

THE LEGISLATIVE ASSEMBLY OF MANITOBA  
2:30 o' clock, Friday, April 19, 1974

INTRODUCTION OF GUESTS

MR. SPEAKER: Before we proceed, I should like to direct the attention of the honourable members to the gallery where we have 30 students of Landmark Collegiate. These students are under the direction of Mr. Edwin Plett. This school is located in the constituency of the Honourable Member for Springfield, the Minister of Tourism, Recreation and Cultural Affairs. On behalf of all the honourable members I welcome you here today.

GOVERNMENT BILLS - BILL NO. 8 - CAPITAL SUPPLY

MR. SPEAKER: We are on Bill 8. The Honourable Member for Lakeside. The honourable member has 24 minutes left.

MR. ENNS: Thank you, Mr. Speaker. Prior to the lunch hour adjournment I was in somewhat disjointed fashion making a few particular points that I thought were worthwhile making, somewhat in rebuttal to the comments made by the Honourable the House Leader just previous to that. But, Mr. Speaker, really the reason for rising on this occasion was because I saw immediately by virtue of some of the things that the Honourable the Minister of Mines and Natural Resources said it gave me an opportunity to come back to a favorite and recurring theme that will keep recurring whenever I have the opportunity, and this is one of those opportunities. And, Sir, I want you to know, Sir that at least in my judgment and I am sure that you will concur it's in keeping with the rules, the debate that we're on, Capital Supply, very apropos of the granting of Capital Supply.

Sir, if the Minister is exercised - I don't like to subscribe to him feelings that I think he may have because he may object - if I detect, if we detect a degree of sensitivity, of embarrassment -- I don't really think embarrassment. I think it's very difficult to embarrass that particular Minister, but if it's sensitivity or whatever it was that caused his adrenalin to flow in the manner and way in which it did this morning, in that speech that he gave us this morning, then I suggest to you that there is this specific reason. Because there is a particular area that I take issue with him, have taken issue with him before, and will continue to take issue with him, and that is the question of the capacity of a government to do certain things within our present democratic framework. Because, Mr. Speaker, if the Minister is at all sensitive about that \$250,000 hole that he dug, and it's all his and the people's of Manitoba and there's nothing in it, and he has to answer for it, I want to assure and I want to assail this Capital Supply Bill before us because of its niggardly approach to the problems that have to be solved. He has to be able to stand up in this House, Sir, and defend that \$16 million hole - and it may still be dry - that he referred to that Hudson Bay dug and had to answer for to their shareholders. I don't know what happened under that circumstances, whether or not some directors of the company were fired or released or whether the shareholders at that meeting. I suspect not. This is the way the private sector works. They take the over-all view. The fact of the matter is that the Hudson Bay shares continue to pay dividends undoubtedly and the decision was arrived at that, never minding that particular setback, the affairs of the company were in reasonably good hands and they carried on. If it weren't the case they would change directors and they would change managers and they would do the things that was felt were necessary.

Mr. Speaker, I am suggesting, I have suggested before, that under subsequent Capital Supply bills coming into this House, unless there are items for fifty, sixty, a hundred million dollars, then this government can't possibly, can't possibly do the things that they are deluding the people of Manitoba they think they can do. You know, a mere half a million to the Manitoba Exploration Company is peanuts, as the Member for Swan River says, in terms of offsetting the amount of money that is being frightened off, scared off from the Manitoba mining scene. And, Mr. Speaker, unless I start seeing from the Minister of Mines and Natural Resources the kind of willingness, willingness to gamble, willingness to risk the taxpayers' money in the same manner and in the same degree, Mr. Speaker, that the private sector does yearly, daily in the seeking of minerals in this province, in the development of ore bodies in this province, and in the general development, industrial development, particularly in the mining field. Now, Mr. Speaker, to date we haven't seen that, and I'm sure the Minister of Mines and Natural Resources himself would agree that the capital bill before us supplies really only a token, a token, you

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(MR. ENNS cont'd) . . . . know, effort in terms of actual dollars to enable the Crown, the Province, to enter seriously into the business of mining.

Mr. Speaker, there are many reasons that I could raise that I would want to take objection to that entry in the first place, but for the purposes of the debate on capital I'd like to define it to this confined area. I just say that because I do not for the moment accept the fact that this is the only area. I think the whole question of the degree of competence that a public company can bring into this highly competitive field is one certainly open to question. I think the whole capacity, the ability to move with the kind of directness, the kind of fast decision-making that has to take place in a highly competitive industry, is one that certainly is open to subject whether or not a Crown-owned public operation can at any time perform all that satisfactorily. I think the whole concept that our socialist friends opposite like to give us, that they can do under a democratic, in a democratic concept, the kind of thing that totalitarian socialist states can do, is open to question.

Mr. Speaker, I don't argue with the Honourable Minister of Mines and Natural Resources that a government cannot do certain things. Governments around the world have proven that they can do certain things. They've also proven socialist governments have also proven that to do that, to do that they cannot really afford the luxury of this kind of a forum, this kind of a democratic forum, where every public dollar should be, ought to be, open to public scrutiny, where the priority-setting mechanisms -- and that's really what our Legislature's all about. We can't influence or we can't direct and tell the government how to set up their priorities, but we can influence by our representation in this Chamber and through our representation the message that is carried from this Chamber by the members of the Fourth Estate to the public, we can be somewhat influential in the priority-setting, the way and manner in which governments choose to spend the limited tax dollars from time to time. That's what an awake opposition can do. Mr. Speaker, I question gravely the capacity of a government under this setting to replace and to move into a sector that has up to now been served by the private sector, which understandably operates under different ground rules.

Now, Mr. Speaker, I'm suggesting, and I suggested to the Minister before and I'll continue to suggest to the Minister, that he should be using the occasions for this Capital Supply Bill -- (Interjection)-- Well understandably not in public, because I know how Cabinet works, but certainly in private and in the confines of the Cabinet room, to be arguing with his colleagues that if he is to be at all successful, if the Manitoba Mining and Exploration Company is to be at all successful, they they're going to have to dedicate, they're going to have to dedicate and maybe take off \$10 million that was scheduled for hospital building. They'll maybe have to retard and take away five or ten million dollars that was scheduled for the education program. They'll have to let our roads rot a little bit or go to pot a little bit so that he gets the necessary funding, the necessary money to at least give his mining, his people's organization, mining company, a chance to prove themselves.

Well, Mr. Speaker, I also speak to him then, not from many years of Cabinet experience but a few on the treasury bench, and I want to tell him something that he already knows, the only difference being perhaps that while he enjoys a position and has from the first day he joined the treasury bench, a position of I think of seniority in terms of senior rank in the Cabinet, that was never given to me, that particular opportunity. I joined a government in mid-swing, and of course with the kind of opposition that we had at that day that were constantly trying to reduce my salary to 98 cents among other things, I had some difficulty, you know, in persuading my more experienced and senior cabinet ministers of always getting the necessary funds that I thought were so important to my department.

But, Mr. Speaker, nonetheless, I want the same Ministers that shouted "hear, hear" to realize that for this Minister to be successful he is going to have to convince most of them: The Minister of Health and Social Welfare, not only just to reduce his Seven Oaks Hospital down to what it is now but indeed take another couple of floors off it. He's going to have to take another floor off of Concordia. He's going to not build that school for the Minister of Education. For the Minister of Highways, he's going to have to cut back on that northern road expansion program and cut off one or two bypasses around the City and what have you. He's going to have to convince many of his colleagues to give up portions and shares of that pie which all the Cabinet Ministers fight for at the time of their estimate time, when they go their first run through estimates as to what is available in this province for public expenditure. Because, Mr. Speaker,

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(MR. ENNS cont'd) . . . . that company, that venture into mining on the part of this government, this administration, will never get much further advanced than a Tribune cartoon joke which I think the Minister showed some sensitivity to, when it graphically depicted the Minister standing around a big hole and he had his people, taxpayer by the arm, and he was solacing him, saying. "Yes, that hole cost \$250, 000 but it's all yours. It's all yours."

Well, Mr. Speaker, I'm not making light of the issue; I'm deadly serious about the matter. I'm saying that the Capital Supply Bill before us does the worst of all possible things, the Capital Bill before us, plus the actions taken by this government which have, at least to be fair, caused a degree of nervousness in the private sector in the mining area. I think that's being very fair when I say that because they don't know from day to day what taxation measures they'll face. It's now been taken out of the Legislature and put in the hands of the Cabinet. They call it variable royalty setting and what have you, but the fact of the matter is as far as the private entrepreneur of this province or of this country is concerned, he doesn't know what costs he faces. He is also told that they really would like him out of the province in ten years; that the province wants to reassume total ownership of all the leased-out lands currently in their hands, and as a matter of fact is constantly warned that if you don't perform to certain standards -- and let's be very clear; they are the ones that from day to day decide what those standards ought to be. It's not that we set down here or we pass some statute that says, you know, this is what the mining companies have to live up to and if they live up to it then fine, they're good corporate citizens and we'll let them live in this grand province of ours. No, no, the government reserves for itself the right to set those standards from time to time, so we never know and the private sector doesn't know when they're living up to those particular standards. We've known these socialist fellows long enough to realize that those standards have a way of changing pretty rapidly from time to time.

So, Mr. Speaker, when I say that this Capital bill and other measures that the government has done, has left Manitoba in the worst of all possible positions, I really mean it. It has essentially frightened off the necessary risk capital to continue development and has replaced it with tokenism. With a few hundred thousand dollars. Which, even by the Minister's own graphic description, illustrates how ridiculous it is. The Minister just an hour ago told this Chamber about just one experience of the private sector, a Canadian Manitoba Company, Hudson's Bay, that sunk \$16 million into a dry hole, Mr. Speaker; \$16 million in a dry hole and they couldn't find anything. Well, Mr. Speaker, we're supposed to receive some kind of comfort from the fact that we are under Capital Supply, we are under Capital Supply going to vote this Minister - I'm trying to find the specific amount and it probably isn't detailed in this area, but he says it's in the area of 1.7 million. Well, you take the million off for administration and you leave seven for exploration and that's just about the way this government would work. Mr. Speaker, the fact of the matter is, and this Minister knows, that he has a great deal to get sensitive about, a great deal to get worried about, because successive Ministers who may not have that particular ability to get up and charge into the fray as he did on such short notice this morning. Why, Mr. Speaker? Because there was some question of viability concerning some of the firms for which we're voting capital supply under the MDC appropriation.

