

THE LEGISLATIVE ASSEMBLY OF MANITOBA
2:30 o'clock, Thursday, April 17, 1975

Opening Prayer by Mr. Speaker.

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 70 students, Grade 11 standing, of the Pierre Radisson Collegiate. These students are under the direction of Mr. Senchuk. This school is located in the constituency of the Honourable Member for Radisson. On behalf of all the honourable members I welcome you here this afternoon.

Presenting Petitions; Reading and Receiving Petitions; Presenting Reports by Standing and Special Committees; Ministerial Statements and Tabling of Reports; Notices of Motion; Introduction of Bills. The Honourable Member for Radisson.

INTRODUCTION OF BILLS - BILL 35

MR. HARRY SHAFRANSKY (Radisson) introduced Bill No. 35, an Act to amend An Act to Incorporate The Commercial Club of Winnipeg.

ORAL QUESTIONS

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

MR. SIDNEY SPIVAK, Q.C. (Leader of the Official Opposition)(River Heights): Mr. Speaker, my question is to the Minister of Health and Social Development, and it relates to an ad that was placed in the newspapers under his signature. On what basis can he justify spending taxpayers' money for an ad which has as its opening statement: "An Open Statement to Manitoba Residents"?

MR. SPEAKER: Order please. The question is argumentative in that form. The Honourable Minister of Health.

HON. LAURENT L. DESJARDINS (Minister of Health and Social Development) (St. Boniface): Mr. Speaker, I justify this quite easily by stating that the people of Manitoba are entitled to get all the facts as well as anybody else.

MR. SPIVAK: Mr. Speaker, my question is to the Minister of Health and Social Development. Again, was the authorization of the spending of this money for the ad a ministerial decision or one of the Cabinet?

MR. SPEAKER: Order please. I'm sure that debate could take place under the Estimates much more efficiently than here. The Honourable Member for Morris. The Honourable Leader of the Opposition. Order please!

MR. SPIVAK: I wonder if the Minister can indicate the dollars involved, the cost to the taxpayers of Manitoba of this particular ad.

MR. DESJARDINS: Mr. Speaker, I think my honourable friend should file an Order for Return, and I can tell him in advance that I'll be very pleased to accept it.

MR. SPEAKER: The Honourable Member for Morris.

MR. WARNER H. JORGENSEN (Morris): Mr. Speaker, I'd like to ask the Minister if he could tell whether or not it would be the intention of the government, during election time, to use the taxpayers' money to get their point of view across as well?

MR. SPEAKER: Order please. Order please. I hear all kind of advice from all around the room and I must say that I haven't recognized anyone to answer the question since it is hypothetical. The Honourable Member for Morris wish to place another question?

MR. JORGENSEN: Mr. Speaker, I should like to direct a question to the Minister of Mines and Resources and ask him if it would be his intention to refer Bill No. 16, The Metallic Minerals Royalty Act, to the committee outside of this House?

MR. SPEAKER: The Honourable Minister of Mines.

HON. SIDNEY GREEN, Q.C. (Minister of Mines, Resources and Environmental Management)(Inkster): Mr. Speaker, the Act is a taxation statute which will not go to committee outside of the House. It's a royalty statute, I should say, which will not go outside of the House, but I have indicated to honourable members that I would be making available to members of the House a technical committee, such as was done a year ago, provided that the technical staff is not questioned about the policy of the legislation.

MR. JORGENSEN: We would take it now that the Minister makes a distinction between what is a royalty and what is a tax.

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MR. GREEN: Mr. Speaker, over the last 18 months I have been trained to try to make that distinction, and every time I have failed to do so I wish to retroactively make the distinction.

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

MR. GORDON E. JOHNSTON (Portage la Prairie): Mr. Speaker, I direct my question to the Minister of Health, and it is with respect to the newspaper ad. I would like to know which statement is correct, the one that he makes when he says . . .

MR. SPEAKER: Order please. Again I remind the honourable members that the Minister's Estimates will come up and I'm sure we can follow through at that time. The Honourable Member for Portage.

MR. G. JOHNSTON: This is of importance to the people of Manitoba at the present time, and I would like to know whether the statement made by Dr. Tulchinsky when he says that normal service is being carried on at the three affected institutions, vis-a-vis the statement made by the Minister of Health in his ad when he says there's a serious disruption of services, I would just like to know which gentleman's words should we take on this matter.

MR. SPEAKER: The Honourable Minister of Health.

MR. DESJARDINS: Mr. Speaker, I think it is quite obvious that there is a disruption of service, when, out of approximately 70 doctors, there are just a few that are working. I think that that is quite clear. Now my Deputy Minister was asked the question as to under the present conditions what was the situation in Selkirk, and this is what he was trying to answer.

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

MR. HARRY E. GRAHAM (Birtle-Russell): Thank you, Mr. Speaker. My question is also for the Minister of Health. I wonder if the Minister of Health would be willing to provide the same amount of space in the newspapers, at public expense, for the other side of the story to be told.

MR. DESJARDINS: Mr. Speaker, the employees have put out an ad; if the employees want to put out an ad, they're free to do so at their cost.

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. SPIVAK: Mr. Speaker, my question is to the Minister of Mines and Natural Resources and relates to questions that have been asked with respect to the water that has come up from the United States and the problem of where it's located, and whether it had or had not entered Lake Winnipeg. I wonder if the Minister is now in a position to confirm that monitoring has been completed at Lockport by Environment Canada and that in effect the water has entered Lake Winnipeg, and whether he's in a position to indicate the implications of that at the present time.

MR. GREEN: Mr. Speaker, I am anticipating further reports, which I do not have. I don't doubt that the water will enter Lake Winnipeg. It has to flow from the Red River to Lake Winnipeg. What I was advised of, and this not in definite terms, was that by the time it reaches Lake Winnipeg there would be sufficient dilution so that the damage factor would be much reduced, if not eliminated, but the water will reach Lake Winnipeg.

MR. SPIVAK: Well I wonder if he would obtain confirmation of the monitoring that was completed at Lockport, I guess within the last 24 hours, and be in a position to indicate to the House the nature of the water at that point and whether any damage can be assumed as a result of that water entering Lake Winnipeg.

MR. GREEN: Well, Mr. Speaker, in advance I make that undertaking, not only with regard to Lockport, but points north of Lockport including Norway House, Nelson River and the exit into Hudson Bay.

MR. SPEAKER: The Honourable Member for Fort Rouge.

MR. LLOYD AXWORTHY (Fort Rouge): Mr. Speaker, I have a question for the Minister of Colleges and Universities. Can the Minister report to the House whether the present strike at the University of Manitoba will have any impact on the provision of summer school services at the university. . . ?

MR. SPEAKER: Order please. The question's asking for an opinion, and I'm sure the honourable member can place a more direct question.

MR. AXWORTHY: Mr. Speaker, I'll rephrase the question. Can the Minister report to the House that there will be a summer school session at the University of Manitoba, a full summer school session without any impairment of offerings?

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MR. SPEAKER: The Honourable Minister of Education.

HON. BEN HANUSCHAK (Minister of Education)(Burrows): Mr. Speaker, I have no information to the contrary.

ORDERS OF THE DAY - GOVERNMENT BILLS

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

MR. GREEN: Yes, Mr. Speaker, would you please proceed with the debates on second reading in the order in which they appear on the Order Paper.

MR. SPEAKER: Thank you. Bill No. 13, proposed by the Honourable Attorney-General. The Honourable Member for Rhineland.

MR. ARNOLD BROWN (Rhineland): Stand, Mr. Speaker.

BILL NO. 15 - THE SUMMARY CONVICTIONS ACT

MR. SPEAKER: Bill No. 15, proposed by the Honourable the Attorney-General. The Honourable Member for Morris.

MR. JORGENSON: Mr. Speaker, when the bill was introduced for second reading a few days ago, the Attorney-General indicated that what they had done was to lift from the Highway Traffic Act certain sections of that Act which had been applicable therein, and are now going to apply them to the Summary Convictions Act. He indicated that in his view it had been tried out in other jurisdictions and had been found to be working satisfactorily.

But, sir, one thing he did not point out was to whose benefit it had been working satisfactorily. Was it to the benefit of the people who were accused under the Summary Convictions Act, or just to the benefit of those who were entrusted with the responsibility of administration? I think that there is a great difference between determining how well a bill works when you attempt to find out whether it is working to the advantage of the people of this province or just to the bureaucrats who are given the responsibility of administration. And I can see from the provisions that are contained in Bill 15 that there is no question that its intention is to attempt to create a bureaucrat paradise.

You know, it would not be so bad, sir, if we did not have some examples before us about how honourable gentlemen, when given the responsibilities, how they carry out those responsibilities, and we've just had an example of that a few minutes ago in the Minister of Health and Social Development, and the government, using their power, their authority, and the taxpayers' money in order to bludgeon people into submission, and that is the attitude that we find all too often when honourable gentlemen opposite are given some authority.

Sir, it is not our intention to oppose any effort to make it more difficult for those who are entrusted with the maintenance of the law, that is in particular the police forces, of making that responsibility any more difficult than it is now. We do not oppose any measure that is taken to ensure that the police forces of this country have an opportunity of carrying out those responsibilities in such a way that the law is being upheld. But at the same time I think a distinction must be made between what is the normal ease of administration of a particular act and the rights of the individuals, and I find it rather peculiar that the government opposite - and I note by today's Order Paper that there is a resolution on the Order Paper which ostensibly will deal with individual rights and which is proposed to deal with a situation that has arisen within the last few months with respect to the administration of the Criminal Code. And I don't know how honourable gentlemen opposite can, on the one hand, try to profess that they are the champions of individual liberties by a resolution of the House to be forwarded to the House of Commons, and then in a bill of their own making attempt to deny individual liberties to people within this province, as they are intending to do under Section 11 of the Summary Convictions Act.

What we are witnessing, sir, is the worst kind of hypocrisy but typical kind of hypocrisy that we've seen on the part of honourable gentlemen opposite since they have assumed the responsibility of administration of the government of this province; another example of how legislation can be sneaked into this Chamber ostensibly for the purpose of completing some housekeeping, as the Minister suggested, and then to have provisions within that legislation that are a complete denial of individual rights. That's what happened under the Financial Administration Act, when Section 42 was so cleverly amended in order to give the government carte blanche in this House. This is what we see is now going to happen, or government is

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(MR. JORGENSEN cont'd) . . . hoping to happen, under the Summary Convictions Act. And sir, without attempting to establish any kind of a reputation as being one that is knowledgeable in the law, because I am not qualified to do that, a very cursory examination of that bill reveals to anyone who can read, that the intention is to deny individual rights in this province.

I won't go over the ground. It was covered by my honourable friend the Member for Birtle-Russell who raised this issue in the first instance a few days ago. But the points that he made at that time are valid points, and we would hope that the government, in further examination of this legislation, will come to the conclusion that we have come to, that it is a denial of individual rights, and if they are as concerned about individual rights as they profess to claim they are, and which will be evident when the resolution standing in the name of the Minister of Mines and Resources reaches the House, then we'll be anxious to see if that same concern for individual rights extends to the people that come within their jurisdiction as it does under the Criminal Code. I suggest, sir, that that will be a real test, and it will be interesting to see to what extent the honourable gentlemen opposite are really concerned about individual rights in this province.

MR. SPEAKER: The Honourable Member for Fort Rouge.

MR. AXWORTHY: Mr. Speaker, I wish to move, seconded by the Member from Assiniboia, that debate be adjourned.

MOTION presented and carried.

MR. SPEAKER: Bill No. 16, proposed by the Honourable Minister of Mines. The Honourable Member for St. James.

MR. GEORGE MINAKER (St. James): Mr. Speaker, I'd like to have that stand please.
(Agreed)

BILL NO. 17 - THE DEVELOPMENT CORPORATION ACT

MR. SPEAKER: Bill No. 17, proposed by the Honourable Minister of Mines. The Honourable Leader of the Opposition.

MR. JORGENSEN: I wonder, Mr. Speaker, the Leader of the Opposition does not. . . Oh, here he is.

MR. SPEAKER: Bill No. 17. The Honourable Leader of the Opposition.

MR. SPIVAK: Mr. Speaker, I'd like in this debate to deal with an Act which is a very small Act in terms of this section, but its implications I think are fairly severe for the people of Manitoba, and I want at the outset to restate the position that the Progressive Conservative Party has expressed with respect to the Manitoba Development Corporation, and I want to restate it again. Mr. Speaker, it is our position that the Manitoba Development Corporation should be wound down and wound up; that the evidence would support the conclusion that we have made on this many years ago, and have repeated in this House and in the public statements and during the election of 1973.

