr. Speaker,

. . . MR. SPIVAK: Sit down, Russ, sit down.

MR. PAULLEY: Shut up.

MR. SPIVAK: Sit down.

MR. PAULLEY: Mr. Speaker, on rising on a point of order, I asked the question as to whether or not the Leader of the Opposition can reflect on a vote that has been taken.

MR. SPIVAK: After your language he can do anything he wants.

MR. SPEAKER: Order please. I believe I heard the Honourable Leader of the Official Opposition indicate that he will attempt not to reflect on the vote.

MR. PAULLEY: As long as he does not reflect, not the attempt.

MR. WEIR: Well, Mr. Speaker, I'll do my best not to reflect on it and I won't refer to the count that took place or anything else, but I must indicate in terms of it that there has been a disposition on the part of the government to refuse adjournments to the Member for Rhineland, the Member for Rhineland's adjournments, to the Member for Rhineland on more than one debate during this session. There has been an indication that no more debates, Mr. Speaker, would be adjourned by any member of the House, and yet when it came to a vote, when it came to a vote the members on this side of the House . . .

MR. PAULLEY: Mr. Speaker, may I rise on a point of order?

MR. WEIR: Mr. Speaker, I'm not. . . .

MR. PAULLEY: May I rise on a point of order? Is not my honourable friend reflecting on a vote that has just taken place?

MR. WEIR: Mr. Speaker, if I may on the point of order, may I suggest, Sir, that I'm not reflecting on a vote, I'm reflecting on the results of the vote having been taken. It's not a reflect on the vote itself, not a reflection on the vote itself in any way, shape or form, and my honourable friend that has been trying to take part in this debate over the last hour or hour and a half, or that part of it that he's been in the House, with the absence of the Minister of Industry and Commerce, and in view of the fact, Mr. Speaker, that the Minister isn't here and in view of the fact that we're not accepting adjournments on the debate, I fully expect the Minister of Labour to close the debate this evening and there's many questions probably need to be answered, and my experience with the Member for Transcona, the Minister of Labour, is that he's got the answers. Mr. Speaker, this is the attitude of the government, that they have the answers to everybody's business, not just the public business but all of the business.

Mr. Speaker, may I say that I rise on this occasion simply to point out, simply to point out that the refusal of this side of the House, in spite of the fact, Mr. Speaker, that there was a majority on the government side, you, Sir, allowed the Member for Crescentwood to continue and that had the support of the government, but the minute the Member for Rhineland wanted to adjourn the debate it didn't have the support of the government.

MR. GREEN: On a point of privilege, my understanding is that the Member for Rhineland and the Member for Crescentwood were both accorded the same treatment; they were both required to continue to debate.

MR. WEIR: Mr. Speaker - and I hesitate because I might be reflecting on a vote in my attempt or not to - but the fact of the matter is that we had a recorded vote the second time on which the government refused, in a recorded vote, the Member for Rhineland to adjourn a debate. In a voice vote with the government voting in favour, in favour of the adjournment of the Member for Crescentwood, the government voted in favour of it and the Speaker -- (Interjection) -- Well, all I can say is in the voice vote they voted in favour and the negative vote was from this side of the House, and the Speaker recognized, let's say, the strength of my voice and the voice of members on this side of the House.

MR. PAULLEY: Mr. Speaker, it isn't usual for the old rooster to start into any debate at ten past two in the morning and my colleagues are enjoining me to take it easy, but I cannot let go of the challenge of the Leader of the Opposition when he refers to me, as to the position that I now occupy and the position that he now occupies, and I think that it is manifest that he occupies the position he does because he didn't listen to the words of wisdom of the Member for Transcona when the Member for Transcona was on that side of the House. And I want to say to my honourable friend that the reason for the change in government in Manitoba has been because of the lack of interest of the Conservative Party. . . .

MR. GRAHAM: On a point of order, Mr. Speaker.

MR. PAULLEY: . . . in Manitoba on the industrial development of Manitoba.

MR. GRAHAM: On a point of order, Mr. Speaker, are we dealing with Bill 115?

MR. PAULLEY: Yes we are, Mr. Speaker. I suggest we're dealing with 115 which deals with the Manitoba Development Fund, and I want to say to my honourable friends opposite - or 138, I'm sorry, I got the wrong number - but I want to say to my honourable friends opposite that the present Minister of Labour had the opportunity some years ago of introducing into this House the first resolution that established a Manitoba Development Fund, and reluctantly the Conservative Party, as a minority government in Manitoba, accepted the

(MR. PAULLEY cont'd.). . . . proposition that the then Member of Kildonan-Transcona, which I was, introduced into this House and now we have the absenting Member for River Heights. . . .