Mr. Speaker, I believe, that we have every reason to become much more concerned about the Capital Supply bill in the future, because somewhat like the Minister, you know, even if I don't like the course that I am on and that he's putting the province on, and even if he drags me kicking and screaming all the way down that path, you know, much like the epitaph that we like to throw to the socialist friends opposite so often about when we want to describe their concept of doing something for somebody, like helping the struggling, dear old lady across the street when she really never wanted to go across the street. But I too share a concern about the future of this province and, Mr. Speaker, if I sense nervousness from the mining community to withdraw or to step back, or at least to curtail, and if I sense that generally developing in the business community because of the all too frequently expressed position by this government, one of hostility -- and, Mr. Speaker, it has to be described as hostility. The Member for St. James made references to the lack of responsibility. Now, Mr. Speaker, maybe that's not the right word. I think maybe it may be the open honesty - that should be the right word - when members opposite feel quite free to refer to anybody in business as fat cats. You know, when any person is involved in a legitimate business they're to be described in the public arena as

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(MR. ENNS cont'd) . . . . fat cats. I think, you know, I was prepared to suggest maybe that was a lack of responsibility, but on contemplation I think perhaps one would have to commend him for at least being honest, because I do believe they regard the endeavours of the business community precisely in that light.

But, Mr. Speaker, I'm suggesting to you and to this Minister and to this government that the end result is one of stagnation for this province, the end result is one of stifling, you know, not the kind of growth for growth's sake that's maybe passe' in the '70's, but certainly the kind of growth and development that is needed simply to pay for the existing level of social services that we have in this province, that we desire for this province, and the kind that I think we can expect the people of Manitoba to continue to make demands from us and from this government or any other government.

Mr. Speaker, I see the demands not slackening off in any other field. It's been a long time, Mr. Speaker, since this government has done anything meaningful, and surely nothing in the Capital Supply Bill is there to make any fundamental, new, progressive steps in the field of education. That last step, Sir, was taken by a Progressive Conservative administration when they set up the Foundation Program, which this government basically has not altered and which has fallen out of step. It was brought in, the last major adjustment was made in 1967 and anybody, certainly this government that has some realization of what costs, inflation, salary costs have done, will realize that what another member I believe from our side indicated was a worthwhile program, is now sadly out of balance. And most people will realize when that's reflected on their municipal tax bills this session what this government has done. They have just barely, they have done a poor job of that in infusing the odd more dollars into the program, but they have shown no initiation and no initiative moves into expanding that original Foundation Program. They have not looked at the possibility of expanding that to take in new areas, up to now not touched by our education program. They have not taken into account that maybe what can be done in the area of bringing a degree of education, a degree that's possible to our less fortunate children, our mental retardates, our multiple handicapped children. There's been no major change in the basic Foundation Program brought into this province by the last progressive government this province has seen, and that was a Conservative administration. What they've done is they've changed a little bit, they've realized that the price of bus repairs is a little higher, they've realized that the price of teachers is a little higher, and they've added a few extra dollars to the program, but they have not brought any new innovative expansion, progressive measures into the Foundation Program. And, Sir, you can go down through the list. Oh, they have talked very boldly about the kind of progressive measures they want to bring into the health services field. They told us some time ago that now there'd be 20, 30 community health clinics operating in the Province of Manitoba. As yet we see little or no sign of them, certainly not in that number.

Mr. Speaker, I'm only mentioning these in the context of the remarks that I made to begin with. I'm saying that with the kind of pressures for these kinds of expenditures, the kind of demands that are going to be placed for these kinds of services on our total borrowing capacity, our total current, you know, fund-raising capacity, are such that will in my judgment prohibit and make impossible, and make impossible for a group of wide-eyed woolly socialists to start to develop this province, particularly in the mineral field or in any other field, industrial field. Mr. Speaker, that's pie in the sky that they're talking about, that's pie in the sky that they're talking about, and the performance of our economy in the next few years will prove that statement.

Mr. Speaker, I suggest that a Minister of Mines and Natural Resources, a Minister responsible for a major portion of the developmental aspects of this province, really should be very concerned about bringing in this kind of a niggardly capital supply program . . .

A MEMBER: Niggardly?

MR. ENNS: . . . because it cannot -- niggardly. -- (Interjection) -- Look it up in the dictionary. It means "little", it means "small". It has no reflection on colour, black or white.

Mr. Speaker, what I am suggesting, and it's a subject that I'm not going to let my honourable friend the Minister of Mines and Natural Resources rest easy on, he cannot produce what he suggests he is going to produce unless somebody gives them the money, and this

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(MR. ENNS cont'd) . . . . Capital Supply bill is not giving him the money. Thank you, Mr. Speaker.

MR. SPEAKER: The Honourable Leader of the Liberal Party.

MR. ASPER: Mr. Speaker, earlier, when the bill was in the form of a resolution, I indicated to the House that the Liberal Party would not vote Supply, and that is the position of the party still, and I wish to respond very briefly to the dramatics of the Honourable Minister of Finance when he went through his normal tirade against the Liberal Party for refusing to vote Supply. And he dragged out the usual technique: You're afraid to vote for schools, you resist the building of hospitals; you don't want to build highways. The Minister of Finance knew perfectly well that that's not the position of the Liberal Party and that we support those programs. The Minister of Finance knew full well that Supply will go through regardless of how the Liberal Party votes, and that this government has the majority and will put through Supply, and it was unfair and it was unhelpful to the debate for the Minister to make those kind of remarks as being some basis of rebutting our position. If he wishes to rebut our position, he will deal with the merit of the Supply bill, Mr. Speaker, there is only one way that an Opposition party can record, for the public to see and for the government to know, record its disapproval of the manner in which public funds are being handled, and that is to vote against the Supply bill.

Mr. Speaker, we do not deny the government Supply for the purpose of carrying on and it would seem from our vote on the Interim Supply measure that on the current account side that we would not resist Supply. But, Mr. Speaker, we have got to find some way, and it is only by voting against this bill that we have found a way, to demonstrate clearly and to register publicly that we have deep-rooted concerns, legitimate concerns as to how the public purse is being handled. Mr. Speaker, I was disappointed this morning when the Minister responsible for the Manitoba Development Corporation, the Honourable Mines Minister, chose to use his full time for contribution to the debate, or very close to it I believe, to harangue on the issue of the Manitoba Development Corporation at a time when all of the world, all of the western world is searching for capital, is searching for growth, is searching for job creation, is searching for techniques which will increase output as a technique of dampening inflation. And the Minister took his full time on a passionate defence of the Manitoba Development Corporation without taking five minutes to tell us what the growth strategy is, what the money voted to him will do in terms of creating supply, creating production, and thereby dampening inflation through provision of more goods, which is what most economists across the world are characterizing our problem as - our inflationary problem -- supply.

Now, Mr. Speaker, we can go through each item on this bill and give valid cause for recording dissent, for recording disappointment, for recording concern and anger as to the cavalier and I say irresponsible lack of management of the public purse. Mr. Speaker, we won't take time to go exhaustively through it but in Manitoba Hydro we're asked to vote Supply, and I suppose by refusing to vote Supply we will be characterized as people who don't want progress, who don't want electrical generation and so on, but, Mr. Speaker, we cannot vote Supply to this government. That's our position, not Supply per se, but Supply to this government, when we have in Hydro a billion dollar escalation in cost between the times we meet, an escalation of four billion dollars unaccounted in a period of four or five years. That's our position, Mr. Speaker, not Supply to this government.

Mr. Speaker, is it the Manitoba Telephone System? Do we oppose more Direct Distance Dialing? No, we don't but we say that the government's priorities are wrong. If you're going to put another \$30 million this year into the Manitoba Telephone System, then for heaven's sake recognize the priority of taking \$6 million out of the 30 and saying we will begin to do justice to those who don't live in Winnipeg, to those who live in rural and Northern Manitoba. And we will give them the first \$5.00 per household of long distance telephone calls at no charge, if we believe in communication, if we believe in equality of the right to communicate. And, Mr. Speaker, if we're talking about the Manitoba Agricultural Credit Supply of \$14 million - no, not to this government. Not to buy up land and refuse to sell it, and not to make Mickey Mouse lending arrangements that don't make sense, that can't stand scrutiny.

Mr. Speaker, \$20 million to the Manitoba Housing Renewal Corporation? Yes, we want more money in public housing. It's been a platform of ours for three years, but not to this government, not to this government which will build more state-owned housing, which will have

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(MR. ASPER cont'd) . . . . all kinds of Mickey Mouse deals there too, where we can't find a million here so we pull it out of these and we'll balance the books somehow and the hocus pocus goes on from one committee to the other committee but you can never pull it all together. Until we get an accounting, Mr. Speaker, until we hear from the Attorney-General as to the investigation he's doing as to the allegations that have been made as to impropriety, we will not vote Supply.

Mr. Speaker, the Manitoba Development Corporation I'll come back to.