Mr. Speaker, the proposed bill goes in precisely the opposite direction of the way we believe it should go, and as well, Mr. Speaker, it's in contradiction of the guidelines given to the Manitoba Development Corporation. In the Annual Report of the Manitoba Development Corporation, in the report of the Chairman - General Manager, reference was made to guidelines which are referred to as No. 2: "The Corporation is to concentrate on the administration of its existing fund and is to scale down the amount of capital authority required with a view to reaching a point where the Fund is self-sustaining on a revolving basis and no additional capital authority is required." Those were the guidelines, the proposal is in contradiction of the guidelines, and I believe goes in the face of the lessons that should have been learned by the government with respect to its operation of the Manitoba Development Corporation. This is the last annual report.

Mr. Speaker, when the New Democratic Party came to office in 1969, it was their intention to have the MDF become something more than just a simple lending agency. They wanted the Manitoba Development Fund to become a significant development instrument which could be used to both politicize and make inroads into the business sector of Manitoba. Now, Mr. Speaker, the government today is now very much on the defensive. They are essentially trying to cover up where possible and to confuse the issue on the situation which, Mr. Speaker, I suggest is both a cover-up that almost to a degree borders on fraud. The Development Corporation Act, Mr. Speaker . . .

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MR. SPEAKER: Order please.

MR. SPIVAK: Mr. Speaker, the Development Corporation Act was deliberately introduced by the NDP as a new piece of legislation with the intention of avoiding amendments to the previous Manitoba Development Fund Act. There were only a few amendments, Mr. Speaker, but they introduced it as a new Act and they called it, not MDF, but MDC. And when the Minister of Industry and Commerce introduced the bill for second reading on June 29th of 1970, he sounded as if he had a dream and a vision. He said, and I quote: "This proposed Act will enlarge the Corporation's area of operations and make it more development-orientated as well as will place emphasis, special emphasis, on the expansion and strengthening of small to medium-sized operations."

Now, Mr. Speaker, this stands in contrast to the statement in the Throne Speech that the Corporation should be given an opportunity to play a more conventional development role and accordingly - and this is the Speech from the Throne this year, Mr. Speaker - "members will be asked to consider the removal of the restriction that it must act only as a lender of last resort."

But, Mr. Speaker, to show you how confused the NDP government really is, I shall refer you back to the Minister of Industry and Commerce - and I'm sorry he's not here - in a speech to the House in 1970, five years ago, in which he also said, Mr. Speaker, "In order to meet the challenges to economic and industrial development, we intend that the Corporation abandon the role of lender of last resort and become a development agency in the true sense of the word." That was said five years ago, Mr. Speaker, and now the government has come back to deal with this matter again.

Mr. Speaker, the important thing we have to do is to examine the record, not to demonstrate - because I think it could be adequately demonstrated - the confusion on the part of the government, but rather to look at the government action including things such as Saunders and Flyer and McKenzie Seed, to see what lessons can be learned for the development of future policies by the present government.

Mr. Speaker, in looking with a view to the lessons that should be learned, one can say that if the government is proposing to take the course of action that the honourable minister has announced as of yesterday, with the bill that is being introduced, the government has learned no lessons or has drawn wrong inferences and is now proceeding to go in the wrong direction.

Mr. Speaker, the so-called new policy of the NDP is just another attempt born in frustration and despair over mounting financial losses and public embarrassment, a desperate attempt at executing a political rear-guard maneuver with the intention of deceiving the public. The availability of long-term and short-term capital has changed since the original inception and creation of the Manitoba Development Fund. The private sources of financing are more accessible by the investor through the chartered banks who loan on commercial credit and on long-term credit requirements through the credit unions, through the Industrial Development Banks, and through the mortgage companies. But the sources, Mr. Speaker, of high risk venture capital are still not easily available in Manitoba. So we believe that the government is attempting to camouflage an impending administrative crisis in the operation of the Manitoba Development Corporation, and that very crisis was the result of an ill-conceived and poorly executed policy of equity participation which the government instituted with the 1970 Development Corporation Act.

The government appears to have learned very little from its mistakes in the past and this is why it is very important that we ask questions now. Because, Mr. Speaker, we want to find out whether they actually understand what they are doing by asking yet for another change in the Development Corporation Act. From the information we have, it is quite clear that although the lender of last resort clause was retained in 1970, the Minister of Industry and Commerce took concrete, if ultimately unsuccessful, steps to ignore the clause, as he indicated while introducing the bill for second reading. For example, we know that the Minister of Industry and Commerce deliberately hand-picked Dr. Peter Briant for the position of Chairman and General Manager of the Corporation because Mr. Briant firmly believed that the Corporation should not be a lender of last resort. Additional evidence suggests that the Minister of Industry and Commerce believed that the Minister of Industry and Commerce believed that the Corporation could be used to develop and finance business opportunities by bringing management expertise to set up profitable individual enterprises and groom them for

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(MR. SPIVAK cont'd) . . . sale to private entrepreneurs at presumably fair and profitable market prices. This was one of the many hairbrained schemes that we've come to know from the Minister of Industry and Commerce, and it did not happen. It is also indicative of the monumental naivety under which the government labours, the monumental naivety under which they let the Minister of Industry and Commerce labour and vent his academic theories with taxpayers' money. At any rate, there was a definite intention on the government's part to ignore, if and when they happened to be so inclined, the lender of last resort clause in the Act.

Mr. Speaker, when the government sought out Saunders they did not seek them out as a lender of last resort. Does the government really understand the implications of deleting the lender of last resort clause from the Manitoba Development Corporation Act? Does the government have a concept or a vision or a target as to what the new policy is going to accomplish? Are their plans concrete enough to justify a change in the legislation? All we can see so far is that the change proposed is a shortsighted response to crisis, or a reflex on the government's part, a meager response. We want to know, Mr. Speaker, what kind of administrative interpretation will be given by the Minister and the government to this change in legislation.

Now, Mr. Chairman, let's review what the Minister did yesterday when he introduced the bill. Did he tell us what he intends to do? Did he tell us how he intended to operate? Did he tell us what kind of portfolio they would be undertaking? What did he tell us? He told us nothing except they're going to introduce and change the section and increase the capitalization. Well, Mr. Speaker, are they actually going to go out and seek new loans? What kind of balance are they going to seek in their portfolio between high risk loans and low risk loans? How much further intrusion is there to be into the business community? Are they going to keep looking for deals like Saunders? And what, Mr. Speaker - and I come back to this because I think this is a very serious aspect and I'm going to deal with this later on in my presentation - what political considerations will there be? What will take place? What political considerations will take place on the part of the board as it is free, under the new section proposed, to become involved more actively in the financial affairs of this province? --(Interjection)-- Well, you found a Dr. Peter Briant, and if you want to match Rex Grose with Peter Briant I will. Oh yes. Columbia Forest, you've got yourself a . . . there. You know --(Interjections)-- Ho, ho, ho! Let me say to you, let me say to you that it was a personal liability that Dr. Peter Briant effectively was able to get the government to be able not to collect by his action. Oh yes. No question.

Well, Mr. Speaker, is it the intention of the MDC to go into competition with banks and other lending institutions? We know that the government's administrative approach to crisis, in the crises in the past, has been to quell small fires with even larger ventures and more costly schemes. We have a loss of an air base in Gimli, and that's countered with bringing in an industry which lost \$10 million last year. Flyer signs demanding agreements with AMG and with San Francisco. McKenzie Seeds acquires one, two, three seed companies and goes multi-national in Mexico. And all the while money is being lost. It's quite typical, Mr. Speaker, of the government's approach. It tries to extinguish fires by pouring oil on them, by engaging in even larger schemes of managerial and financial brinkmanship. This would lead us to wind the MDC down. But, Mr. Speaker, if we're going to have to have a bill, and there is to be a government policy, the very least, Mr. Speaker, is that the government should tell us what the parameters will be, and they have not and they will not, because they themselves don't know. --(Interjection)-- You've just gone against your very guidelines yourself, by the very change. I've just quoted from your guidelines. And the guideline itself is in contradiction to the actual bill that's been introduced.

Mr. Speaker, we will consider a bill which makes sense and administrative policy which also makes sense, but it does not look that we're getting either. We are going to insist that the government clarify its position in detail so that we and the taxpayers of this province can understand what the new changes are really all about. All we've seen so far is a scenario for a Pfeiffer cartoon or an absurd walk-on for a laughing comedy special which goes as follows:

In 1970, the government gets a brand new Manitoba Development Corporation Act which says that the Corporation is a lender of last resort. Still in 1970 while the bill is being considered by the House, the Minister of Industry and Commerce, ignoring the fine print of this document, gets up and tells the Assembly that he intends the Corporation to abandon the role of lender of last resort. Following this, the Corporation lends money to and takes equity

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(MR. SPIVAK cont'd) . . . positions in high risk ventures. The result is that the Corporation loses a lot of money, which forces them to become, of necessity, their own lender of last resort. And now they are telling us and they are telling the taxpayers of this province that they are losing money because the Corporation is a lender of last resort.

Mr. Speaker, this is ridiculous. It is a comedy. The government is trying to turn this Chamber into a theatre of the absurd. The wasting of public money by the Manitoba Development Corporation and by the New Democratic Party government has to stop. We have a new bill before us through which the government basically requests a greatly enlarged mandate for the Development Corporation, a mandate for another open-ended policy of which nobody knows where it will lead to. It has always been part of a series of inconclusive moves in which the Fund was turned into a Corporation, and now the Corporation is about to be turned into a bank. We have no faith in it. We have absolutely no faith in the administrative ability of the government, and the taxpayers of this province should have no faith in them. It has simply cost them money daily out of their own pockets.

Experience should have taught us by now that we should also have very little faith in the institution of a board of directors as an effective mechanism to assure proper and meaningful accountability under the broad framework of the Act. The members of the board are obviously and for all practical purposes primarily accountable to their own conscience. They certainly have the Act to refer to, but it is in the nature of any piece of legislation that is currently defined with a high degree of abstraction. An administrative interpretation is necessary, Mr. Speaker. The Minister who is responsible for the Act will do just that, but there is no provision in the Act that a board member has an obligation to accept the Minister's interpretation. A Minister also is not in a position to issue directives to the board because this would interfere and conflict with the board's responsibility. At the best of times, Mr. Speaker, the Minister issues guidelines and he's taking some chances, especially if these guidelines are somewhat ambiguous and are not easily reconcilable with reality.

And again I refer to the highlights of the new guidelines which the Minister of Mines and Natural Resources issued to the board in 1973 and which were published in the Corporation's last annual report, and which said: "The Corporation is to concentrate on the administration of its existing fund, and is to scale down the amount of capital authority required with a view to reaching a point where the fund is self-sustaining on a revolving basis and no additional capital authority is required." Now, Mr. Speaker, this bill flies in the face of that guideline and is directly contradictory to it.

Mr. Speaker, the question of the accountability of the Board of Directors is something that must be dealt with in some detail, and I will towards the close of my remarks. But I suggest to you that the board or the fund is not accountable. It is not accountable to the people not accountable to this Legislature. It is accountable to the Minister but that protection is not good enough, and I suggest that there are significant changes that have to take place. How are the members of the board going to reconcile the new position of the government with this legislation, the new mandate which has been given? How are they going to reconcile it with the present situation in which Saunders, Flyer and McKenzie Seeds stand, in which they are going to require vast amounts of money before they are going to reach a profit position?

We believe that the board is an ineffective mechanism to assure accountability, and that, Mr. Speaker, the guidelines proposed by the Minister are really a sham. The board, in its role, amounts to a make-believe institution and that is why we are asking for certain changes.

Mr. Speaker, it is our position that all major projects, significant developments to be undertaken by government, must now be put before the Legislature, before this House, by way of a special Act if they involve high risk ventures, and we want this special Act, when it comes forward, to stipulate all facts and to present to this House the expenditures that are anticipated. That is the only way in which the lessons of the past would indicate a policy direction which would at least provide some understanding of what has happened in the administrations of the last ten years. And I say that, Mr. Speaker, because I think it's significant and important that it be understood.

How can we allow an agency, funded by this House with money handled by the government, to enter high risk ventures and not have the proper accountability take place with respect to their course and their action? And I'll talk about how we operate now, but I suggest to you it's not good enough, and if the lessons were to be learned, the lessons are that we not proceed in

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(MR. SPIVAK cont'd) . . . that way. That's why, Mr. Speaker, we say if the government is to continue to play a role in business, if the government is to continue to support the MDC as an institution, the only way is to come clean and to provide for full and complete disclosures of all operations and all significant proposals for expansion. We want all the facts on the table. We want large expenditures by the MDC to be made subject to the approval of the Legislature. The NDP - well, I again say that if there are lessons to be learned, the lesson is that you cannot operate the way we have operated in the last ten years, and the lesson to be learned is that no board, supposedly at arm's length, no board . . . the Minister does not take responsibility, the Minister doesn't know; the Minister does not know the management of that.