MR. ENNS: Call him the Minister, it sounds better that way.

MR. PAULLEY: No, the absenting member.

MR. ENNS: The Minister.

MR. PAULLEY: . . . ex, and thank God as a loyal Manitoban he is an ex-Minister.

MR. ENNS: The next Minister, that's right.

MR. PAULLEY: But anyway, Mr. Speaker, the only reason I got into this debate. . . .

MR. SHERMAN: You're not really in it yet, Russ.

MR. PAULLEY: That's right. And I want to say, Mr. Speaker, if the rabble will quiet down - and in rabble I include my honourable friend for Fort Garry - but if they will quiet down they may hear a little bit about the history of The Manitoba Development Fund in the Province of Manitoba.

MR. BILTON: We're all ears.

MR. PAULLEY: You're all ears, yes, and between your ears there's a void; there's a vacuum between your ears.

MR. BILTON: I knew you were going to say that, that's why I said it.

MR. PAULLEY: That's why you said it? I'm glad, Mr. Speaker, that my honourable friend the Member for Swan River admits and acknowledges that there is a vacuum between his ears, and I appreciate - I appreciate the remarks of my honourable friend.

MR. BILTON: On a point of order. I don't see my picture in Bill 138 anywhere and I don't see where my character should be taken. Whilst I have the floor, I move that the House adjourn, seconded by the Honourable Member for Roblin.

MR. PAULLEY: Mr. Speaker, my honourable friend rose on a point of order and he apparently has forgotten all I tried to teach him when he was the Speaker of the House. He cannot move a motion of adjournment when he's speaking on a point of order. Now my honourable friend. . . .

MR. BILTON: On a point of order, I still insist that the honourable gentleman is referring to me, to my character, my ability and my personality, which has nothing at all to do with the bill which he should be discussing, and he told us fifteen minutes ago that's what he was going to tell us all about. It's high time you did.

MR. PAULLEY: Mr. Speaker, I didn't say anything about my honourable friend from Swan River, he made the admission that there was nothing between his ears. Now if he does it, I'm only in agreement with my honourable friend.

MR. BILTON: Mr. Speaker, has the honourable gentleman looked in the mirror lately? Because there he sits. Look in the mirror.

MR. PAULLEY: There he sits and now he is sitting. Mr. Speaker, again, I really want to say to my honourable friend, to whom I have such great respect for - and I admire the honesty of my honourable friend - and all I am doing is agreeing with my honourable friend that there is nothing between his ears and that's what he said. But again let's get back to the bill.

All I want to say, and particularly I want to say it to the Leader of the Opposition and my challenger from River Heights, that we would not have had in the Province of Manitoba a Manitoba Development Fund Act in my opinion - and I can be wrong and I have been wrong on one or two odd occasions - but we would not have had the basis of a Manitoba Development Fund Act in Manitoba if it had not been for a member of the old CCF Party, the Member for Kildonan-Transcona introducing the resolution into this House in order to -- (Interjection) -- yes, I am patting myself on the back. And I want to say to the Member for Minnedosa, the Leader of the Opposition, that if we had waited for any indication from the former Conservative administration, or prior to that the Liberal administration, Manitoba insofar as industrial development would have still been dragging its heels.

So I say, Mr. Speaker, let's pass this Act. My friend the Member for River Heights has suggested that he is in the position, or wants to be in a position to make amendments to certain sections of the Act. The only place, Mr. Speaker, that it is possible to make these amendments is in Law Amendments, and I respectfully suggest -- (Interjection) -- Yes, it is a good suggestion, and after listening to the blathering poppycock of my honourable friend the Member for River Heights, I think that if he had said -- (Interjection) -- I say, Mr. Speaker, if he had said some time back that I am prepared to allow this bill to go to Law Amendments in order. . . .

MR. SHERMAN: You're getting back into your subject now, Russ.

MR. PAULLEY: Will the babble still cease - or will they cease just for a moment. If my honourable friend was really sincere in an endeavour to improve the bill, surely without an oration for 40 minutes by him, and in addition from the Member for Lakeside and others rambling on for a long period of time, if they had said we have some suggested improvements to the bill which can only be made in Law Amendment, we'll accept the bill and let it go to Law Amendments. This is what I suggest, Mr. Speaker, is a proper and intelligent course for the Conservative Party. But, Mr. Speaker, having said that, I don't think there's a damn bit of intelligence on that side of the House.

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

MR. GREEN: Mr. Speaker, I beg to move, seconded by the Minister of Cultural Affairs, that the House do now adjourn.

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