The Communities Economic Development Fund, we're asked to vote Supply of a million dollars. I heard the Mines Minister this morning berate the Official Opposition Conservative Party for some of the loans it made when it was in office - 100 percent to the owners of the CFI Complex! Well, Mr. Speaker, I don't defend the Conservative administration but I do say this. They were led to believe, whether sloppily, badly or misled to believe, that there was equity in that project. But that government, Mr. Speaker, the current government, in its Communities Economic Development Fund didn't even expect the owners of Schmidt Cartage to have any equity in the business. They loaned them a hundred percent and, Mr. Speaker, what kind of a loan was it? Well, the prima facie evidence before the public with the admission of the Mines Minister, is that that was a very very sleight of hand kind of loan. Reason: Because a member of the government support team was on the board of directors of the Communities Economic Development Fund, and I call that improper. I call it and I know damn well it's improper by standard views in the real world. It isn't improper by the standards applying to this government that a man becomes a board member, applies for a loan, can't get it because the law stands in his way of conflict of interest, and so we find a gimmick, we find a sub rosa way of doing it. We find a way of giving the loan but not giving it to that guy.

Well, Mr. Speaker, that's cute. That's real cute. It is improper at the very least, it is immoral by business standards and, Mr. Speaker, I'm not sure that it isn't possibly even illegal, and that's what the purpose of asking for inquiry into government accounts is before we vote any further supply. Mr. Speaker, a 100 percent loan. Not five cents of equity by the Lamirande-Thompson axis, and that's considered sound lending practices. This government calls the Conservative administration irresponsible for the CFI loan. Mr. Speaker, we'll wait for the Royal Commission of Inquiry before we make that judgment. I think this government stands to bear a very considerable portion of the blame for that fiasco, and we will not vote Supply for this government of a capital nature because we don't know what they're going to do with it and when we find out what they're doing with it, it is heart-sickening to see the squandering of the public purse.

This MDC, 30 million I believe this year - 39 million? As I've said several times in this Chamber, that 39 million, the odds are - and I mean that mathematically, computed perhaps by the Phoenix Data computer, that money by all odds will go down the drain as so many other millions, tens of millions have gone down the drain in this short five-year administration of the NDP. And I'm not blaming the board of directors of the MDC. I blame government policy for embarking and creating a trail of naivete, of experiment with the board room which have failed and with failing to learn a lesson from it. Mr. Speaker, we have seen under this administration a declared \$40 million loss in the MDC. I challenge the Finance Minister and I challenge the Honourable Mines Minister, in a better forum perhaps, to deny that the real loss is not less than \$100 million. That, Sir, is a minimum position, and they ask Supply. They won't account we can't get an honest bookkeeping report, and they want more Supply and we say no. A hundred million. Mr. Speaker, just as sure as you and I and honourable members are here today, within a year or two that truth will out. It will be publicly accepted, acknowledged fact by that government that the loss was not 40 million, it's 100 million, and I say it may be as much as 150 to 200 million. And we will not vote Supply until we get answers.

Mr. Speaker, it makes honourable members from any side of this House that they should weep for what we could have done with the money that this government has squandered. Think, if you had the 40 million, whether it's the 16 million or 18 million that is bound to be lost in the Saunders fiasco or the \$1.3 million that is going to be lost, is lost, in the William Clare joke, think what we could have done for the people of Manitoba; we could have removed the sales tax, as Ontario's doing this year, from every necessity of life. We could have cut it to three percent with just this money, with just the money they've lost. We could have given our senior citizens

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(MR. ASPER cont'd) . . . . a pension, a decent supplement, that when we first proposed it at \$200.00 a month was relevant; today, in order to be where they were when we first proposed it, it has to be \$225.00 as Ontario is doing, as B.C.'s doing, but we cannot do it. They say they don't have the fiscal capacity to do it. The reason they don't, if it's true, is the squandering and the almost irresponsible waste of the public purse through supplies like this.

Mr. Speaker, if we really wanted to do something for the growth and the creation of further jobs and the creation of more supply of goods, which will lower prices - and I repeat, that is how we're going to arrest inflation and only that way - if we're going to do that, then we don't take \$39 million and hand it to the Minister responsible for the MDC and then watch it over the next two, three years, slowly and gently sink into the morass that they've already created of loss, of waste. The Province of Ontario, not a bad industrial model, the highest job performance creation rate in Canada, would take this money, just as I've urged this government, to create incentives for real jobs. Not phony, not make-work, not some cock-a-manie idea that we're going to create a new industry that has no viability. The government of Manitoba will try next week to grow bananas in Manitoba if that will create 13 more jobs. It will last for a year until the supply runs out and then we'll vote some more Supply and then they'll decide they're going to grow grapes.

Mr. Speaker, the Province of Ontario has just announced a program that would take a fraction of this \$39 million to implement in Manitoba. It would take a minute fraction. That program is to allow tax credit - I shudder to have said it. I used the dirty word, incentives, tax credit, the small business. I know how that upsets the stomachs of honourable friends opposite, but that tried and true and proven -- maybe it's not academically pure, maybe the economists in the classroom don't like it, but Sir, it works. It works and it's provable. They're taking \$3,000 tax credit for expansion of small business plant machinery starting this month. We don't do that. Our industrialization program, our growth program, is to take this \$39 million, to ship it to keep company with the hundreds of millions or the tens of millions that the government's already lost in naive - that's the kindest word I can use - ventures in the board room.

The Province of Ontario, recognizing the desirability of further capital investment, as the Honourable Minister does, his answer is to take \$39 million from the MDC and invest it through corporations in the economy that way, the province of Ontario says no, we'll do it another way. We will give tax credits - again that obscene word, Mr. Speaker - incentives, corporate ripoffs - we'll give tax credits to those corporations which are public companies and will invest in small business, small ventures, starting this month. And Mr. Speaker, that will work. It will work because only yesterday I spoke with a number of eastern industrialists who intend to take advantage of it, who have projects that are going to start, manufacturing, processing, in Ontario, in order to take advantage of the tax incentive and in order to stimulate the economy and be rewarded through the tax system. But not this government. Thirty nine million dollars will go into more William Clare, more Tantalum Mine, more Valley Motor Lodges - which I bet honourable members didn't know another MDC loan had gone. Yes, yes, Mr. Speaker. The Honourable Mines Minister says it's still good. It's operating - with great difficulty and with great loss, and the loan is threatened. Well, Mr. Speaker, I'll be delighted to hear, when the Minister rises and tells us that Valley Motor Lodge, without further prop-up, is safe; and Mr. Speaker, we could have done an awful lot with the \$39 million that's going to the MDC, but we will not do very much with it under this government and we will not vote the Supply.

MR. GREEN: Will the honourable member permit a question?

MR. ASPER: No, I've got to get -- but I will at the end. Mr. Speaker, one of the most saddening aspects of the Supply is that we know now, as of about three or four days ago, that presumably out of this supply the Minister will give \$2 million from the MDC to Saunders Aircraft - perhaps it's out of last year's supply - but wherever it is, it's \$2 million. Mr. Speaker, in the industrial commercial world, those of us who have no political bias for or against Saunders Aircraft know that "it ain't gonna work" and that it's going down, and Mr. Speaker, we are creating here, this government is creating a mini-CFI and it's exactly the same pattern where a government starts something and hasn't got the political courage to back off when it knows it's made a mistake, and that's consigning that we vote supply, we can sign

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(MR. ASPER cont'd) . . . . more money, we voluntarily - those who vote supply will be voting to spend millions of dollars that could be used for pensions, used for senior citizens' residences, that would relieve the hospital shortages, that could be used for industrial incentives to create the jobs, to create the supply, to deaden inflation - and we're going to give it to Saunders Aircraft. We're going to give it to Saunders Aircraft and it will be used for generations to pay claims on the planes that were sold, because we aren't going to make them any more, because that's what's going to happen to Saunders. And that's a mini-CFI; the inability to back off once you start.

And so it may be another million, maybe it will turn the corner. Mr. Speaker, it's an old expression, "Your best loss is your first loss." When you've lost it, swallow it, face it; know it; take the contempt, take the anger, take the public responsibility for it and get it out. And had that been done as the Honourable First Minister campaigned on in 1969, "CFI, the blackest day in Manitoba's history," had he done that when he came into office and not fed a little more and a little more until it was irreparable, we wouldn't be breathing air for \$100 million, maybe \$50 million, maybe \$150 million, and Mr. Speaker, the Saunders Aircraft MDC fiasco is \$16 million today and \$18 million after the next advance, and if it goes down then, \$18 million; if it doesn't go down, if the Minister decides politically "I've got to prop it up some more, because after all we hold the Gimli seat; it's very important to the people of Gimli," it doesn't matter to the rest of us that we lose a few million dollars because it's only \$4.00 per person or whatever they rationalize. Mr. Speaker, that Saunders Aircraft loan will not be \$18 million - it will be 20, it will be 22, it will be 25. I don't know where it'll end. And maybe this government will blackmail some other government or lean on some other government, the Federal Government perhaps, into bailing them out. That's our last salvation now, Mr. Speaker, because economically with assurances from the Chairman, it ain't working and there's no sign of it working.

I call it a mini-CFI and remember that it was said, and if I'm wrong, I will not gloat as the Minister suggests -- as a matter of fact the Minister does all of us a disservice when he suggested that this morning. He said we actually hope for failure of CFI or of Saunders. That's an irresponsible, callous remark and it's not worth responding to. Mr. Speaker, the paranoia of the Minister, the persecution that the NDP feel, is so personal, so ingrained, that they can't understand criticism. We say yes, we take satisfaction when we have been able to point out a flaw, a fallacy that the government responds to, and when the flaw is proved to have been a flaw, we take a sad kind of satisfaction in the hope that our focusing public attention on the mismanagement albeit a few dollars have been lost, maybe that will bring public pressure on the government to stop, because they are out of their league, they're out of their depth when it comes to handling money, especially in the economic and industrial area. I don't claim any special knowledge personally. I just say the history of government augurs it, proves this out.

Mr. Speaker, let's look at what the Minister's going to do. He's going to take \$39 million to add some more Saunders, some more Flyer Coaches, some more Tantalum, some more Lampoliers and lighting materials, Dents Fine Foods, King Choys and Omnitheatres, that's what he's going to do with our \$39 million. Let us look, Mr. Speaker, at what another level of government is doing, the Federal government, and I have never had a history of a comfortable relationship with federal finance ministers or federal fiscal policy, but I will say this, that we have now a fiscal and tax policy in Canada that this government ought to look at in terms of stimulating the economy through a dirty, terrible, corrupt, crude, an academically unsound technique, tax reduction from 50 to 40 percent for corporate manufacturing and processing industry.