Mr. Speaker, we want large expenditures by the MDC to be made subject to approval by the Legislature. Now, the NDP itself introduced a basic requirement for public scrutiny on the MDC details. The Minister of Industry and Commerce in 1970 talked about legitimate requirements for public scrutiny, but we know that this is not what they practice. They are really trying to circumvent this obligation to the people of Manitoba. By now, Mr. Speaker, we also have conclusive evidence and convincing evidence that all high risk ventures, supported by the taxpayers of this province, ought to be subject to a once-a-year management audit with the auditor appearing before the Standing Committee on Economic Development to answer questions about his report.

I want to distinguish here between the accounting audit that's undertaken by the Provincial Auditor or by others, and a management audit which will deal with management problems, and which will be a check and balance for the taxpayer of the Crown corporation, running and realistically only answerable to a board of directors who are not answerable to this Legislature, who are not answerable to the people who ultimately must vote the capital authority to be used in a Crown corporation. And we believe that a management audit undertaken by an auditor committed to that, is a significant way in which there can be some check and balance of those high risk ventures and those equity positions that the government has undertaken. It's the only way to achieve a meaningful accounting system because we have observed a very peculiar attitude on the part of the government in its disclosure commitments. They've developed an inclination to say, "Look here, honest we are. We have discovered a \$620,000 accounting error and we're not afraid to say so." And this is their idea of accountability, and they immediately expect that the taxpayers will forgive them and the government will be exonerated from incompetence.

Mr. Speaker, let me suggest that McKenzie Seed is in very serious trouble. The company has made large capital acquisitions under the present government, and has had large extraordinary expenditures, all of which have been financed with borrowed money. We know of at least three top executives of McKenzie Seed who were pressured into resigning by the Minister of Industry and Commerce, who obviously has a vested political interest in this company and treats it as if it was his own personal fiefdom. We know that McKenzie's money problems and confusion in its accounting system dates back to at least 1972. This also raises the question of political considerations which inevitably enter into business dealings whenever government exercises ownership rights.

Government ownership unavoidably opens the door to political pressure. Government ownership takes away from the decision-making process, the protective shelter which allows business to make dollars and cents decisions with a minimum of interference from social factors. I know that the Minister responsible for the Manitoba Development Corporation will tell me at the end that there is no political interference with the board; that political considerations do not enter at all, are not allowed to enter at all into the board's decisions. Now we know that the Minister is not describing the process in a realistic way. McKenzie Seed is a good example. We know that the Minister of Industry and Commerce was designated by the Cabinet to represent the government as the owner of McKenzie Seeds, but he is also a politician representing a Brandon constituency, and he has a direct responsibility to the people of Brandon also, and a loss of a small number of jobs is a political issue in his constituency. I'm sure he's not going to tell us that there have not been any political considerations, there has not been some political pressure by him on the management of McKenzie Seeds. Similarly the Minister will say that there are no political considerations entering the board's decision.

Now, it's very difficult to see how political considerations would not enter into the Saunders question, because we know, Mr. Speaker, in 1972, a year prior to the provincial

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(MR. SPIVAK cont'd) . . . election, that the Manitoba Development Corporation had the following optimistic projections for Saunders Aircraft, which as Sidney Shreiber who was then a member, I believe, of the Manitoba Development Corporation Board - and maybe Saunders, I'm not sure of that - was to say later, resulted in a strange relationship between himself and the NDP staff.

In February of 1972, the MDC forecast the following projection for Saunders: U.S. certification to be obtained on July 1, 1972. Production of three ST27's per month by April 1973. Profit situation should be achieved in May of 1973. Production of three aircraft per month should produce annual gross revenues of \$19 million and an annual profit of \$2,225,000 before taxes. Additional financing of \$1,800,000 required by May 1973 for ST27 B's, Phase 2, ST30's program will require \$1,450,000 by May, 1973. Mr. Ault and Mr. Kersey in fact stated in writing that U.S. FAA certification would be obtained by July of 1972.

As far as I know, Mr. Speaker, Saunders still does not have FAA certification of the ST27. It is now trying to get it for the ST 27 B or the ST 28 instead. If the government were to open the books, Mr. Speaker, of the Manitoba Development Corporation, they would show that the board had serious misgivings about Saunders. The record will also show that the MDC carefully considered its options concerning Saunders in May of 1972, or 13 months before the 1973 provincial election.

The options on Saunders as presented to the board were as follows: Immediate bankruptcy - \$546,000. Immediate liquidation - \$1,413,000. Wind down the company's operation over an eight-month period, liquidation - \$3,200,000. Thus in 1972, approximately 13 months before the election, the MDC board still had the option of closing down Saunders at a cost of roughly a half a million dollars, but instead they opted for a bottomless financial commitment that we estimate will cost the Manitoba taxpayer at least \$50 million.

Now, Mr. Speaker, why did they make those considerations? How did they arrive at them? The Minister of Mines and Natural Resources would suggest it was not political. The Chairman of the Manitoba Development Corporation at the last meeting, when asked by myself as to whether there were political considerations, said no, it was entirely on the commercial aspect and its viability, and I think I'm being fair in expressing it that way. Well, Mr. Speaker, the information furnished by the Chairman was misleading and incorrect because political considerations were a factor in the decision of the board, and they were a factor that was expressed in the minutes of the meeting held dealing with this matter. And if the government would produce the Manitoba Development Fund Board's minutes, it will show that political considerations were a factor in the decisions that had to be made, and not the commercial aspect, although it was a consideration as well - that was the only thing suggested by both the chairman and by the government.

And this is our problem, Mr. Speaker, in dealing with this whole matter. The government has demonstrated an incapacity to manage, a failure to apply good business practice in its administration. It has sought, as it did in the case of Saunders, a high risk venture. It allowed the Minister of Industry and Commerce to try and execute some of his academic theories at the expense of the taxpayer. It has really literally put the people of Manitoba behind the eight-ball and they are going to be paying a substantial amount of money for a substantial amount of time. It's not prepared to admit a mistake because that would be an embarrassment to them. It reminds me of the person who goes to Las Vegas and has lost a substantial amount of money and is continually gambling in the hope that he will be able to break even, because that's all the government is really hoping to accomplish, and in the course of doing this, it continually tries to confuse, to camouflage, to cloud its actions in a variety of different ways, one of which is the introduction of this bill in its form as a suggestion that they are now going to move into another direction.

I again repeat, and I say to the members of this Assembly, political considerations have been a factor in the board's decisions with respect to high risk ventures. The method of accountability that we have, the information that has been supplied in the past and even at present by the representatives of the Fund is not accurate, is misleading, and does not convey the kind of accountability that is necessary for justification and support of future and further government and taxpayers' money in high risk ventures. And so, Mr. Speaker, we suggest to this government that there is another plan, which is a better plan, and that is, wind down the MDC and wind it up. Provide the opportunity for those high risk ventures that you decide

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(MR. SPIVAK cont'd) . . . to go into, to be brought forward to this House by way of special act. Provide a management audit for the companies that we now have equity in, and let that management audit be presented properly to the Legislature, and provide that accurate and proper information is presented to the committee of this Assembly when it deals on economic matters and deals with a review of the affairs of the Manitoba Development Corporation.

Mr. Speaker, I am not in any way taking away from the enthusiasm and the sincerity and the desire that exists on the part of members of the Board of Directors and on the part of the Chairman, and even on the part of the Minister and the others, to try and hope that something will work out and that things will be better than they are. But the fact is, Mr. Speaker, that the government has got itself into a mess, it is not taking the corrective action, and the taxpayers are paying and will continue to pay; and the changes that are proposed by the Minister simply mean a further intrusion, a further involvement by the government into the business community, and that will mean, Mr. Speaker, a further drain on the pocketbooks of the taxpayers of this province.

MR. SPEAKER: The Honourable Member for St. Johns.

HON. SAUL CHERNIACK, Q.C. (St. Johns): Thank you, Mr. Speaker, I had an opportunity to read Bill 17, is it? Bill 17 when it was distributed, and I saw there that there are two major features involved. One is removal of the section which limits the MDC to making loans as a lender of last resort, and the other is to change the capitalization of the corporation.

Mr. Speaker, dealing with the second, I would remind honourable members, especially those who were members of the Public Accounts Committee, that we've had over the last couple of years a number of discussions about the inadequacy of the capitalization of the MDC in view of its tremendous commitments, past and present, and its need to more properly reflect the fact that it was a high risk or lender of last resort body. And there is no doubt - well, and I gave an undertaking when I was Minister of Finance to the members of the Public Accounts Committee, that there would be a proposal brought to the Legislature for consideration for a recapitalization and a recognition of the tremendous risks and losses that have been suffered in the past, to have a proper review of it, and it was pressed on us by the Opposition that we should do so, and I said I did not think it was right to do so, to in some way preclude the Commission which was reviewing The Pas Forestry Complex to do that in advance, that which we'd asked them to consider amongst other things. And I said that once that report was in, we would intend to do so.

Now, Mr. Speaker, I understand there was a meeting this morning involving MDC - I believe there was a statement discussed. I do not recall the information contained in the balance sheet, the assets and liabilities of MDC, but anybody looking at that statement, I am sure, would agree that an operation of that size requires a readjustment of capital structure, and simply does require a much larger equity or share capital. It's inconceivable that business of that magnitude, without discounting the high risk factor, would ever operate under any system or any concept in our economic system in Canada, or in the western world, without showing a proper base for operation. And the proposal here that would be changed from \$5 million to \$50 million is I think sensible. I think it is one which is in accord . . . Somebody could argue that it should be 40 million or 60 million, but a much larger amount than five million is almost obligatory, and it's almost as much as I promised we would do except that we didn't discuss figures in the past. And now the Minister who has proposed the bill has brought figures forward, and I accept them. I realize, and I hope the public realizes, that this feature is almost academic. The money is in MDC. What you call it is what ought to be explained, but there's not a cent more or a cent less of money involved, of taxpayers' money involved, in the proposal set out, the second one that I referred to in this Act. Changing \$50 million from moneys borrowed from the government, to \$50 million of moneys advanced by the government by way of share capital, is to a large extent - I'd say to an absolute extent - is a presentation figure to show the same money in a different form but a more realistic one.

And I remember members opposite pressing the Provincial Auditor on what he would think is right, and I remember the Leader of the Opposition saying, how would it be, "I suppose you're going to make it 50 million in one way and preferred shares or loans," and I think 40 million in another way. He was playing around with figures, speaking with a great deal of knowledge, as he did today, about the inner thinking of Cabinet. And I remember asking some

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(MR. CHERNIACK cont'd) . . . rather ridiculous proportion and asking the Provincial Auditor whether that would be acceptable. It was something like 95 percent of shared capital and five percent loans, would that be acceptable? And, as I recall it - and actually I have the minutes of the meeting here but I haven't bothered to look them up - actually the Auditor said it didn't matter as long as it was presented in a way which is understandable and which does not build an automatic increase, inflated increase, in the assets of the province - I'm not talking of the MDC but of the province - where the province has shown until now a liability due to it from MDC which makes it appear as if it's an asset, whereas we all know that there is money there that will never be repayable. And the Provincial Auditor's point was, he wanted it presented in such a way that it was clear, and that is the point involved here.

I marvel at the fact that the government of the day, back in 1966 or '67, knew that it was going to use the MDC as an instrument for developing the Forestry Complex in the North, and committed itself to many millions of dollars of loan at 87-1/2 percent of the equity. And let's for the moment accept the belief that the 12-1/2 percent was indeed owner's equity and not, may I say, stolen money - but let's accept the fact that it was thought that the owners were putting in 12-1/2 percent, that government, through the MDC, was putting 87-1/2 percent, and knowing that there was a five million dollar authorized capital in the MDC. As was pointed out, they went beyond the commitment in relation to - was it \$90 million? - substantial moneys anyway. They even had it open-ended for the original deal, where they undertook to pay a percentage of the cost without any limit as to the cost. And at that time apparently it never occurred to them that to try to operate MDC on that basis, knowing the number of years it takes to build an industry like that, the number of years it takes to develop an industry like that, the number of years that it is necessary for an industry like that to lose money - I'm not assuming, for argument's sake, that nothing fishy was expected, that everything would be according to the prepared presentation - never did it occur to them that it was impractical. But it does occur now to all of us that it is, and reading into this proposal anything suspicious is really begging the obvious question, and that is the need to have a sensible presentation to the public. And I am concerned, as one who has been responsible for borrowing many hundreds of millions of dollars of the credit of the province, I'm concerned that the people who lend money to the province are people who know the facts as they are - and may I say that never was there any attempt on the part of this government to hold back information from the borrowers on the problems that we had in MDC. Never was there any reluctance on our part to discuss it with them, and indeed, anybody who looks at our prospectus will see that there is reference always to that. I don't take credit for telling the truth, but I do assert that we knew all along that it was necessary in time, and now is the time, to change the structure of the MDC.

Now one can explore how does changing the structure change the procedures or permit government to do something less open. Well, that's nonsense. But then one says, less open than what? One really can't conceive of anything that could be less open than the whole history of the Manitoba Development Fund and of the Conservative Government at the time the Fund was responsible to the government. And, you know, the Leader of the Opposition says we must learn. Well, you know, not once have I heard him say, "You know, I'm sorry that as Minister responsible for the MDC I didn't take a bigger interest and ask more direct questions about the MDC," because, as I recall it, I think he was the only one who had a right to ask questions and get answers. Out of a million people in this province, I think the Minister responsible for MDC during the Conservative "glorious days" - and I hope people realize that there are quotation marks around the words "glorious days" when they read this in Hansard, if they do - that under those days, I think out of the million people in Manitoba only one, the Minister responsible, had the right to ask questions - and never did, he says. Nor did his predecessor, they say.

Well, Mr. Speaker, we now come to what I think is the more important and the first principle in this bill, and that is the one which deals with removing the section which - I'd like to read into the record Section 7(1) of the Development Corporation Act, Chapter D/60 of our Statutes passed in 1970 reads: "The Corporation shall not make a loan if, in its opinion, the applicant for the loan can obtain sufficient funds for its requirements from other sources on reasonable terms."

You know, Mr. Speaker, it seems to me almost any lawyer reading this section, which

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(MR. CHERNIACK cont'd). . . we passed and we brought it in, which I believe was the same as the section that appeared in the previous Act which was brought in by the Conservatives around 1959 or '60 - I don't remember the date, I may be out five years easily - but in the previous Act this section was the same - it says that the Corporation shall not make a loan if, in its opinion) that's No. 1, an opinion) the applicant of the loan can obtain sufficient funds (the word "sufficient" is judgmental) for his requirements (the word "requirements" is judgmental) from other sources on reasonable terms (the word "reasonable" is judgmental). But really, Mr. Speaker, what I've not yet heard from the Leader of the Opposition was a declaration that he wants the MDC to be lending as a lender of last resort; that it should lend - and let me reverse this section - under circumstances that might read that the corporation shall make a loan or may make a loan if, in its opinion, the applicant for the loan cannot obtain sufficient money for his requirements on what would be reasonable terms in the opinion of a body of people - and the Leader of the Opposition made it clear that those that he dealt with, those which he appointed, or his government appointed, were not responsible to him - and to me, for one, and to other members of this government, it was the most shocking thing to find out that this whole Pas Complex loan, and loans for the four matters, apparently were matters that didn't even have the responsibility of the Board of Directors, who apparently did not have to be responsible to us or to the people; but apparently also permitted the General Manager not to be responsible to them.

To me, the most astounding thing was that these people, when they appeared, when they gave evidence, said they didn't know anything about it. They were told "This is the way it is." "We were told by the government to do it so we did it." Or, "I did it." And, you know, they are people I knew. Many of them, or some of them, I knew personally. I can't conceive that the people who appointed them to that role didn't know them personally either. You know, we have a Sidney Shreiber referred to by the Leader of the Opposition, who not only told the Minister who appointed him what he thought of what was developing, but went public and told Manitoba. And, you know, I give him credit for that. He felt it necessary to tell Manitoba, but the people they appointed there to the Board of MDC apparently, I have to assume, didn't even bother to phone up the Minister that appointed them, or the Premier that appointed them, to say, "Hey, there's a lot of money at stake here and we don't know what's going on because we're told that it's none of our business," which in effect is what they were told.

Well, you know, for the Leader of the Opposition now to come along and say, "Well, we have to learn from the last ten years," he really should learn from his own record and that of the people with whom he sat in a locked room. You know, no person who was in the back bench of the Conservative Party could have had the slightest reason to doubt that everything was in order, and I guess there must be a number of persons in the front row who also had no reason to think that something was wrong.

You know, I referred the other day to the same plant that the Leader of the Opposition referred to today - and I don't remember if it was in the House or in committee - but I spoke about this Columbia Forest Products, and I spoke about the fact that when I discovered that one can learn information that the government was not prepared to give me making some judicious searches, I mentioned that I realized that debentures have to be registered in the Public Registry at the Provincial Secretary's office. So I remember spending a day at the Provincial Secretary's office leafing through the debentures as they were filed seriatim, and I found there a loan to Columbia Forest Products, if that was its name at the time - I may be wrong about its name - signed by some board of directors whose names I don't recall, and later another debenture, this time signed by a man who had been a member of the board and who it now appears to me from the . . . I didn't make a big study of it but, as I understand it, the deal made with this man was something like "Please get us off the hook. The existing operators are doing a rotten job and you're a very imaginative, successful businessman, so would you please take it over, and if you take it over we'll give you all the money you need to run it. Any money you need for working capital, just signal, just requisition, and you'll get it."

And thirdly, these debentures that were sliding through - that's the wrong word, these debentures that were registered, which I saw - were not only to advance more and more money to this friend - and I say "friend" in the proper sense because I accept the fact that he was trying to do a favour to the government or to the MDC to bail out Columbia Forest

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(MR. CHERNIACK cont'd) . . . Products, but himself had no investment to lose, had the opportunity to borrow as much as he needed and did, in fact, and this I didn't find out until we were in government, did in fact borrow money with which to pay the interest which was required to be paid under a previous debenture to the MDC. And was indeed doing that which the other day in committee and, Mr. Speaker, you miss some things when you don't attend meetings of committees that are held out of this Chamber - I don't suggest that you start, you have to listen to enough here to burden you - but in committee there were protestations about the fact that until we came with the restructuring of the capital that we were indeed charging up . . . that we were lending money in order to pay interest back to us. And that's indeed a policy that was established and carried out under the previous government. But I wonder who knew, and I wonder whether the last Minister of Industry for the Conservative government knew that Columbia Forest Products was being refinanced and financed for interest unpaid under a deal made with a friend who had been a member of the Board of Directors, and again I state, I do not intend to say anything derogatory of him, but I'm wondering if the Minister then, of that day, knew the kind of shenanigans, and now I use that word advisedly, that either the board of the MDC, or, since we know their record in relation to CFI, or the manager of the board without the concurrence of the board, had agreed to do, to open-endedly finance the operations of Columbia in an effort to get it bailed out. And he now says, I am a lot smarter than I was, and I agree. I agree. We've taught them a good deal, Mr. Speaker. Now he says, being smarter than I was then, I say we should change and we should have more openness, we should discuss more.

I don't know yet whether there's any question that the MDC has been operating as a lender of last resort; I don't know yet whether the bringing in of the name Peter Briant was brought in in order to show that he did not want to be a lender of last resort, and the Leader of the Opposition says, "Oh yes, oh yes, he was brought in for a different purpose." I deny that, but of course he pretends to know so much, he quotes the minutes of the MDC to us, and then says now if they'll produce the minutes, they'll see I'm right. Why doesn't he produce his minutes. Produce them, lay them on the table, let's see them. He quotes from them, he knows what they contain, let him give them to us and show us. The party opposite has not hesitated to produce documents which they obtained in some manner or other, and I don't give them credit for some of the ways that they've gotten documents or information. But, not only do they produce them but they actually distort the nature of them. They give them a title which is false, and they give them an authority which is not justified, and they do it consistently. And if anybody is in doubt, and since the Leader of the Opposition isn't here often enough to understand what I'm saying, although I know the Member for Morris does, I'm talking about some first draft of submitted for consideration for a document which the Member for Morris is now. --(Interjection)-- Did you wish to ask a question?

MR. SPEAKER: The Honourable Member for Morris.

MR. JORGENSEN: I presume, Mr. Speaker, that I now have the floor.

MR. CHERNIACK: Being the cute parliamentarian that he is, raised his voice and as a matter of courtesy, which I have been trying to follow, shown by other members opposite, I thought he wanted to ask a question and sat to give him the opportunity; he immediately attempted to take the floor away. This may be cute in a parliamentary way but is not to his credit. However, the Member from Sturgeon Creek is now raising his voice - does he want to ask a question?

MR. J. FRANK JOHNSTON (Sturgeon Creek): Oh no.

MR. CHERNIACK: Thank you, I'm glad he doesn't.

MR. SPEAKER: The Honourable Member for Sturgeon Creek.

MR. J. FRANK JOHNSTON: Mr. Speaker, does the honourable member blame us for not wanting to get the floor?

MR. SPEAKER: The Honourable Member for St. Johns.

MR. CHERNIACK: Yes, Mr. Speaker, it so happens that I consider the Member for Sturgeon Creek one of the gentleman across the road in parliamentary deportment except when he yells from his seat. I say that any effort to take the floor away in an underhand manner is something for which you should be blamed, and I think that that is a matter where I would say I don't trust you. I can't trust the Member for Morris anymore unless in advance he says to me, honest I only want to ask a question, I don't want to steal the floor from you,

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(MR. CHERNIACK cont'd) because he has shown the indication that he might want to do it. I say that in jest, Mr. Speaker. I know he would not do it, and I'm just responding to the fact that he was trying to interject into this speech when he knew he oughtn't to have. I don't suggest he would do that, and I would blame him if I thought that he did, and I would blame the Member for Sturgeon Creek similarly.

Mr. Speaker, do you recall that the Leader of the Opposition demanded publicly that some member of the Board of Directors of the MDC should resign? If I'm wrong, I hope you will correct me now. But I seem to recall some time ago that he made a demand, I think, that all the members should resign. Well, he shook his head, so now I don't know. My impression is that at one stage he made a public demand that the Board of Directors should resign their positions. He talks about lack of accountability, when he is demanding from them - I'm quite sure he did, he's shaking his head, so, I have to point out for the record that he is not agreeing with my statement that he did demand, and that means it's incumbent on me somehow to find the record that he did demand their resignations. Maybe the word demand was wrong. Maybe the word demand was wrong. Maybe he said something like they ought to, or if they were principled people they would resign. Maybe it was something like that, but as I recall it, he suggested that there ought to be resignations on their part, because he says they are not accountable, so he wants to make them more accountable.

Mr. Speaker, I needn't refer again to the fact that this government has set up a committee which deals with not only the President of MDC, but also with the reporting with the presidents or chairmen of the various companies which the government controls to give them an opportunity to discuss, to hear, to question. And he says no, no, that's not really what he wants. What he wants, apparently, is for every time a decision is to be made to bring it here and bring in a bill. And bring it to debate in the House before any decision is made, which means discuss in public the affairs of any private body or private company which wishes to borrow money, which wishes to invite the government in as an equity partner into his business, discuss it in advance, expose it, reveal it, bring it into the committee out of the House after second reading, discuss all the business affairs of these people, and that means they would be there of course, and now we have to discuss the value of their covenants and what their worth is. And then we go into the business and all the prospects of what they could possibly earn, what the problems will be, so their competitors will have full knowledge, so that their neighbours will know all about them, and that to him is the solution for the method in which government gets involved.

You know, Mr. Speaker, the Federal Government is a lot smarter politically than the NDP is politically in respect to helping to encourage the economic development of a province or region. The Federal Government has something called the Department of Regional and Economic Expansion and makes grants. And it makes grants under certain conditions, and once a grant is made it's written off. It's in the budget. Pardon?

MR. GREEN: 98 million.

MR. CHERNIACK: \$98 million last year I'm told was given, granted, written off, and no reports are required in the future to show to the people that this has been a success or this has been a failure.--(Interjection)--The interest, of course, there's no interest because it's paid once . . .

MR. GREEN: No share capital.

MR. CHERNIACK: . . . it never comes back and that would be the easy way in which to do it. And is it new for us to remind you, Mr. Speaker, that members opposite are always proposing incentives of some kind, which always end up as being a cost of the taxpayer, transmitted into the hands of a developer or a business, an industry of some kind, and written off right away. As soon as this advance is written off, it's forgotten about.

Well, you know, we deal with - and I'm not going to go into the question of the Communities Economic Development Fund, but there, Mr. Speaker, I'm sure it's in the records but if it isn't, I'm sure in my own mind, we made it very clear, we have so much money available which we were prepared to advance to people in the North to help them develop themselves, and we wanted them to have an accountability so that they felt that they had an objective, not just to spend the money but to try and run a business operation. And we knew many of them were not equipped to do so. But rather than give them the money and run away from the problem, we said we'll lend you the money so that now you have an accountability, you will report back to us, we will have an opportunity to supervise, and I'm not saying we did a perfect job, of course not.

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(MR. CHERNIACK cont'd) I'm not saying we did a perfect job in the operation of the MDC in our time, but, boy, Mr. Speaker, we did a much better job than our predecessors did. No question about that. The record before us shows that some \$38 million of losses as of March 31st '74 came from loans made prior to our government coming into power, to July '69, against some \$26 million now on the record.