They have a very modest success in one year - 111,000 new jobs created - that are directly associated with that. A rate of growth in that sector, manufacturing and processing, that exceeds by 8,000 new jobs in 1973-74 the total number of jobs created in manufacturing and processing for the preceding three years. Mr. Speaker, the results speak for themselves. You don't do it with MDC, you do it with other stimuli, yet there is a role for the MDC and I'll deal with it, but it is not in the techniques this Minister is using and this government adopts.

Mr. Speaker, politics - not sound business, not job creation - politics, partisan, opportunistic politics dictate the judgment of this government in its handling of Saunders, and Mr. Speaker, I can't say very much for the Honourable Leader of the Conservative Party, the



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(MR. ASPER cont'd) . . . . . Leader of the Opposition, because as I said the other day, I was shocked during the election to find that he went to Gimli or spoke in the area, and he knows and his party knows, his spokesmen for his party have said in this House, that the Saunders fiasco must end. The Leader of the Conservative Party stood up and said during that election, "We will do our very best, we will keep Saunders going." Now, Mr. Speaker, if I interpreted him incorrectly, I hope when he returns that he will rebut what I said, but Mr. Speaker, that's opportunistic politics and that's why MDCs don't work, because politicians, all politicians have a vested interest in their longevity and are very often influenced, Mr. Speaker, by that factor as opposed to sound industrial fiscal common sense, and that is the origin of the CFI problem, and that, Sir, is the origin of the Saunders problem, and that, Sir, is the problem with Flyer industry and a whole series of others. Expediency - political expediency - not economic soundness. I say on Saunders, Mr. Speaker, and I say it formally and officially for my party, the time has come to face the music, pull the drain, let it happen 'cause it's going to happen, and let's take our bath while it's only 16 or 18 million and not 20 or 25 million.

Mr. Speaker in 1972 there was \$8 million at risk. In '73 that had gone to \$13 million; 1974, before this House met we thought it was \$15 million, and now today it's \$18 million and in a few days it might be \$20 million. Mr. Speaker, that's the progression and that's why this government will take less blame from the public for acknowledging its error in trying to salvage what it can now, than a year from now, and it would, had it listened to us a year ago and the year before that, when we had formally said in this House: stop it; you're growing bananas where they don't grow.

Well, they wouldn't do it and so what's going to happen, Mr. Speaker, is after the fiasco ends, the government of Manitoba of the day, whoever it may be, will have to keep a plant going to manufacture parts to supply to the three or four or six, whether it's Pedro Hernandez or whoever it is who owns those planes, we'll be supplying parts to him at loss, because our warranty, the warranty the government of Manitoba has to give as a matter of faith in credit, will require the government to supply parts and make repairs.

Mr. Speaker, there is no industrial development know-how on that side of the House, there is no industrial strategy on that side of the House, and that is why we say we will not vote supply to the Manitoba Development Corporation or to any of the other facets of the bill.

Mr. Speaker, the list. If anybody needs to take the time to go through the list, the tragedies, the calamities, the disasters, the catastrophic, and Mr. Speaker, I'm acutely aware that when something good happens, when one of the MDC companies or one of the government ventures goes right, that becomes a subject of a ministerial statement in the House, with tremendous desk thumping from the government, but when something goes bad, when we want to find out how come the MDC sucked in a bunch of creditors, innocent people in St. Jean Sportsweat and led them down the garden path, and allowed them to lose \$200,000, Mr. Speaker that's a matter for committee, a committee that is kind of a never-never land. Maybe you'll get to it, maybe you won't.

MR. SPEAKER: Order please. The honourable member state his matter of privilege.

MR. GREEN: Mr. Speaker, yes, I rise on a point of privilege. The honourable member has said that I have referred matters to committee which have been failures and I have announced, made ministerial statements on good things. I have not made a single ministerial statement with respect to any feature of Manitoba Development Corporation activities.

MR. SPEAKER: The Honourable Member for Wolseley.

MR. ASPER: Mr. Speaker, the paranoia comes through again because, Mr. Speaker, I never said a word about the Minister, I said the government. Mr. Speaker, well Mr. Speaker, I can remember, just to give one small example of exactly what I'm talking about, I can remember the Minister of Industry and Commerce, who's only not looking after this Fund now as he was before, because even his colleagues couldn't stand it, it was so self-evident, so he said, "We'll take it to Mr. Tough Guy." And everybody knows that probably the most able, one of the most able Ministers of the Crown is the Mines Minister. There's no quarrel with that; it's acknowledged in this House. So they took it from Mr. Marshmallow and they gave it to Mr. Iron Fist, but because the government is bereft of a strategy, it doesn't matter what Minister has it, until the doctrinaire, the philosophical biases are wiped out, until sanity, management capacity, competence, not political doctrine, not political expediency, not because

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(MR. ASPER cont'd) . . . . . the Minister of Labour likes having a new plant, whether it's Flyer Industries or Co-op Implements, being built in his riding, or the Member from Gimli says "My God, if you close down Saunders I'll lose my seat," Mr. Speaker, expediency, expediency is not going to make the Manitoba Development Corporation work.

Saunders Aircraft, Mr. Speaker, the NDP is fond of speaking, and its national leader, of the great Canadian corporate ripoff, ran a whole campaign on it last year. Well, Mr. Speaker, there is a corporate ripoff in this country. There is. And guess where it is. Right here. Her Majesty's government is the rapee, the victim, and Mr. Speaker, their national leader wanders around the country on hot line shows talking about the corporate ripoff. If CFI isn't a corporate ripoff, if Saunders isn't a corporate ripoff, if William Clare isn't a corporate ripoff, if Cowl -- Cowl? My God, ripoff? That's a con job, Mr. Speaker, it's worse. Mr. Speaker, whether it's Baker Mills or St. Jean Sportswear or Misawa Homes -- (Interjection) -- Well, Mr. Speaker, the Honourable Member from Radisson speaks of Canada's Manitoba Distillery Limited loans, loans which I negotiated as a lawyer for the client, Mr. Speaker, not five cents has been lost in that loan. Mr. Speaker, not five cents was lost in that loan. Not only that, Mr. Speaker, but the people who went into that venture put up \$2.00 for every dollar that the government put up; not like Mr. Ben Thompson who had very close connections with government and could wind up getting a 100 percent loan. So, Mr. Speaker, let the government backbencher be careful what he says when he refers to loans that were made that had some sound business sense to them.

Mr. Speaker, Misawa Homes - would you like to go through Misawa Homes? Would honourable members like to see the fiasco? Because, Mr. Speaker, Mr. Speaker, we are going to breathe air there for one and a half million minimum, again a prediction, and it'll happen, and everyone knows it's going to happen. The government won't face the political music, so they'll prop it up. Now, Mr. Speaker, they're going to go out and get franchise dealers to sell the package that they couldn't sell without franchise dealers. Mr. Speaker, the Mickey Mouse, the hocus pocus, the juggling, the buying of homes by government from Misawa Homes to make the books of Misawa look better, we won't vote Supply, Mr. Speaker. We will not vote Supply for Misawa Homes which the Minister of Industry and Commerce rushed, rushed to Vancouver where the humble oriental empire was being set up to take the trees of British Columbia to build the homes prefab, put them on ships back across the water to Japan. Perfectly logical operation. No, Mr. Speaker, we had to persuade that company to come to that great ocean port of Winnipeg, that great reservoir of timber and make it more inefficient simply because the government could buy a deal, buy a deal. Corporate ripoff!

Mr. Speaker, we don't even know what Crocus Foods is all about. All we know is the Minister is going to put millions into Crocus Foods; or if it's not millions it's million. But, Mr. Speaker, it's plenty when you talk about the senior citizens being cheated, being deprived of a fair cost of living supplement, it's loss of money.

Mr. Speaker, Phoenix Data we said -- the Minister thinks we're gloating when we raise these issues. Mr. Speaker, all we're doing is saying we told you. Don't do it again. We're not gloating. We take no pleasure in having to be the ones who come to this House to ask the questions and be the undertaker. We hope that by raising these issues that the squandering will end and that that money, that 39 million, most of which will be lost, if the past performance of this government is any yardstick at all most of it will be lost. We say take the \$39 million, put it in incentive program, give some kind of a reason for the private sector to invest and don't use public money. If you want to use public money use the tax system.

Mr. Speaker, only a few days ago tabled in the House of Commons were the Estimates for 1974 spending plans and all of Canada is up, in the private sector, all of Canada is up for Estimates for '74 but Manitoba. This is objective figures, Statistics Canada. Manitoba lags again in '74 behind the national average. We will be at least two percentage points if not three on preliminary estimates filed in the House of Commons. Mr. Speaker, that's the thing we have to cure. And you won't do it by taking MDC money and doing it with Mr. William Clare who hasn't even got the good grace to live in Manitoba and pay his income taxes on the salary we pay him from Manitoba, who hasn't even got a company that hires any Manitobans to do any work, or that buys supplies in Manitoba, or something. Mr. Speaker, I honestly, I speak with no partisanship on this subject, it's very close to me. I say that if it were - when it was the

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(MR. ASPER cont'd) . . . . . Liberals who have squandered money I have said so, and when the Conservatives do it I've said it, and, Mr. Speaker, I can document that. But this subject of honesty in political spending - Misawa Homes, Gimli; Saunders Aircraft, Gimli; the Member from Gimli knows that it's a political position. And the Member from River Heights, the Honourable Opposition Leader, he knew it when he said it. But it's true. He meant it. If he were the First Minister he would have done it too because it's politically expedient -- (Interjection) -- Advance the money to Saunders Aircraft as he said in the election he would. -- (Interjection) -- Mr. Speaker, we'll wait for his return for some response on that.