But, you know, Mr. Speaker, the important thing is what development takes place. I think it was Mr. Roblin who is reported to have said, look - well, I shouldn't say Roblin, it was some supporter of the former government that said, in spite of all that happened up in The Pas, in spite of all the mischievous operations, and in spite of the lack of accountability, in spite of the fact that the board had no knowledge of what was going on, in spite of the fact that apparently the leaders in the Cabinet at that time pushed Mr. Grose into doing all kinds of fantastic things in order to bring about an industry up there, in spite of all that, in spite of the fact that a law firm, headed by Walter Newman, was responsible for the legal work, and in spite of the fact that Arthur D. Little was involved in all the projections and supervision and all that, in spite of that, fantastic moneys were lost. But somebody pointed out, there are jobs there now, there is an industry there today, there are people working today, and that has to be the truth. I have asked our Minister responsible for MDC to see whether it's possible to project some figures. For example, there was a firm which was manufacturing an item which had to do with pollution control. Thank you, Cowl Equipment. The owners invested substantial money in it, the government through MDC did, or MDC did, I think it was not a Part II loan. I don't know if it is academic for the point I'm making whether the original loan was made by a board appointed by the NDP or a board appointed by the Progressive Conservatives.

--(Interjection)--Well, it was done at the time we had appointed the board. But that industry developed to a certain stage and then foundered. As I understand, it foundered not because the idea was bad but the fact that the development, the cost of technology and development was greater than was deemed that it would be, that as a result they ran out of money. And the MDC foreclosed it, had a receiver in, and then arranged to sell it to an industry operating in Manitoba, and as I recall it's an industry which was originally Manitoban and - J.B. Carter I believe - which became owned by an American firm. There was some criticism about the fact that it was sold to the American-owned firm. But, nevertheless, that was a new industry in Manitoba, it did not replace another, it did not cut out any competitors, it was brand new. As I recall it, there were 70 jobs involved. I think that was the figure as I last heard it. It was bought by J.B. Carter to expand its operations - I believe it's still operating - and I think the government lost somewhere in the neighbourhood of \$200,000 - I don't know, the Minister . . .

MR. GREEN: \$250,000.

MR. CHERNIACK: The Minister tells me it's 250,000. In terms of jobs, Mr. Speaker, that was probably cheaper than DREE, it was probably cheaper than many give-away programs. --(Interjection)--Even cheaper than the cost of some feasibility studies that are done that are never acted on. And I think that that is where a lender of last resort has a role to play. But, you know, every time the opposition may throw up - look at Cowl Industries, it lost \$250,000, then I would have to say it was a good investment for Manitoba. It wasn't planned that it be lost, but the fact that it was lost is no discredit to the fact that the moneys were advanced because the jobs of 70 people over a period of time easily, easily make up for the loss of \$250,000.

One can speak about the Manitoba Navy which plies one of the biggest seas in the world, one of the biggest on the continent, and that navy, operated by Venture Tours, was - this I do recall - was moneys advanced by the MDC when it operated under the Progressive Conservative Party. I don't know the extent to which the Minister of Industry and Commerce was so interested in seeing a boat on Lake Winnipeg that he leaned on the board, I don't know whether he ever discussed it. I don't know if he was involved. It might be interesting to know but I don't know. I don't know that that's germane to the point, maybe I shouldn't have raised it except for the fact that he keeps talking about political influence. But the boat was there and, as I recall it, it cost substantially more than a million dollars and that it wasn't worth anything like it, that when they folded it was hard to find a buyer - and I can tell you I had a call or two, I think two calls from different outfits, who wanted to buy that boat at a good price, providing they got the rights to run a gambling casino on that boat. Now maybe I was at fault for not pushing it. But the fact is that that boat was taken over by Venture Tours rather than be sold

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(MR. CHERNIACK cont'd) for a gambling casino, or be sold at a completely (I don't know) at a complete loss, but it was sold at a loss. It is operated at some loss, not a great loss; it is one of the great tourist attractions of Manitoba. It brings people in from outside of Manitoba; it's one of the great attractions. One of the senior people in government, one of the Deputy Ministers, suggested that if we would name it a park and call it the floating park S.S. . . .

MR. GREEN: Lord Selkirk.

MR. CHERNIACK: . . . Lord Selkirk, if we called it a park and we showed it in where we show the other parks, the other provincial parks in this province, everybody would accept it. I don't think the Opposition would accept it because they'd say, oh it's a floating park, it's not the same thing when you charge fees for it. But the fact is, it's worth subvening.

So we come back to the question of last resort. Should we be prepared to lose money? If we do lose money, are we accountable? Well, I've heard more debate about Saunders, I've heard more debate about Flyer Industries, I've heard more debate about South Indian Lake Co-op, I've heard considerable debate where moneys have been lost. And that's healthy, and that's accountability. I don't say that I give much credibility to the constant effort to involve the political aspect, such as, when did the Attorney-General see a certain gentleman, a certain witness in Ottawa, that kind of stuff, that's for the birds. But accountability to discuss losses and relate losses to benefits is something that should be done. And I think that that will continue; it's got to continue under the precedent set by this government. If it were nowhere in writing, no government in the future headed by our Premier, by his successor in our Party, by our Party, or any other Party that is in government in the future, will be able to hide a mask of saying, we don't know what that board is doing.

And, Mr. Speaker, I consider it an absolute discredit to the people on the board, most of whom as far as I know have no political motivation or allegiance or alliance with our Party, to put them in that light as did the Leader of the Opposition. The fact that it's a discredit to members on this side for him to do that, that's what he considers his job, that's the way he spells out his job. But the fact that he puts the Board of Directors in that light is a discredit to him rather than what will appear to be a discredit to the members themselves.

Now one other thing. He talks about the guidelines and flying in the face of them. I know I have only a few minutes, I'll speed up this conclusion. These guidelines, Mr. Speaker, and I can't read them because I have no time to do it, are the first set of guidelines I've ever seen issued by any government in this province in relation to MDC. Of course the former Minister of Industry and Commerce who was responsible during the Progressive Conservative days would say, I don't know what it was all about, they wouldn't talk to me, they wouldn't tell me, I wouldn't ask them, it was their business, I wouldn't know. How could he give guidelines to an organization with whom he had no contact, with whom he did not discuss anything, because obviously he knew nothing that was going on. These guidelines are the first set of guidelines, and they're good guidelines, and they are not inconsistent with removing Section 7(1). Let the Opposition demand that 7(1) stay in; let them say we want that there, and then let them stop talking about losses, Mr. Speaker. They can't have their cake and eat it. Either they want it to be a lender of last resort, a risk taker, they want Part II in the act, either they want it there, or they should stop talking about losses. That is the challenge I give them.

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

MR. G. JOHNSTON: If no-one else wishes to speak, I would like to make the adjournment. I move, seconded by the Member for Assiniboia, that debate be adjourned.

MOTION presented and carried.

BILL NO. 20 - HERITAGE MANITOBA ACT

MR. SPEAKER: Bill No. 20, proposed by the Honourable Minister of Tourism and Recreation. The Honourable Member for Roblin.

MR. J. WALLY McKENZIE (Roblin): I don't know what all the excitement is today, Mr. Speaker. Mr. Speaker, I have reviewed these amendments to Bill 20, The Heritage Act, and I wonder if the Honourable Minister when he introduced the amendments either got the wrong transcripts, or - he read out the explanation of the Act that we brought in the House last year for some reason. I don't know why he overlooked the amendments that are proposed in this bill.

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(MR. McKENZIE cont'd)

Mr. Speaker, the amendments that are proposed in this - amendments to The Heritage Manitoba Act are of some concern to me because I find in the legislation that the independence of the Foundation Board will be placed in, I suspect, greater peril than it was intended in the other Act, and that the government by these amendments here, and through the Minister in charge, will now have far greater powers than was provided under the Act that we had before us in the House last year.

I wonder also, Mr. Speaker, is it the intent in this legislation that the moneys or the investments be shown under the divisions that are applicable under the sections of the Financial Administration Act, which of course relates to the divisions of the Consolidated Fund; and if in fact these moneys are not placed under the section of the Act that deals with trusts, then I suggest that the moneys will simply, they'll simply be placed in the Consolidated Fund. And I have great reservations about placing these moneys or investments which are intended for specific or particular purpose, I have reservations about them being placed in the Consolidated Fund.

I think, Mr. Speaker, the latter section of the Act there creates a restriction on the amount that can be guaranteed. It seems to me that while broad terms are granted regarding the terms of the guarantee, that once you indicate that there's to be some limitation on the amount that's to be invested, that unless that amount is to be the limit I would say, Mr. Speaker, unless the limit is spelled out, then the Minister himself, the Minister of Tourism and Recreation, I would suggest would find himself in the ridiculous position of having approved a guarantee which is far above the statutory limits desired, unless the Act which is passed at some future date will ratify the guarantees that are made prior.

So with those reservations, Mr. Speaker, I think we can recommend the bill go along to committee and we'll have maybe some answers to those questions from the Honourable Minister in committee.

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

MR. G. JOHNSTON: I move, seconded by the Honourable Member for Assiniboia, that debate be adjourned.

MOTION presented and carried.

MR. SPEAKER: The Honourable House Leader.

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

MOTION presented and carried, and the House resolved itself into a Committee of Supply, with the Honourable Member for Logan in the Chair.

COMMITTEE OF SUPPLY - CONSUMER,
CORPORATE AND INTERNAL SERVICES

MR. CHAIRMAN: I refer honourable members to their Estimate Books Page 15, Resolution 35(a). The Honourable Minister of Consumer and Corporate Affairs.

HON. IAN TURNBULL (Minister of Consumer, Corporate and Internal Services (Osborne): Thank you, Mr. Chairman. I was outlining for members the activities of the Department of Consumer Affairs over the previous fiscal year. and I would like to continue with that.

The point that I was on was in relationship to the Communications Department within the Consumer Affairs. I wanted to indicate to members that the Communications Branch has within it the Citizens Enquiry Service, and that it has handled a great number of enquiries over the last while, some 38,000 telephone enquiries are handled each year, about 14 percent of those originate from outside of Winnipeg.

Within the Communications Branch as well is located the Queen's Printer. The operations of the Queen's Printer of course are in response to demand for service from within the government. This account of the Queen's Printer pays salaries and purchases stationery and in-plant printing as well is done within the Queen's Printer. 80 percent, Mr. Chairman, of the government's printing requirements is supplied by the private sector, with only 20 percent being printed in the government plant. Now that government plant by the way is basically an offset operation. Of the work which falls within the control of the Queen's Printer,

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(MR. TURNBULL cont'd) approximately 90 percent is awarded on the basis of competitive tenders, with only the smaller jobs being allocated at the direction of the Queen's Printer.

To assure a broader allocation of printing, and at the same time to retain the tender process, a bid table has been opened at Brandon, at which printers from western Manitoba can compete for government business. Only one additional staff member has been requested for the Queen's Printer operation to supply additional support at the middle management level.

The Queen's Printer operation also contains the Advertising Audit Office which places the government advertising directly in the media. It also pays for the advertisements and collects from user departments the actual cost of their advertising. Such a system has been in operation since April 1, 1974 and considerable savings to departments have already occurred.

One additional clerk has been requested for the Advertising Audit Office as the volume of accounts being processed is beyond the capabilities of the current staff of four. This new advertising system has not yet completed a full year's operation, and while it is difficult to project specific savings, volume discounts have been obtained from many suppliers of advertising space, and we have been receiving excellent co-operation from both the media and the advertising agencies.

The Telecommunications Research Branch during the past year produced a major report on broadcasting and cable television, which has formed the basis for discussions with the Federal Government, the broadcast industry, and interested members of the public. The report has already gone through two printings, with requests for it received from Europe and as far away as India. Discussions are continuing between the government and members of the broadcast industry towards providing access to all advanced methods of communications to all citizens of Manitoba.

The increase of 243,000 being requested for the 1975-76 year represents an increase of 12.43 percent over last year's estimates. Taking into account a 12.4 increase in the Consumer Price Index of Canada last year, I feel that these estimates of my department are both prudent and necessary, and that as well they do respond to a general desire for budgetary restraints within government expenditures.

Mr. Chairman, that summarizes really my remarks on the operations, the statutory operations primarily of my department.

The main concern of the Department of Consumer Affairs of course, and I might say the main concern of the government in many ways, has been that of inflation. Inflation, Mr. Chairman, I believe is much larger than this department, much larger than this province, much larger than this country, which traditionally, historically has depended upon the international markets for its economic viability.

Mr. Chairman, along with many individuals in public life, I think that there has been a great deal of agony over how inflation can best be dealt with. Like all Ministers of Consumer Affairs and Ministers of Finance, I have attempted to come to grips with the problem of inflation within the confines of the jurisdiction for which I have partial responsibility, without a great deal of success in dealing with the ever spiralling increase in costs, and particularly in the increase in basic costs for commodities, foodstuffs, and rental accommodation, as well as homes that are to be purchased.

In the time that I've been Minister of Consumer Affairs, I have attempted to approach this problem of inflation within the provincial context by way of examination of the problems that lie within specific commodity groups. Sugar is a good example - up until recently anyway. Over the previous period there had been an accelerating increase in the consumer price of sugar, and this increase posed a problem I thought for Manitobans, there certainly seemed to be a great deal of attention paid to the increase in price of sugar, particularly because in this province we have our own sugar industry. However it seemed that any certain solution to the increasing price of sugar might have been a solution that was worse than the problem, particularly as any attempt to lower the price of sugar within this province would have meant that there would have been a terrific export of sugar, an outflow of sugar from Manitoba to markets where prices were not controlled.

Apart from sugar, Mr. Chairman, I have attempted to gather information on the increases in other basic commodities, for example bread. Early in the period of my ministry I did appoint under the Trade Practices Act an enquiry which was intended to examine all

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(MR. TURNBULL cont'd) aspects of the bread industry in this province. At that time the Food Prices Review Board was just getting under way and it seemed that that board would in fact come up with the information that was required. So the enquiry undertaken here was aborted. I must say, Mr. Chairman, that the Food Prices Review Board in my opinion did not come up with information that would lead to the imposition of the draconian measures of price control within this province even if those had been practicable.

As well, the Department of Consumer Affairs in co-operation with the Department of Agriculture established under the Manitoba Evidence Act, an enquiry into meat prices, and particularly price spreads at the retail level. This enquiry as members well know has been carrying out investigations in this province.

It is clear though, Mr. Chairman, that exposure of the problems, gathering information on price escalations, is not adequate, is not nearly sufficient. I have come to the conclusion - and I enter debate to see what other members believe in this respect - I have come to the conclusion that co-operative action by all levels of government, led by the Federal Government, is really the only way in which government intervention in the marketplace will have any hope of succeeding in controlling escalating prices. I am not necessarily convinced that government intervention would succeed. The American experience, in peacetime anyway, does not seem to indicate that that imposition of price controls would succeed, but nonetheless if governments are called upon to intervene, the co-operative approach, a co-operation of all provinces with the Federal Government and under the leadership of the Federal Government, would seem to be the only solution. That co-operative action, Mr. Chairman, I think would have to define development goals within the country, and by development goals I mean not only goals on a national but also on the regional level. There would have to be a definition of what price stability was and how it would be maintained. And certainly, Mr. Chairman, there would have to be agreement and co-operative action on how income in this country was to be distributed.

Mr. Chairman, this government is on record, at the beginning of the inflationary spiral is on record supporting stringent federal controls on excess profits. Excess profit control would be one approach to attempting to come to grips with escalating prices. This government is also on record as requesting that the Federal Government impose stringent controls on tax concessions. To eliminate these tax concessions, to reduce tax concessions, particularly for corporations, seem to be at the beginning of the inflationary spiral one means of attempting to deal with inflation.

But times have passed those recommendations by, to a certain extent, Mr. Chairman, and I think that today the position of the government has to be somewhat different. I think that we need now to seek not only control on profits and the elimination of wasteful tax concessions to corporations, but also to seek some means of restraining, if not controlling completely, but restraining wage increases, wage demands. Mr. Chairman, I find it difficult to think of imposing restraints on wages, particularly because wage demands normally follow inflationary pressures. I think that that can easily be demonstrated, and certainly my experience in the last year with wages within the Civil Service would indicate that workers in general, through their union representatives, ask for wage increases in order to attempt to meet or catch up with prices that they have to pay in the marketplace. It would seem, Mr. Chairman, that wages must pay to workers adequate compensation and at the same time those wages should not suffer from a time lag, the time lag occurring between when the worker, the employee, has to meet his food bill at the store and the time when he can negotiate an increased wage.

While reluctant to advocate wage restraint, Mr. Chairman, I think that I have to give full and complete support to the idea that wage increases should be on the basis of percentage differential. It makes no sense to me to indicate to workers that everyone in the workplace should receive an increase of 12 or 15 or 20 percent, when in fact that 20 percent on a 20 or 25 thousand dollar income means a substantial increase compared to what it would mean for someone at the 6 or 7 thousand dollar level - differential percentage increases in wages or, Mr. Chairman, flat increases right across the board. Flat increases in my opinion are much more equitable than are percentage increases applied across the wage scale.

I think, too, Mr. Chairman, that the government's position today has to be taken on profits. I think that we have seen a need for strict controls maintained by the Federal Government on profits. But here again, Mr. Chairman, to attempt to control profits without the recognition of what investment must return to the investor would be inequitable, and

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(MR. TURNBULL cont'd) certainly if there are going to be restraints on profits, those restraints should at least recognize that the entrepreneur, that the investor, is entitled to a fair return, and this of course gets us into the perennial problem of defining a fair return. That is a task, Mr. Chairman, which I think the Federal Government and the provincial governments, as well as labour and industry, have been grappling with.

Finally, Mr. Chairman, there is every need within this country to restrain price increases in the marketplace, and certainly I think that a co-operative effort on the part of all governments is required to impose a strong national regulatory authority on prices, if in fact inflationary spirals are to be tackled by governments.

Mr. Chairman, I want members to recognize of course that while I and others have agonized over what to do about double digit inflation, it is a problem so tremendous that it is really beyond the competence of the Department of Consumer Affairs to cope with it in an adequate way. The imposition of price controls within the provincial context, Mr. Chairman, would lead not to adequate supply at low price, but I think to low price and no supply at all. And that is a dilemma that every person in public life will have to face when they talk about price, wage and profit controls.

Finally, Mr. Chairman, I think that it is really almost impossible to come to grips with inflation within the provincial context when the fiscal and monetary levers on the economy are beyond our control and rest with the Federal Government.

Mr. Chairman, co-operative action by the Federal Government and the provinces might be one way of dealing with inflation, and I certainly welcome the debate and contribution of members opposite, both on my estimates, which I recommend to them, and on this general problem on inflation.

MR. CHAIRMAN: Resolution 35(b)(1)--pass; (b)(2)--The Honourable Member for Pembina.

MR. GEORGE HENDERSON (Pembina): Yes, Mr. Chairman, This item is down, and it's very seldom that you see anything down, and I'd like to see the Minister explain how this happens to be done without going into a long song and dance which he might like to do on an occasion like this when something happens to be down.

MR. TURNBULL: Mr. Chairman, it's always tempting, as the member says, to go into a song and dance but given the entertainment between now and 8:00 o'clock, perhaps he might entertain us with a song and dance when he returns here at 8.

The item that the member was inquiring about was 1(b) (2) Other Expenditures, and the decrease, Mr. Chairman, is due to a decrease of \$30,200 - I believe that's the figure - which results from the deletion of an amount which was previously allocated for computer use studies. In the previous fiscal year a study of computer use within the government service had been undertaken, that study was completed, the report was submitted, and consequently this amount has been deleted from the current fiscal year's figures.

. . . . continued on next page

INTRODUCTION OF GUESTS

MR. CHAIRMAN: Order please. I wonder if I could draw the attention of the honourable members to the gallery, where we have 70 students of the East High School of Duluth, Minnesota, Grades 11 and 12, under the direction of Mr. Bob Mix. These students are guests of Mr. Speaker. On behalf of all the members, I bid you welcome to the Chamber.

The hour being 4:30, I am leaving the Chair pursuant to Rule 19 (2) of our House Rules for Private Members' Hour and will return to the Chair at 8 p.m. this evening.

PRIVATE MEMBERS' HOUR - PUBLIC BILLS

MR. SPEAKER: Order please. Private Members' Hour. We are now into adjourned debates on second reading of public bills. Bill No. 12. (Stand)

BILL NO. 21 - THE HORSE RACING COMMISSION ACT

MR. SPEAKER: Bill No. 21, the Honourable Member for Virden.

MR. MORRIS MCGREGOR (Virden): Mr. Speaker, in speaking to this bill I realize my honourable colleague from Souris-Killarney didn't really speak to it, went on to the other bill that it's really tied part of. And as one looks at some of the background of this, we have to go back to 1958 when many headlines and many politicians were opposed to this type of thing, and I'm thinking now on the . . . of 600,000, and as I think what that thing would have done today and what it did then, as I realize my party was very much opposed to it, as the NDP of that day, the so-called CCF were, but I think at the same time as it may have caused the defeat of the Liberal Party later that year, it still is looked at as a real sound investment, an investment that was not hard for them to get back and allow the treasury of this province to gain well over a million dollars each and every year since then. So, often what looks like a mistake today, as the years unfold it becomes a pretty positive step.

But on Bill 21, the main thrust, as I see it, is the fact that the Commission may, subject to the approval of the Lieutenant-Governor-in-Council, call and say the amount of days. And the key here seems to be, if there is a strong Commission to advise the Lieutenant-Governor-in-Council, and I would hope that the Minister of this department - I was wishing he would be in his seat, well, the mover is at least - it is very necessary to have a strong Commission, a Commission made up possibly with some racing people but not necessarily; a Commission made up of broad-minded people that can work. The many groups within the racing industry at times have been somewhat at loggerheads, and I have to think this year, as Lady Lib Year, that the Minister did appoint a lady to that Racing Commission, and it may have raised eyebrows, but in following that and looking into it and talking to racing people, they have been most impressed with this Miss Keeley. She has gone out of her way, went out to talk to rural people, to talk to rural breeders, and generally racing people, and I think this is the kind of commission member that is necessary. Also I could say Mr. Turdock and Mr. Cartledge, Mr. Wells and Mr. Halter have all done their part, but the most recent one does seem to be upgrading the Commission, and I think if they are going to be more or less in full charge of the racing days and the maneuvering of that, that it is very necessary that the Minister looks closely at who he is selecting as new members as the years go along.

Some of the racing people are saying that this new edition has been asking a lot of questions, but I think this is such a big industry and there maybe has to be a major change made within the structure, that questions have to be asked for new Commission members to get the real feeling of what has to be done to make this racing industry work better and to gain more money for all those who are involved, both the track and the government.

Mr. Wright, the new owner of the track, has spent a real large sum of money to buy the plant and upgrade the entire racing plant, and as I understand it, he's coming here highly recommended. He is a fine fellow, they tell me, and it's really nice to see a former Winnipegger return to Winnipeg and invest his entire savings into an operation such as that. And the one thing I don't want, and I'm not that overly close to the racing industry, but I do remember in days gone by when there was a great deal of feuding between the standardbreds and the thoroughbreds, and I think with the right Commission approach that this doesn't have to be. 1975 is probably going to be the biggest racing year on record by far, and I would like to think that the Minister - I know he has money from last year that's still sitting as the last year race people got money, the 50,000 from '73, and it's hoped that he will release last year's

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(MR. MCGREGOR cont'd) and this year's money to really get on to this and make this an extremely big year.

And just to get on what the government takes, it's 11 percent of the mutuel handled, and to work out a formula as shown by other tracks, the betting people come in and they look at what is off the top, if it's 22 percent or if it's 16 percent, and I just worked out a formula - if I'm evading slightly from the amendment, it will only be for a few moments - if indeed the 11 percent was taken off \$100, it gives the government \$11.00, but every percent that comes off of that, the gross will go up 6 percent. So just for a suggestion, if the government agreed to take 7 percent, it would go up some 26 percent of gross. That would give the government a net return of \$9.00. All right. Mr. Wright's take would be 10 percent, not of \$100 but 10 percent of \$126. His take then at 10 percent would be \$12.60, and what I am trying to suggest here to the Minister, that that formula then would look more attractive to those who go out to bet, because then instead of 21 point something in a percentage of the top it would be then returned to 17, and with no difference really, the government could then indeed say we don't have to sweeten the pot by such large sums, but then the owner of the track could. And we have never been known to really have the big gamblers here, but this sort of a move, it proved in all other tracks that I've looked at the record, whether it be in the United States or at the West Coast or in Eastern Canada.

Mr. Speaker, harness racing is my favourite of the two racing groups, and it is recognized throughout North America as the fastest growing sport, if, indeed, some don't look at it as a sport - it's a pretty high expensive sport. And another area that would come under the Commission would be the Breeder's Award, and to give you the formula that has been used for the standard-breds - and I'm speaking of harness horses here - this is set up in the winning ones. In 76 wins from 42 horses, the awards went exactly like this. The owner got \$109.50; the breeder likewise. Then if we turn to the thoroughbreds, and this is Manitoba bred I'm speaking, they have 56 wins out of 39 horses and the award went differently though. The formula was \$300.00 to the owner and \$300.00 to the breeder, and this has caused some ill-feeling between the two groups. And I'd only ask you, Mr. Speaker, which has the better record and which has the better gain in percentage? The harness horses are running something over 25 percent where the thoroughbreds are running in the order of 10 percent. And I say this formula should be changed.