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(MR. ASPER cont'd)

Mr. Speaker, Micro-Com Electronics is a classic case of again the government going into industry, MDC. This company did not even have the good grace, Mr. Speaker, to wait until a quarterly report to go broke. It went broke before we could even know that we had loaned it money. Mr. Speaker, Alphametrics, Alphametrics we have got \$100,000 invested in. We've already lost 75,000 in that company. Forget about the interest on the money we borrow to make these wild incredibly astute investments, the ones . . . Mr. Speaker, the William Clare loss isn't a million three. It's a million three plus interest on the million three we've got in there. It's 130,000 a year further, that's the cost because we borrow the money. This government doesn't have money, it borrows money. It borrows on Supply and it pays interest.

Venture Manitoba Tours. Mr. Speaker, here's a classic too. Here is a phoney write-off. Mr. Speaker, when the MDC foreclosed they said all we have to do is write off a million dollars. We'll take the bat because we can pin that one on the Conservatives. So we lost a million dollars. Then they said now we've recapitalized it. We show we really only invested \$400,000 or \$500,000 in it--(Interjection)--Mr. Speaker, Mr. Speaker, I can't even repeat what the Mines Minister is saying because it is the most incredible hocus pocus, Peter and Paul pocket operation. If I listen any more to what he's saying from his seat, Mr. Speaker, any chartered accountant - bring the Chairman of the Canadian Chartered Accountants to Committee and let him hear what that man just said; and if he supports the Minister, if he supports the Minister that that's sound accounting then, Mr. Speaker, what I have just said is absolutely wrong.

MR. SPEAKER: Order please.

MR. ASPER: Mr. Speaker, I'll give you his name and his address later and you bring him to Committee.--(Interjection)--No, no. Mr. Speaker, the Minister is . . .

MR. SPEAKER: Order please. Order please.

MR. ASPER: Will the Minister undertake to bring him to Committee?

MR. GREEN: I will get an answer from him, Mr. Speaker. I will do that.

MR. ASPER: No, Mr. Speaker, that's that's - yes, we'll prepare an in-house report, Mr. Speaker, yes we'll go out and get we'll look at. Now, Mr. Speaker, Mr. Speaker, I challenge, I will take my Hansard of what I'm saying and what I'm about to say and we will send it to whoever the Minister wants and we'll bring him to the Committee and let him say that what I am saying is not correct. I'd be delighted. Because once and for all we will have the Minister with an objective man in a Committee conceding, as the Minister will have to concede, that the book cooking is horrendous. Mr. Speaker, after doing this, after allegedly wiping out the million dollars they said now we'll make money with Venture Manitoba Tours. Well, Mr. Speaker, thank heaven they didn't saw it in half as they were going to. We only lost 75,000 or - sorry, we lost \$165,000 last year--(Interjection)--Sorry! Forty thousand last year and total loss for the last two years is \$165,000. Forty thousand last year and 120,000 the year before totalling 165,000. Mr. Speaker, on top of that there's \$100,000 a year loss on the interest on the million we've written off, that the government spent.

TANCO, Tantalum Mining, Mr. Speaker. You speak of corporate ripoffs, this NDP that is so sensitive to corporate ripoffs. Well, Mr. Speaker, I have said in this House and out of this House without fear of suit, that if there was ever ever a ripoff, ever a government taken in a deal, that's the deal. And we said it before the deal was done, we said it during negotiations, and we said it after. We tried to save this government and the public of Manitoba a couple of million dollars, maybe more, and they wouldn't listen. So on that they lost interest on a million five that we've got in it and the company lost half a million dollars last year, Mr. Speaker.--(Interjection)--Mr. Speaker, the Minister says they can sell their shares at a profit. I implore him, I appeal to him, do it.

A MEMBER: No.

MR. ASPER: No. No, Mr. Speaker, he won't because he wants--he's obsessed with ownership. Not obsessed with making money for the people of Manitoba but he wants to own, he wants to control, and that's the dogma, that's the doctrinaire hypnotism that this government is under and there's nothing you can do except not vote them Supply. Half a million dollar loss in TANCO.

Mr. Speaker, Macey Foods. We have a million one in there. Interest costs to the public \$100,000 a year, just to have that wonderful investment. It lost money last year, so we got no return on our investment. Mr. Speaker, the Minister says it made money. I'm looking at an

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(MR. ASPER cont'd) . . . . audited statement that shows it lost \$11,000--(Interjection)--Well, Mr. Speaker, all I know is the only information we have is a certified statement that says it lost money.

Mr. Speaker, Morden Fine Foods, a million two. The cost to the public - \$120 thousand a year in interest on the borrowed money we put into it from Supply and a loss of \$75,000.

Flyer Industries, we haven't even got a statement, but we know we have somewhere between eight and ten million dollars of public money in there. Mr. Speaker, that is costing us in interest a million dollars a year, minimum. That's what the public of Manitoba is paying for the adventure by the Minister in the boardroom of Flyer Industries. A million in interest. The loss, we don't know. Whether it's Futronics, Omnitheatre, King Choy, Lampolier, General Machine, Lighting Materials - what was it? Three quarters of a million? Midwest Ores, Manalta Furniture. Mr. Speaker, the list is lengthy and it is irrefutable evidence that the government is wrong, that the government must withdraw from this idiotic policy. If you want to stimulate the economy don't put money in the MDC.

Mr. Speaker, I'm not suggesting there is no role for the MDC--(Interjection)--Mr. Speaker, my colleague says let them put up their own money. I would ask the members opposite how much of their own money they would invest in these ventures. Mr. Speaker, if they happen to say "lots", if they say lots, Mr. Speaker, I'm going to plead with them, without conflict of interest endangered, that we will vote to sell them Saunders, Flyer Industries and I hope they take over King Choy and find out where the biscuits went. Mr. Speaker, they wouldn't do it. Oh yes they'll use the public purse, because that's not money, that's something else.

Mr. Speaker, there should be an industrial development program, there should be an industrial lending agency. I don't agree with my honourable friends in the Conservative Party that the MDC should be wound up. I do happen to agree that this government should be deprived of money to use in that fund because of its predilections, because of its hypnosis, but I don't believe that the concept is wrong. We do need stimuli, one of which is lending of last resort, not of first resort. But when I hear, when I hear, Mr. Speaker, that the NDP piously protested a corporate tax cut in Ottawa which produced 111,000 jobs last year and which created a three or four billion dollar investment in new plants and equipment in Canada and this government wants to take the money and buy shares and use the most archaic Saskatchewan CCF style industrial stimulation technique, because that's what it is. Who doesn't remember 1944 when the NDP came in as the CCF in Saskatchewan and I think established 29 state-owned corporations, all of which except one ultimately went broke, all of which went under and don't exist. And I'm not talking about the insurance because I'm leaving Autopac out, I'm leaving Saskatchewan Government Insurance office out. I'm talking about industry. Mr. Speaker, I don't blame the board of directors of the MDC and I want it clearly understood. I blame this government for the guidelines, for the policy, for not exercising supervision, for exercising pressure, and I believe it to be pressure. I can't prove that, but I believe it to be pressure. When the MDC meets and says, no loan for Flyer or no loan for Saunders and suddenly does an about face by a telephone poll, what kind of board meeting is that, Mr. Speaker? Would you as the owner of a bank lend me two million dollars or anybody two million dollars by a telephone survey of a few members of your board? Mr. Speaker, I'm not even sure it's legal, I don't know. It's a staggering thing I concede it's staggering. The board meets, the board looks at a loan to Saunders, the board with the knowledge of the fact finally says, no. The government - somebody, somebody must have got to the chairman or maybe the chairman who is so hypnotized by the idea that he wants to fly around in the Saunders plane. It really is, it's well-known his love of flying, Mr. Speaker. Maybe because the First Minister was given a Saunders aircraft during the election. As of course a loan, nothing improper about it. But, Mr. Speaker, he was able to fly around - I was told, I read in the newspaper that that offer was made to the Conservatives and the New Democrats. I concede--rather to the Liberals and the Conservatives. But, Mr. Speaker, I don't remember anybody ever receiving that offer and I haven't heard any Conservatives stand up and say we got that offer. But, however, somehow the First Minister got to fly in the Saunders aircraft. Fortunately he didn't have Gonzales as the pilot, the fellow that the Minister was describing this morning who couldn't put his wheels down or whatever the problem was. Thank God for his safety because he's a man for whom I have great affection, he was not killed flying in the airplane. Maybe it's because of that. That may be because of that, Mr. Speaker, that's why the chairman picked up the phone and polled a few board members, or contacted them

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(MR. ASPER cont'd) . . . . in some way, and at a formal board meeting which the loan had been rejected countermanded it. Mr. Speaker, we'll . . .

MR. SPEAKER: The Honourable Minister.

MR. GREEN: I rise on a point of privilege. The honourable member can make his argument, and he can make it as strongly as he wants but he'll have to make it without inferring that the guidelines of the Corporation which indicate that the board is to proceed without the political consequences of its position, or the political consequences of the government being part of its position and without reference to what he calls as government pressure, that those guidelines were followed in every respect with regard to every loan that the Fund has been involved in while I have been Minister.

MR. SPEAKER: The Honourable Leader of the Liberal Party.

MR. ASPER: Mr. Speaker, I accept the Minister's statement. If he says that's the way it is then I will be very anxious to - I'll be very anxious to question the Chairman of the MDC and find out how this super thing happened.

But, Mr. Speaker, I'm surprised that when the Minister interjects he doesn't at the same time tell us how many aircraft Saunders will have to sell for us to get our \$18 million back. That's relevant. That's relevant. Two thousand airplanes or something?--(Interjection)-- Mr. Speaker, he tells us from his seat 126 airplanes. Okay. Gonzales to Pedro--(Interjection)-- Mr. Speaker, no, Mr. Speaker . . .

MR. SPEAKER: Order please.

MR. ASPER: Mr. Speaker, this technique of the Minister of interrupting . . .

MR. SPEAKER: Order please. The Honourable Minister state his point of order.