The other area of concern from the harness people is this Commission as especially shown this year, that they're getting a rather short shuffle in the days of racing. While they have unlimited days, they're only offering them in late fall. It is hoped next year that there will be an equality of days, in amount of days, and also probably of the better months in the summer.

The other area that I have heard nothing of, is this a free vote? It might be accepted but no one has said that, and I feel strongly which way I would vote on this, and I will be supporting, but I would like if the Minister or someone from that side clearly makes this clear. The introducer did not say that, to my knowledge, and possibly I think, when I introduced a public bill for Sunday racing, I made it clear in my opening remarks that as far as my party was concerned it would be a free vote, and this would make everyone's position, because I think there are some that feel strongly and they should have the right to vote against this or for it. Mr. Speaker, I recommend this to be sent to the committee.

MR. SPEAKER: The Honourable Member for St. Johns.

MR. CHERNIACK: May I ask the honourable member if this is a free vote for the Conservative party?

MR. SPEAKER: The Honourable Member for Virden.

MR. MCGREGOR: I would like to think so, Mr. Speaker, and I certainly would feel real happy if it will be a free vote if it's indicated. It will be a free vote as far as we're concerned regardless of what they say, but I think it should be spelled out clear, at least as far as I'm concerned anyway, Mr. Speaker. So, with that, I just recommend that it be passed on to the committee. Thank you, Mr. Speaker.

MR. SPEAKER: The Honourable Member for Assiniboia.

MR. STEVE PATRICK (Assiniboia): Thank you, Mr. Speaker. I do wish to make a few points on this bill. I rise to support the bill and I think it makes good horse sense that the Commission decide on the number of days that racing should be held in the province, and I

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(MR. PATRICK cont'd) think the public would decide pretty quickly how long they're prepared to support it. I believe it is only proper, I do have some questions, Mr. Speaker, that the number of racing meets that would be held in any particular area or any part of the province would be fixed by the Commission, and I know that it would also have to be approved by the Lieutenant-Governor-in-Council. Perhaps there may be some necessary measure for that precaution, I don't know.

But I do have some questions at this time, Mr. Speaker. I would like to have, at least we had hoped that the Minister would have tabled a Racing Commission report, and he may have but it certainly didn't come into my hands, and there are some very serious and important questions, Mr. Speaker, that I would have liked to ask. That is in respect to abuses of the horses, and I'm sure this would have been reported in the report, such things as drugs and so on. I know that the member introducing the bill had made no mention of that.

The other point that I wish to raise, perhaps some consideration could be given, and I know it has been requested in some parts of the province, that there be other types of horse racing introduced, such things as the quarter horses and the Arabian horses. I'm not experienced in horse racing to the extent that my friend is here from Virden, but this has been expressed to me, so perhaps there may be some further interest that people have in a different type of racing.

The other point that was mentioned by the Member for Virden, and he's quite right in stating that when the \$600,000, I believe, was advanced by the former government in I believe 1958 to complete the race track at that time, I believe it's true that Speers, the family at that time sold out Polo Park and got out of the racing business completely, and if the government wouldn't have moved in, perhaps there would have been no racing in Manitoba or in Winnipeg for quite a few years, and with that advancements of, or guarantee - I don't know if it was an actual mortgage or just a guarantee at the bank - but we all know that the returns to the government has been in the millions and it was over a million every year. So it has been quite fruitful to the government in way of revenue.

I do wish to say just a few things, that I know that there has been a change in the ownership of the track and the new owner has certainly invested a large amount of money; you know, an area of \$5 million is certainly a large investment. He's also indicated that perhaps up to \$2 million or more, he would be investing that much more capital, which certainly this would make our Assiniboia Downs perhaps one of the best race tracks and probably one of the show places in Western Canada, if he completes it. That's an awful lot of money and a great investment for, say, a racing meet of 56 days, and I don't know how any businessman or how these people can do it to get a return on that kind of investment in a short period of time.

I would hope that Red River Exhibition, or Manisphere, who have I understand purchased the land right next to the race track, would also develop in the same area, because one would complement the other, and I believe both of them could be extremely successful and would be something that I'm sure that Winnipeg and Manitobans would be proud of. I know that as far as Manisphere or the Red River Exhibition, for the last many years we have not developed that exhibition to the extent that everyone tried to that was connected with it, and we're still hoping that some day we can have an exhibition something like the CNE, which would be I know difficult, but there is a great potential in Winnipeg and in Western Canada for that Red River Exhibition to really be something that we can all be proud of.

So I support the bill and I probably will have some other questions in committee, and I know that many people involved in horse racing will be at the committee, so I'm sure we can ask them some questions in there.

MR. SPEAKER: The Honourable Member for St. Johns.

MR. CHERNIACK: Mr. Speaker, I have a particular problem in regard to this bill and the principle behind it. The Member for Assiniboia spoke about horse sense, which was cute, but sometimes I think that horses have more to do with making the decision than people in this respect.

The Member for Virden asked whether it was a free vote. I noted that he decided that it was a free vote for the Conservative Party. Well, he declared himself and it sounded to me like "I don't care what the party thinks, I'm voting in favour of this bill." --(Interjection)-- And the Conservative House Leader says he does it all the time. I know he's done things like getting up on a public platform and supporting my Premier, which is always to the good.

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(MR. CHERNIACK cont'd) In any event, I'd like to tell the honourable member that I don't know whether it's a free vote or not on his side of the House, but I can tell him that on our side of the House it is a free vote.

The reason I wanted to speak on this bill was not necessarily in opposition to second reading. I want to see more what develops and, in the end, I think my vote isn't going to count. I believe that this bill is going to pass. I haven't made a canvass but I suspect it is. And on the basis of freedom of the individual and the free right to participate and benefit from this sport is available, and should be available to people, I think on the basis of that alone the bill should pass. I'm not sure that if the proposition that people should have a right to go to see this sport and to participate in it, that it should be controlled at all. I think that the bill proposes that instead of the Act deciding the number of days, the Horse Racing Commission, with the approval of cabinet, shall decide the number of days - which still means that there will be a restriction.

The Member for Assiniboia said, after all, the people in the end will decide because they'll show the extent to which they're interested, and maybe the answer would be to eliminate the Act and just say, "If you want horse races, have horse races. If you want to operate a grocery store, operate a grocery store." But then I suppose there's a reason for the regulation and restriction, and it may well be to protect the horse breeders. Maybe that, or maybe it has to do with protecting the pockets of those people who get caught up in gambling. But that's really my problem.

My problem is that people call it a sport, and people call it - oh, they even call it the Sport of Kings. I don't know if they changed to Sport of Queens, but I've heard of it as the Sport of Kings, being a great . . . To me, it's not a sport unless we accept that gambling is a sport, and peculiarly enough, most of the time I hear horse racing discussed in these circles, such as in this room, we talk about the industry of horse breeding, and the industry of the competitive element of racing, and it almost makes me feel that those who believe in it as a sport . . . And the Member for Virden said that for his preference harness racing is more attractive. So it must mean that he enjoys watching it, and that's great. That's great. Does he enjoy gambling in it? No, he doesn't.

Well then, is this industry one that has to do with the competition of horses running against each other, that the breeding and training of horses, that the jockey, that the track, that the sunlight under which they race, the open air, the unpolluted air under which they observe, is that the attraction that brings people, like the Member for Assiniboia says, who will go as long as they want to and should be allowed to? Is that the attraction, or could it possibly be the gambling aspect? And to what extent do we approve of one regardless of the other, or to what extent do we control one because of the other? And I'm on very dangerous ground. I say that before anybody else does, because people who have heard me speak on censorship or other free right of individuals to do as they please, will find in what I have to say a contradiction. And indeed there is. You know, I'm not sure how I feel about suicide. I kind of think it's wrong. I know there's no crime against suicide but . . . Somebody suggests one shouldn't knock it unless one tries it. But I can say that suicide is not against the law, and that's pretty obvious because the only penalty would be capital punishment, I suppose. Otherwise a reprimand wouldn't be too seriously considered. But attempted suicide is against the law and I suppose it ought to be, providing that person who makes that decision does it in the light of emotional impact or other thing that disturbs his ability to make a logical, clear, concise judgment.

Mr. Speaker, you're waving the bill at me and I tell you the principle of this bill involves gambling. Therefore it involves morality. And therefore it involves our concept of society, and if you feel that I am out of order to talk about other moral concepts, then you're going to have to rule me that I can't talk about it, because I intend to. --(Interjection)-- . . . seem to suggest that I have a moral right to say what I'm saying aside from the rules of the House. Because really, this is important to me. It's important to me that when I was in high school I remember debating euthanasia, and I know it's still being debated, the right of the individual to make a choice as to his own destiny. All right. That's real serious stuff. You know, euthanasia you don't just glibly respond to, you don't laugh it off. I will not debate it in any way because it's too important and serious a subject to relate to gambling.

So let's talk about liquor because there is a problem involved in liquor, and I am fully

(MR. CHERNIACK cont'd) in support of the free opportunity to get liquor. I'm in support of the regulation which limits it to certain people, that doesn't make it free to any child to buy liquor or imbibe. I'm simply in support of the principle that those who benefit from the sale of liquor, like hotels, beer parlours, restaurants, have to measure up to certain standards that make the drinking of liquor more of a social thing than a desperation attempt. But I'm also fully in support of measures to deal with the adverse effects of liquor: Alcoholism, the Alcoholism Foundation. I know the Minister for Corrections will say they never get enough, and maybe he's right. But the advertising we have about moderation - I see nothing in that about gambling, and I think that may be because there are many people who have a dream. They would like to aspire to something better, and one way of getting that easy is to, oh, participate in a lottery, get involved in some other gambling. There's a million dollars to be won if you buy a \$10.00 ticket.

You know, Mr. Speaker, the last time, maybe the only time I spoke in this House on this issue was when we, the government, introduced the Centennial Lottery, and I know at that time I said, "I don't like it." I don't mind it if it were really a sporting thing, like it's a birthday, Manitoba's a hundred years old and there's a birthday party - some light candles, some eat cake, some would like to participate in a game like a lottery, and I couldn't find it really objectionable. I can't tell you that I have great enthusiasm for our present systematized form of lottery. I can tell you that as a Minister of the Crown I was quite satisfied to take the revenues that the Crown imposed from this operation, be it lottery, be it a form of gambling such as horse racing, but frankly, Mr. Speaker, that's no way to operate a government or to get revenue. And one of the things we said about lotteries was that those revenues should not be used to replace important government programs. I approved of the thought that it would be used to generate increased activity in recreational, in sports activities, in cultural activities, that it was the kind of thing that I really don't mind saying to my neighbour, "Buy a raffle", when you know that some of the money will go to, well, to the administrative costs - and that should be limited - and some of it will go to the prize you hope to win, and most of it will go to something that should be supported anyway. I don't mind that. But, you know, horse racing is way beyond even our lotteries because there there's no attempt being made to suggest that the revenue to the operator, to the man who makes a profit out of gambling, will in any way go to something fine, some social advantage. And really I don't like it. The Member for Brandon, I think, was giving me a figure that would be useful in what I was saying. I wonder if he would mind repeating it.

MR. SPEAKER: The Honourable Member for Brandon West.

MR. MCGILL: Mr. Speaker, the member was quoting the revenues that accrue from certain types of gambling, and I suggested to him that he shouldn't forget that from horse racing comes 10 percent of the pari-mutuel handled, to the government.

MR. CHERNIACK: The Member for Brandon West appeared to be listening to me so carefully, I'm sure he must have heard me say that we do get revenue from that. And I know it's 10 percent. I would have been a pretty unobservant Minister of Finance for a large number of years if I weren't aware that we got substantial revenues. And I said as Minister of Finance, you know, I accepted with great equanimity, almost with enthusiasm, the receipt of moneys from whatever - oh, I shouldn't say from whatever source - even from this source, but less than enthusiasm because I would rather that that money could be, let's say, earmarked for something. I'd rather it shouldn't be part of general revenue. But then, you know, that's our society. This bill is going through as I predict, and is going through because people don't seem to reject gambling to the extent that I do. Maybe they're much more logical and much more consistent, because they may be voting in principle for something similar to many things I've insisted on. And that is the right to give the right to the individual to determine his own way of life, his own habits, as long as they don't affect others.

Now I come to the gambling specifically. I believe that it's the lower income people that do more gambling than the higher income people. I believe that it's a pie-in-the-sky thing that one for a dollar or \$10.00 can invest in a dream which can keep him for months on end spending that money, that prize, over and over again and saying, "Oh, if only it could, if only something will happen, look at how life will be wonderful." And then when the loss comes, they didn't win, then another investment and they bought another number of dreams.

MR. SPEAKER: The Honourable Member for Pembina.