MR. GREEN: On a point of order, Mr. Speaker. The honourable member has unlimited time and I interrupt only because he indicated that the question as to how many airplanes the company has to sell in order to make a profit has not been answered and it is a relevant question. The question was asked last year at Committee and given an answer and the figure that I related from my seat was one of memory and I hope it's accurate.

MR. ASPER: Mr. Speaker, on the point of order, that is not . . .

MR. SPEAKER: Order please. Before we proceed I wonder if I can have the co-operation of the honourable members on all sides that there should be less interruption and less two-way conversations and regular debate in that regard. Thank you.

MR. ASPER: Mr. Speaker, my question that I pose rhetorically which the Minister felt constrained to respond to on a point of order, was not how many airplanes Saunders has got to sell to make a profit. How many airplanes does it have to sell, was the question, in order to get our \$18 million back? And it is not 126. Mr. Speaker, it may be 2,000 in order to get our \$18 million back. At least 2,000. Mr. Speaker, the interest is running at \$2 million a year at this stage.

Mr. Speaker, only a few days ago, and we come back to Supply, to the MDC, if we vote supply to the MDC perhaps the Minister will find it necessary to advance further funds to the CFI complex. Mr. Speaker, remember honourable members all on December 10, 1971, because it was a moment when this came to a boil, at which point I announced and stated publicly that "CFI was about to explode" - I'm quoting. At that stage we had \$80 million or so in the project. Mr. Speaker, the next day the First Minister called at least a news conference or was quoted three times in different ways in the media calling it rubbish, irresponsible, nonsense, I can't remember the exact words but those are the kind of words he used. And a day or two later he felt constrained to say to the media again, "Asper doesn't know what he's talking about. CFI is okay." And all through that period December 10, '71 to January 8, I believe it was '72, we kept saying it; the government kept denying it, and during that period the private sector kept advancing credit and supplies to CFI, just as they did to St. Jean Sportswear; just as they did to many more, Omnitheatre, relying on the faith and credit the government would not walk away and leave them stuck. And on January 5, 1972 the Attorney-General said in response to the criticism that I was levelling, that we've got a lot of money up there, he said, but everything's okay. And, Mr. Speaker, three days later, the seizure. During that period, December 10 to January 8, I'm not sure how many millions of dollars of private sector credit was advanced to CFI, that would not have been lost had the government levelled.

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(MR. ASPER cont'd)

Mr. Speaker, we said then, don't hide behind a royal commission for several years; let us have a special session of the Legislature to see it. Because we said, you know what government will do - supply - they will keep pumping money in whether it's a good deal or a bad deal. They'll keep pumping it in because they won't face the political music. And, Mr. Speaker, that's what happened.

At that point, the . . . , the loss, 80, 90 million dollars; rescuable maybe 25, 30, 40 - I'm not sure. Mr. Speaker, we're now in for \$150 million. Read the Wall Street Journal, read the Los Angeles Times, read the Miami Herald, read the New York Post, and see what the financial community of the world thinks of this government. Mr. Speaker, the average number of workers during the year is not 800, it's 400. And, Mr. Speaker, if it's 400 people working, the interest alone on the money we've got in CFI, the interest alone would give them \$37, 500 each per year without working. The interest, not the capital, not the 150 million. And if I'm wrong, if there are really 800 people working they would be getting \$18, 750 a year on the interest alone and we wouldn't be cutting down our trees making irreparable damage to the environment and to the rivers.

I'm not suggesting that's what we should do, Mr. Speaker. What I'm suggesting though is political expediency. Because the government held the seat at The Pas, the government tried to continue to make friends in the north. There was no way a government - perhaps a conservative government, perhaps a liberal government might have done the same thing. For political expediency, not for any sound economic reason. And that's why, Mr. Speaker, this government in particular, we can't vote supply to. We can't get a straight accounting. We had put before us a few days ago the report of the Receiver on CFI for the preceding nine months. Mr. Speaker, somebody lives like an Alice in Wonderland thing. The piece of paper says what happened up to '71 didn't happen as far as we're concerned. And our report is that we've got a few million dollars here, we have no assets, got no liabilities, and, Mr. Speaker, it shows that we only lost a million dollars. No piece of paper put anywhere; in other words, talk about corporate ripoffs, because the Minister knows. But, Mr. Speaker, nowhere do we get the true story all put together; it's a little bit in the MDC report, some of it's in the Public Accounts, might get a piece of it over here in the Industry and Commerce Division, nobody puts it together. And the press and the public was allowed to believe the headlines of two or three days ago to the MDC, that the government of Manitoba only lost a million dollars on the CFI operation. Mr. Speaker, the true honest loss for last year was closer to \$50 million, and that is the straight goods, Mr. Speaker, and it's frustrating, it's saddening for anyone who can read a balance sheet to look at the absolute garbage that comes out of the report and that public is allowed to believe. We only lost a million dollars. Mr. Speaker, nowhere does the government honestly stand up and tell the people we lost a million dollars in operations in the best year, in the best year that the industry has ever had since God made trees. We only lost a million dollars, and we lost a million dollars as though, as though somebody had given us a gift of the plant, we had no investment in the plant. And even then, Mr. Speaker, we lost a million dollars in the best year. If you put back the plant, that you must depreciate it 20 per cent . . .

MR. SPEAKER: The Honourable Minister state his matter of privilege.

MR. GREEN: Yes, Mr. Speaker, I wish to speak on a point of privilege. The honourable member is referring to a government report relative to CFI which says the government lost a million dollars. The report is clearly identified as a Receiver's report to the court, Mr. Speaker. There was a subsequent report given to the committee, but I wish to make it clear that the report that he is referring to was the report of the Receiver relative to his activities, to the Court of Queen's Bench.

MR. SPEAKER: The Honourable Leader of the Liberal Party.

MR. ASPER: Yes, Mr. Speaker, the point of privilege was unnecessary because at the beginning of my remarks I said that the report of the Receiver for the last nine months' operation of the CFI complex. Mr. Speaker, the Minister knows full well what I'm talking about. What I'm talking about is that he, the Attorney-General, the Minister of Industry and Commerce no one has stood up and said to the people of Manitoba that the result of the CFI operation in which you have a big investment, you people, thousands per family. Mr. Speaker, nobody stood up and said that you lost a million on operations at a cost of \$15 million interest on the

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(MR. ASPER cont'd) . . . . investment we have in there, and the depreciation for replacement on the equipment should have been 20 to 30 million dollars. And therefore pulling it all together for you Mr. and Mrs. Manitoba, the CFI operation lost \$50 million last year. Mr. Speaker, the media reports, the word went out that we only lost a million dollars. Mr. Speaker, we were led to believe by this government after the seizure that everything was okay in that particular deal. And, Mr. Speaker, the First Minister was quoted, I believe it was July - no well, I remember, July 1970, but I remember again - I'm looking at a report of March 16, 1970 . . .

A MEMBER: Is that another one of those dates we're supposed to remember?

MR. ASPER: . . . in which the First Minister said that he had met with the CFI principles and at no point did he ever repudiate the statement, and therefore I have to accept it as being an accurate representation of what he said, that I asked for and received in writing a commitment that the bare input, the input of Mr. Kasser and Mr. Reiser into the CFI plant would be one to our two by the time the mill was in operation. In other words, for every two dollars Manitoba had in, the CFI principles would have one dollar in.

Then he went on to say, all I have said is no way a criticism of the companies - he didn't criticize the companies. "I'm not blaming the companies, they are conducting themselves in a responsible and ethical manner." Ed Schreyer March 16, 1970. Mr. Speaker, there's an awful lot more that the Honourable First Minister said. Mr. Speaker, it's that kind of incompetence, it's that kind of inability to know when you're being ripped off. It's that kind of hypnotism that grips and mesmerizes this government, that compels responsible members of this House to vote no to Supply.

Mr. Speaker, finally there's a section - and I believe one of my honourable friends from the Progressive Conservative Party raised it, General Purpose Borrowing. Mr. Speaker, we all know what that is; that's a way of burying deficits. And I don't know that it's the full 65 million of whatever it is, 70 - 33 million rather, Mr. Speaker.--(Interjection)--My honourable friend from Lakeside characterizes it exactly correctly, that's the slush fund.

Mr. Speaker, when the Lougheed government came in in Alberta, having gotten rid of the predecessor government that had been in for a number of years, they called for an audit. They went through - as some day an auditor will go through the accounts of this government when it changes - they went through that General Purpose Borrowing. I believe it was one of the international accounting firms. They were able to discern a minimum of \$200 million that had been improperly charged into General Purpose Borrowing, when in fact it should have been in the Current Account. So, Mr. Speaker, I don't know, honourable members, no member of this House can say with any certainty, except perhaps the Minister of Finance, whether we have deficits, whether we have surpluses, whether we have profits, whether we have losses; and until we get accounts, until we get fiscal responsibility, until we get some sort of responsible, coherent, intelligent strategy with what to do with Capital Supply, we will continue to vote no to Capital Supply, Mr. Speaker.

MR. SPEAKER: The Honourable Minister of Labour.

MR. PAULLEY: Mr. Speaker, in rising to take part in this debate, at the offset I realize that I haven't got the license that by a fluke of the voters that the Honourable Leader of the Liberal Party has, that is, namely unrestricted time to rant and rave about something that is intelligible to the average person in the province of Manitoba. He certainly in the last hour or so accomplished that. I can understand why it is, Mr. Speaker, that the honourable member's majority in the constituency of Wolseley was so substantially reduced from two or three thousand down to a mere four votes which is now the subject of court observations and consideration. And I would predict, I would predict, I would predict, I would predict, Mr. Speaker, that a prophesy that I made some years ago when I was the leader of the third party in this House that the Liberal Party were doomed to oblivion will manifest itself in the not too distant future.

INTRODUCTION OF GUEST

MR. SPEAKER: Order please. I would like to draw to the attention of the honourable members in the loge to my right we have a guest, the Honourable Minister of Finance of the Government of Canada, Mr. Turner. On behalf of all the honourable members I welcome you here today.



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MR. PAULLEY: I might say, Mr. Speaker, it's very appropriate that we have in our gathering here today the Honourable the Minister of Finance of the federal authority. I had the honour of being with him on one occasion when we went to Australia for a British Commonwealth Association meeting and I'll never forget the courtesy of the Honourable the Minister of Finance and his treatment on that occasion. The only thing I do regret, Mr. Speaker, that the Honourable Federal Minister of Finance was not in the House at the time to listen to the tirade of the present Leader of the Liberal Party in Manitoba, who gave proof absolute of his incompetency, notwithstanding some publicity that he has received, competency presumed in the field of finance, that this man who represents the constituency of Wolseley in the province of Manitoba, who poses as an expert in the field of income tax, the field of finance, proved himself so conclusively this afternoon to be ignorant of the affairs financial in the province of Manitoba.

MR. J. FRANK JOHNSTON (Sturgeon Creek): I have a suggestion . . .

MR. SPEAKER: Order please.

MR. PAULLEY: Yes, my honourable friend from Sturgeon Creek suggests in effect the Honourable John Turner, the Minister of Finance, he should have been here at a different time, and I think that that is so true.

When I listened to the Honourable Member for Wolseley - and I'm particularly concerned, Mr. Speaker, with his last remarks, because they were so out of context and so improper for any honourable member in this House to cast aspersions on the Auditor of the Province of Manitoba as he did in his last few remarks, by reference to some happening apparently in Alberta when the present administration took over, that they caused an audit into the books and found deficiency of some 200 millions of dollars. And the input of that was that when some other administration takes over in this government or in this province, as surely it will, we make no apologies for that. We took over, as the Conservatives took over from the Liberals and we took over from the Conservatives, it can happen and undoubtedly will happen, that some day some other political party will take over from the present administration. But the inference given by the Honourable the Leader of the Liberal Party that when that happens, the auditor's books will be audited and there will be a disclosure, by his inference, of mismanagement of the funds of the province of Manitoba which are under the jurisdiction of the Auditor General of the Province of Manitoba which gentleman cannot be removed from office unless by a vote of this Assembly. I think that the Honourable Member for Wolseley should apologize publicly for that type of statement that he made in the House during his remarks just recently, a few moments ago. Absolutely improper and absolutely incorrect and this is the type of utterances that we've had from the Leader of the Liberal Party time after time. The whole force or input of his remarks here this afternoon, Mr. Speaker, was to the extent that the Liberal Party in the province of Manitoba is not going to vote Capital Supply to this government. And what is Capital Supply all about? It's a requirement to continue the ongoing progress that we're having here in the province of Manitoba at the present time. But this irresponsible Leader of a very fast-diminishing political factor in the province of Manitoba, stands up in an hour-long speech and says, "We, by jiminy Christmas, are not going to approve of capital expenditures for the forward thrust of this party." My honourable friend - apparently he's leaving now, which is quite typical of the honourable gentleman that he bites and then he runs before he gets bitten back at, but this is so typical, this is so typical of the Member for Wolseley. He loves to rant and rave and run away to get ahold of his executive staff to supply him some more ammunition so on some other occasion he may be able to rant and rave nonsensically, as he did today, some other day. How typical this is of that fast-diminishing Liberal Party in the province of Manitoba.

He states, Mr. Speaker, that he will not and that group of Liberals will not vote Supply, and then almost his next statement was he admitted that the Liberal Party has no influence in this Assembly. How true. Mr. Speaker, How true. If it weren't for the fact that we consider, as a matter of courtesy, that at least some of us should stay in the House while members of the Liberal Party are having something to say, I doubt very much whether or not any of us would want to stay and listen to the garbage that we listened to this afternoon. But we are a little bit courteous.

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

MR. GORDON E. JOHNSTON (Portage la Prairie): Would the Minister entertain a question?

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MR. PAULLEY: Sure, go ahead.

MR. G. JOHNSTON: Because the government has taken the unprecedented step while the Legislature is in session of taking money by way of special warrant, really would he not agree that there's no need to vote a money supply to the government because they take it anyway without the authority of this Legislature?

MR. SPEAKER: The Honourable Minister of Labour.

MR. PAULLEY: I think, Mr. Chairman, what the Honourable Member for Portage la Prairie has just said is so indicative of the lack of knowledgeability of the Liberal Party in the laws of the province of Manitoba that I can understand why he would ask the question, because the government or the Assembly of the Province of Manitoba did give to the government the authority to pass special warrant in order to enhance the forward thrust of the province of Manitoba, and that if we had listened, if we had adopted the suggestion of the Honourable Member for Portage la Prairie, our civil servants at the present time would still not have their cheques, our creditors would still not be paid for their supplies to government, because I'm sure, Mr. Speaker, in my own mind - and sometimes I am a little bit wrong - but I'm sure, Mr. Speaker, that if the government hadn't taken the action it did at the time by passing a special warrant, members opposite would still be ranting and raving and yapping about extraneous matters dealing with the operation of government. So I make no apology for it.

MR. JAMES H. BILTON (Swan River): Why didn't you go for closure?

MR. SPEAKER: Order please.

MR. PAULLEY: My honourable friend the Member for Swan River says why didn't we go for closure. Why didn't we go for closure? We didn't have to go for closure, Mr. Speaker. We had the authority by way of legislation that was drafted by the Conservative Party when they were in government, to do what we did and we did it. And we've heard some nonsensical suggestions from people outside of this House to indicate that all that we had to do was to adjourn the House for two days, pass the special warrant, and then come back. What subterfuge! --(Interjection)--It wasn't our boy at all. --(Interjection)--Well, my honourable friend from Swan River says it was our boy that said that, but oh boy, whether it was our boy or not, Mr. Speaker, didn't the Conservative Party very rapidly get on attached to the coattails of that particular individual and raise the matter here in this House. And we rejected that sort of subterfuge and we were right, that the employees, that the employees and the creditors of the province of Manitoba stand high above the . . .

A MEMBER: Oh, garbage.

MR. PAULLEY: Garbage is right. They stand high and above the low type of politics which has been played in this House ever since we started the session in January and attributed to the Conservatives and the Liberal Party here in the province of Manitoba. And I have said on one or two occasions and I repeat it today, never in the history of this province has an opposition been so low or so irresponsible as we've got at the present time.

MR. SPEAKER: Order please. Order please.

MR. PAULLEY: I think you'd better go back to your seat first before you say anything further. That is your place in the back row and that's the next row to going out.

Mr. Speaker, the Honourable Leader of the Liberal Party says that only by voting against a measure, a measure to supply moneys for capital purposes, can the Liberals indicate their position to the public. Mr. Speaker, I suggest that the Liberal Party has indicated to the public their position. They just scraped through with sufficient members in this House to be recognized as a political party and it wasn't too long ago that they had the opportunity and the responsibility of governing the Province of Manitoba.

My honourable friend the Leader of the . . .

MR. F. JOHNSTON: Would the honourable member permit a question?

MR. PAULLEY: As a courtesy to you, my honourable friend, yes.

MR. SPEAKER: The Honourable Member for Sturgeon Creek.

MR. F. JOHNSTON: Mr. Speaker, I would like to ask the Minister of Labour if he is going to go down to represent himself to the postal union to see that the cheques for the people will be delivered for those who need them on time. Will he intervene the same way he felt about us in Interim Supply?

MR. SPEAKER: The Honourable Minister of Labour.

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MR. PAULLEY: Mr. Speaker, if the government of Canada was a New Democratic Government as we have in Manitoba, the answer would be yes. But there is a difference in psychology. Had the Leader of the Liberal Party made such a suggestion he would have had my support, but he didn't. And I would suggest, I would suggest that if we reflect on past happenings with the Conservative Government which we have had - God forbid us ever having another one in Canada - that their action would be no different than the Liberal Government in Ottawa today. They're both the same. --(Interjection)--I don't have to change our labour laws; we don't have to change our labour laws which are the most progressive in the whole of the Dominion of Canada. As a matter of fact even today, Mr. Speaker, the Honourable Minister of Labour of the Liberal jurisdiction in Ottawa is giving verbiage to suggestions that he and the Government of Canada should adopt the policies and the laws that were enacted here in this legislation under this present Government of Manitoba. And I make no apology. I realize, Mr. Speaker, that they are not perfect, but they're a far further thrust on behalf of the workers, and of management as well, than anything we've ever experienced in the province of Manitoba before.

My honourable friend the Leader of the Liberal Party was talking about job creation. He suggests that this government has done naught in the area of job creation. How can he justify such a statement, Mr. Speaker, in the light of statistical reality and proof that constantly, constantly the province of Manitoba in the field of employment has had the lowest unemployment, or near the lowest unemployment rate of any province in Manitoba? How can he justify such nonsensical statements when our labour force has continuously expanded, the number of employed people in the province of Manitoba at the present time is the greatest in the history of the whole of the province of Manitoba? And yet that individual has the consummate gall to indicate that we haven't created jobs in the province of Manitoba. He says, and he's said this on two or three occasions, that the jobs that we have created are only temporary jobs in any case. Well, Mr. Speaker, members who are engaged in the political arena are well aware that the jobs that are created for them in this Assembly quite frequently are only temporary in nature as well, and it's no different when we get into the industrial field as well.

My honourable friend, my honourable friend the Leader of the Opposition, dealing with Capital Supply made reference to a number of the items that we are asking for Capital Supply for. He mentioned the question of capital supply for the purpose of Manitoba Housing and Renewal Corporation of 20 million. Would this so-called Liberal Party in the province of Manitoba suggest that we should withdraw any request for capital supply of 20 millions of dollars to improve the lot of people in Manitoba who have inadequate housing? Is that the reason, is that the reason, Mr. Speaker, that the Liberals in this House are going to vote against Capital Supply, so that we cannot progress beyond the conditions that prevailed over the years with Liberal and Conservative administrations in this House and in Ottawa? I wonder how the Honourable the Member for Fort Rouge can justify the stance taken by the Leader of the Liberal Party in not voting for Supply for housing purposes? Because my honourable friend the Member for Fort Rouge is wont in this House on numerous occasions to say that we must upgrade the housing facilities in the province of Manitoba. I say to the Member for Fort Rouge and I say to the Liberal Party, how can you do this if you haven't got the capital in order so to do? And yet the Liberal Party and its Leader, Mr. Speaker, says "We're not going to vote to give you the Capital Supply," in order that this might be done.

My honourable friend made reference to the sum of about 40 millions of dollars requested for the Manitoba Development Corporation. Mr. Speaker, 21 million of that 40 million dollars is for payment of interest on loans to the people of the province of Manitoba via Capital Supply. My honourable friend the Leader of the Liberal Party was wont in his oration to continuously refer to Saunders Aircraft. I wonder if my honourable friend sometimes awakens in the middle of the night and is bothered by his conscience. If he doesn't, Mr. Speaker, I would suggest that he does. When I'm referring, if he's not bothered with his conscience, Mr. Speaker, does he not reflect in the field of aviation what the Liberal Government of Canada did insofar as Air Canada is concerned? They scuttled an industry here in the province of Manitoba and here is the Leader of the Liberal Party today, Mr. Speaker, giving crocodile tears to an input of dollars into Saunders Aircraft.

I wonder if my honourable friend the Leader of the Liberal Party ever considers why it was that the facilities at Gimli were taken over in order to create jobs for Manitobans, be it

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(MR. PAULLEY cont'd) . . . . Saunders Aircraft or Misawa.--(Interjection)--A donation from Ottawa? Yes. A donation from Ottawa, yes, with the--yes, conscience. Sometimes even Liberals at Ottawa have a conscience. Yes, Mr. Speaker. But one of the inducements from the Federal authority at the time of the takeover of the Gimli complex was to continue the operation and to continue as best as we could the provision of jobs for Manitobans. That honourable gentleman, the Leader of the Liberal Party in effect is saying, cut it all out, cut it all out. Let three or four, five hundred employees--(Interjection)--550 employees of Saunders go on unemployment insurance or relief because of an input, because of an endeavour of this government to create jobs for Manitobans? How that Honourable Member for Wolseley is wont to stand up in this House and rant and rave about the plight of the garment industry, the poor entrepreneurs that are in that. And yet in the same token, Mr. Speaker, in effect he is saying to us, no more money for Saunders, let 550 qualified mechanics and artisans get out from there. This is the type of nonsense, Mr. Speaker, that we got today from the Leader of the Liberal Party.

I wonder, Mr. Speaker, when he's talking about financial input into various job-creating enterprises whether he's ever sat back and thought or even considered of the millions and millions of dollars that are under a joint Provincial-Federal agreement called DREE to assist in the upraising of the standards of many of our Manitobans and job creations. And yet, Mr. Speaker, the Liberal Party in the province of Manitoba is saying no money at all government in order to accomplish your desires. That is the type of argument, as nonsensical as it is, that is produced continuously by the Leader of the Liberal Party.

Mr. Speaker, this government - and I as a member of this government and a front bencher am prepared, we are prepared, we are prepared to be criticized for some of the losses that have occurred, but those losses, Mr. Speaker, are not deliberate but because of the fact that we are attempting and have continuously attempted when we became government to do something for the well-being of citizens in the province of Manitoba. That is no secret. We'll take our lumps, political or otherwise . . .

MR. ENNS: And you'll get them.

MR. PAULLEY: Yes, of course we'll get them. Yes, I believe it, I believe it, Mr. Speaker, and I have no objections to getting the lumps; I will take the lumps if they are based on some sound reasoning, and we haven't had that since January 30th of this year when we started our session, from the Conservative or from the Liberals . . . --(Interjection)--No, I may not . . .

MR. ENNS: You won't be around the next time.

MR. SPEAKER: Order please. Order please.

MR. PAULLEY: Yes, my honourable friend, Mr. Speaker, the Member for Lakeside, refers to the last provincial election and he indicates to me I will not be around next time. That may be true, but it won't be as a result of the ganging up of the Conservatives and the Liberals and the Social Creditors which happened in the constituency of Transcona in last year's election, because despite their ganging up on me, here I am by the will of the voters of the constituency of Transcona. (Applause.)

And now, now, Mr. Speaker, back to the Leader of the Liberal Party. In his oration here of some duration a few moments ago he was trying to vindicate his stand by reference to Conservative Ontario. What such a blinking tripe; that here a man who condemns this government attempts to obtain succor and support from the Conservative Party in Ontario. That outfit there who increased the sales tax on the poor people of Ontario to almost the highest sales tax prevailing in the whole of the Dominion of Canada. That is the stance, Mr. Speaker, that is the stance of the Liberal Party here in this House. I wonder, Mr. Speaker, I wonder whether the Leader of the Liberal Party and the Liberal Party have taken a look at the number of LIP grants that they introduced. The Honourable Leader of the Liberal Party faults us and this government for the creation of what may be termed "temporary jobs". He berates us for it, Mr. Speaker.

MR. SPEAKER: Order please, in the gallery behind us.

MR. PAULLEY: He berates us for doing that. What happened? What happened insofar as LIP programs are concerned. That is my reference to him. It's not that some of the programs weren't good, Mr. Speaker, they were. But for the honourable member to criticize this government because we attempt to create what he calls temporary jobs, I wonder if he would

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(MR. PAULLEY cont'd) only look the Liberal Party in a mirror and see the same type of involvement by the Liberals, and characters such as himself, in the creation of fly-by-night jobs overnight. And I refer to certain aspects of the LIP program that lasted until some people's appetites were whetted, that they thought that they were making a valuable contribution to the well-being of humanity, and then that patronizing government, the Liberal Government of Canada withdrew their involvement. And yet, and I must repeat, Mr. Speaker, that the approach of the Leader of the Liberal Party in Manitoba is one of criticism because we in his opinion are creating jobs of a temporary nature.

Mr. Speaker, I sometimes wonder whether or not people like the Honourable the Leader of the Liberal Party is really competent, is really capable of assessing the political climate that we have here in the province of Manitoba. I indicated, Mr. Speaker, at the offset of my remarks, that only by virtue of three or four votes the Liberal Party, on one occasion, I believe four votes, on another occasion by one vote, that only by the difference of four or what, that the Liberal Party is even recognized as a Party within this Assembly in accordance with its rules.

But, what does my honourable friend say? We the Liberals, who at one time were doomed to oblivion and damned near reached that area, are going to indicate to the people of Manitoba by withholding our support for Capital Supply from the government. I say, Mr. Speaker, in effect what the Leader of the Liberal Party and that inefficient group are going to do they're going to say to this government that you cannot have 450 millions of dollars to continue the forward thrust of the Hydro development in northern Manitoba, which enterprise will create anywhere up to 10,000 new jobs over a period of years for artisans, the people of the north, this is what the Leader of the Liberal Party said, "we are not going to support your Capital Supply."

We have had debates in this House as to the need for upgrading the telephone system in the province of Manitoba. We're asking for about 30 millions of dollars so to do. They agree, or criticize us because it's not being done, Mr. Speaker, and yet at the same time have the gall to say that we Liberals, we free Liberals are not going to vote Supply to the government in order to do this. The Liberal government were negligent over the years in supplying sewer and water to the rural communities of the province of Manitoba; we're doing the job now and we're asking for about four and a half million dollars to continue our programs. The Liberal Party in this House is saying no, you can't do it because we're not going to vote your Supply. Manitoba Agricultural Credit Corporation of about \$50 million, one of the most advanced programs of any provincial government in the field of agriculture. The Leader of the Liberal Party is going to say, we're going to indicate to the public that the government can't have that amount of money. The Manitoba School Capital Financing Authority, 14 million; the Liberals say, you can't have it. As a matter of fact in effect what they're saying, and maybe this is typical of the Liberal Party of Manitoba, it certainly was at the time I first had the honour of joining, they would love to turn the clock back to mid Victorian days where everybody had to shift for themselves and go to the poor house if they weren't able to earn themselves a decent living. That is the same attitude that they had in those days, Mr. Speaker, I suggest that that's the attitude of the Liberal Party in the province of Manitoba. And I suggest, as the Leader of the Liberal Party says, by our stance we're going to indicate to the people of Manitoba where we stand; I suggest, Mr. Speaker, that is so proper that I don't think the people of Manitoba will be gullible enough to support the utterances of the Leader of the Liberal Party, as he did here today.

MR. SPEAKER: The Honourable Member for Sturgeon Creek.

MR. J. FRANK JOHNSTON: Mr. Speaker, because of the time, I would ask the indulgence of the House to ask me. I would like to move, seconded by the Honourable Member from Brandon West that the debate be now adjourned.

MOTION presented and carried.

MR. SPEAKER: The hour being 4:30, we'll go into Private Members' Hour? The Honourable House Leader.

MR. GREEN: Well, Mr. Speaker, there have been an indication that there are many members who told me that they have flood conditions in their area, etc., that perhaps Private Members' Hour today could be foregone and that the House adjourn. I think that this meets with the general approval. I would like to indicate that next week, Mr. Speaker, we intend to

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(MR. GREEN cont'd) . . . . proceed in the same way as we have been today; that is, we'd like to deal with Capital Supply, other bills on second reading, then the estimates in the order in which indications have already been made. On Tuesday we move into Public Utilities and I will try to arrange a committee meeting for Thursday. I can't do it with the Manitoba Development Corporation, the chairman is temporarily away, but there are the possibility of Public Accounts or the Communities Economic Development Fund. If there's any questions, I'll handle them right now on the proceedings next week.

Well then, Mr. Speaker, I would move, seconded by the Member for Lakeside, Mr. Speaker, that the House do now adjourn.

MOTION presented and carried and the House adjourned until Monday 2:30 P. M.