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MR. HENDERSON: May I ask a question? Did the Honourable Member for St. Johns not vote for the government going into the lotteries and the sweepstakes?

MR. CHERNAICK: Mr. Speaker, I wish honourable members would listen to me. I'll be glad to answer the question, but I said I did vote for it, and I voted for it at a time when we talked about the Centennial Sweepstakes - were they? - as being a party affair and being a birthday. But you know, the Member for Pembina - don't worry about my moral problems, I'm worrying about it and that's enough for me. I told him I may even vote for this very bill. But that doesn't mean that I am in support of the concept of gambling, and I said, "Don't bring to my attention the inconsistency which I am bringing to your attention." I didn't have to speak at all, I could have stayed out of the room or sat quietly doing my work. So I am speaking because I am openly declaring a contradiction, an apparent contradiction, and yet saying, I feel uneasy. I feel uneasy about the fact that gambling is an integral part of this industry. If I'm wrong, say so, let's have horse racing, let's eliminate gambling, and let's say, okay, this is the industry. But if I'm right, and I believe I'm right, then let's make it clear that it is gambling that makes this industry the tourist attraction we hear talked about, the great sport we hear talked about; let's be honest with each other. And when we are, you know, I'll probably vote for the bill anyway, even though it's a free vote because I don't want to tell my neighbour you may not gamble.

But let's put it in its right perspective, and let's not talk about the Sport of Kings to that extent without saying it carries with it the gambling aspect, and government, that is the people of Manitoba, do draw a million or more dollars from it and, you know, let's be open about it. And some day maybe we'll be able to discuss the principle of gambling as some moral thing that others, with other and stronger moral feelings than I do about other matters, would relate in some way. I find it peculiar that where I think I am a small "I" liberal in the sense of freedom of expression, freedom of speech, I am hung up in some way, I feel badly about gambling. And yet there are members of this House who are rigidly moral; I have a colleague who's all excited about 10 o'clock curfew, make the kids go home, I think is what he says. Well, you know, how does he feel about gambling? I don't know, and I don't know whether it's my business to force him to tell me.

I just say - and I have no minutes left - that that's a problem I feel so I wish at least that when we debate this issue, we talk about what I consider a very important part of it, and that is gambling as part of it, and then let's accept it and vote one way or the other. But let's not just talk about the other aspects of this great sport without admitting what I think is one of its great drawbacks, and that is the lure offered to people for that dream of winning money that is not gainfully made, not worked for, but rather sort of catch-as-catch-can, the golden pot at the end of the rainbow. You know, to me, that's not healthy, but then who am I to declare that everybody else has to be healthy in their concepts. We do enough in spending money for the health of people that I shouldn't have to worry about their mental health in this respect.

MR. SPEAKER: The Honourable Member for St. James.

MR. MINAKER: I wonder if the Honourable Member from St. Johns would permit a question at this time; I didn't want to interrupt him while he was speaking.

MR. SPEAKER: His time has run out. It has to be by unanimous consent. Agreed? (Agreed)

MR. MINAKER: I wonder, Mr. Speaker, after listening to the Honourable Member from St. Johns, would he now favour that the City of Winnipeg get the amusement tax from the Assiniboia Downs rather than the present policy.

MR. CHERNIACK: Mr. Speaker, the City of Winnipeg, the former colleagues of the Honourable Member for St. James, have shown absolutely no regard for any right to tax in any way whatsoever, and if they would only say something, say anything, I'd be happy to listen to them, but they haven't got the guts to ask for anything other than a share of somebody else's income.

MR. SPEAKER: The Honourable Minister of Tourism and Recreation.

HON. RENE TOUPIN (Minister of Tourism, Recreation and Cultural Affairs) (Springfield): Well, Mr. Speaker, I didn't think that we could find so much to say about this bill, but I guess we can.

What we have before us is an amendment withdrawing the number of days from the Act

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(MR. TOUPIN cont'd) and allowing the number of days to be set by regulation, either the same number of days as we have now in the Act, being 56, a lower amount of days, or an increase of days. The industry is recommending an increase in the number of days from 56 to 70 for the current season. Now that could be had by a recommendation of the Horse Racing Commission to the government and the regulation would therefore be passed. I, for one, Mr. Speaker, if we had a bill before us dealing with legalized controlled gambling, I'd be for it.

Now, if we want to talk about gambling, my stand is on the record. We, in my opinion, are not talking about legalized controlled gambling, we are talking about an amendment to an Act pertaining to the number of days in regard to a sport. Now if we want to gamble on the sport, whether it be horse racing, whether it be the next provincial election, we can do that, and we can wager a certain amount of money --(Interjection)-- and it's not a fix. So if we're relating the number of days to gambling, I beg to differ with my colleague from St. Johns that it doesn't necessarily tie in. Horse racing, as we see it in the circuit here, in Unicity, and in the country, has been tied with gambling, what I consider to be, a controlled gambling, and gambling that would be had if we didn't have the circuit here in Manitoba.

So, Mr. Speaker, I agree that this has been decided to be presented by . . . well, first of all, I wish to congratulate and thank the Honourable Member for Flin Flon for introducing this bill, and the other bill that we had before us, and I personally will be voting for it. I agree with my colleague from St. John on this point that this bill is a free vote on this side of the House. I encourage all of my colleagues on this side of the House to vote for this bill, and the other one that will be coming forward, and all the other members on the other side of the House.

It's a request, I believe, that is acceptable, a request made by the industry, that will allow more thoroughbred racing in the Province of Manitoba. There is now no control on harness racing in the province; they can race 70 days, they can race 90 days, and there is no limitation by the Act itself or by regulation. So we're attempting to have the same standard for thoroughbred racing as we have for harness racing and for that reason alone, I believe, that it is justified. If we want to be sincere with ourselves and limit the number of days by the Act, we should do the same thing for harness racing. We should insert a number of days in the Act, which we haven't decided to do.

So, Mr. Speaker, I, for one, have not decided or opted to talk about gambling or not gambling, apart from saying that in regard to controlled gambling I favour such an approach, but this is not what is before us, it's a question of withdrawing the number of racing days from the Act and allowing same to be had by regulation. Thank you.

MR. SPEAKER: The Honourable Member for Pembina.

MR. HENDERSON: I move, seconded by the Honourable Member for St. James, that debate be adjourned.

MOTION presented and carried.

MR. SPEAKER: Bill No. 22. The Honourable Member for Virden. (Stand)

Bill No. 4. The Honourable Member for La Verendrye. (Stand)

Private members' resolutions. The Honourable House Leader.

MR. GREEN: Mr. Speaker, I gather the Member for Fort Rouge would be introducing his resolution at the present time.

MR. SPEAKER: Correct.

MR. GREEN: If we proceeded, he would just finish his remarks and then the floor would be open to another speaker. Apparently all of the members are invited to some function this evening and I wonder if he would be just as disposed to start tomorrow, or does he wish to go today.

MR. SPEAKER: Is that agreeable?

MR. GREEN: If so, we could call it 5:30. If not, the member could continue.

MR. SPEAKER: Well if we can agree that we call it 5:30, it will give the members a couple of minutes to freshen up. I have an announcement to make in respect to . . .

MR. GREEN: Mr. Speaker, I believe that the Honourable Member for Fort Rouge would like to introduce the resolution.

RESOLUTION NO. 17

MR. SPEAKER: The Honourable Member for Fort Rouge.

MR. AXWORTHY: Mr. Speaker, I beg to move, seconded by the Member for Portage la Prairie that,

WHEREAS the most effective way to renew the downtown core is through economic upgrading rather than the construction of new buildings;

AND WHEREAS the emphasis on any renewal program must be on breaking through the cycle of poverty and enabling low income people to gain self-sufficiency through employment;

AND WHEREAS present training and employment programs are unco-ordinated and not tied to a comprehensive strategy;

THEREFORE BE IT RESOLVED that the Government of Manitoba consider the advisability of enacting legislation to provide jobs, employment, and training of new skills for inner city residents by:

1. Establishment of a Community Employment Program designed to provide continuing support for new job-producing enterprises in the field of home repair and construction, health and social services delivery, recreation and educational activity, and provision of services to senior citizens.

2. Establishment of a Manpower and Work Council, involving social agencies, educational agencies, various government departments at the federal, provincial and municipal levels and the private sector, which would combine an integrated approach and joint planning in the activities of the various agencies in the inner city;

3. Implementation of special programs for training and employing Native people to deal with law enforcement and social services in the inner city;

4. Institution of tax incentives to private employers for the hiring and training of new workers from the inner city, with particular emphasis on the young and unskilled;

5. Increases in financial support to the public schools and to special inner city youth projects to extend remedial and job training activity.

MOTION presented.

MR. SPEAKER: The Honourable Member for Assiniboia, for Fort Rouge, I'm sorry.

MR. AXWORTHY: Thank you, Mr. Speaker. I beg the apology of the House that I didn't consent to the House Leader's suggestion but I'm afraid that in terms of presenting this bill, my own schedule may not have been able to accommodate it in terms of my attendance, so I would hope that . . . I just have a few remarks to make in presenting this particular resolution and then leave it free to other members to debate at another time.

Mr. Speaker, this particular resolution is really the second part of a series of resolutions that I am presenting on behalf of our group which are trying to define really an urban economic policy, or a policy which will try to provide an alternative set of objectives and programs to enable the Province of Manitoba to assist and facilitate the objective of renewal of a downtown or Inner City areas. And I think that this particular program should be viewed as a supplement or a complement to the resolution that was presented a day or so ago, where we were talking about the actual investment of money in economic development.

This particular resolution emphasizes or lays on the issue of manpower and employment, which are tied together. In that respect, Mr. Chairman, I think it's useful just to spend a moment or two commenting on the position put forward by the Minister of Public Works in relation to the first resolution, because I believe it has a bearing on the total kind of approach that we are offering as an alternative, or as a different kind of strategy to the one that has been at least hinted at or mentioned in press releases by members of the government.

The Minister from Public Works, as is his wont, had some curious remarks to make about our approach. He first suggested that what we are trying to do is borrow it, or something, from the American experience, and I found that somewhat of an irony, particularly because the approach that is being used by the Provincial Government, the whole idea of physical urban renewal was basically an American concept, developed in the United States around the 1930s of using large scale public housing, public works project as a way of renewing things. So here we are being accused of in fact of what they are doing. If in fact we have in our resolution borrowed some of the experiences of the United States, at least it's

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(MR. AXWORTHY cont'd). . . . updated to the '70s and we're not simply relying upon those of the 1930s, and that is probably one major difference. So if there is any sort of borrowing, Mr. Speaker, I suppose we're both maybe guilty of that except that ours is about 40 years further down the track of social investigation and analysis than theirs is.

Secondly he made a very curious statement, he said, well now one of the objectives of our resolutions is to put the control back in the hands of people to allow for greater participation, and I agree with him, that really is very much what we are trying to do. But he said we don't have to do it anymore. I mean, we took care of it under Unicity. It's all done. Let's forget about it. Well I would only like to register, Mr. Speaker, that if that is the Minister of Public Work's assessment of how Unicity is working, then it's no wonder that he fights all the time with the Mayor. Because frankly it's not working in Unicity. The resident advisory system is not working, and as much as I would like to think that it would, as much as I would like to believe that there was some validity to some of those concepts, it is simply not being implemented effectively. And I find it very curious that although the Minister is saying, well, we've taken care of it, but I understand why he says it because he made a very important point yesterday and I think it's essential to get it out on the floor. He said, after all, he said Liberals, going all the way back to my former leader, don't believe in responsible government. Because we don't believe in responsible government because we're trying to give some control or power back to individuals.

Now what it simply means is that he's making a major conclusion which is made by many members of that House, and that is to confuse responsible government which is the election of members to make policy and legislation with paternalistic government, which is what they like to practice, which is to have government do everything for people. And he has made a singularly silly kind of logical jump by saying, somehow we don't believe in it. Well, if we didn't believe in it we wouldn't be running for election. We wouldn't be sitting in this House. We wouldn't be sort of operating it, but we are simply saying that what has happened far too often as we try to deal with some of the critical social and economic problems of our society is to assume that government should do it. We are simply saying that there are other ways of having it done. And that you don't need big gargantuan government programs landing on top of people to accomplish social ends.

And Mr. Speaker that comes to the final point which I would like to take off on in terms of these particular set of resolutions. The Minister of Public Works says, "and after all it isn't practical." Well I looked up a definition of what is practical in the dictionary this afternoon and the definition goes something like, "an activity that has a useful outcome." Well, Mr. Speaker, I would submit that if we had a look at the record as to what has a useful outcome, then the proposals that we are putting forward are far more practical, and far more useful than those that have been instrumented by this government up to now and which they intend to propose for the inner city. Because how do you measure a useful outcome.

I suppose if you were going to measure the problem of dealing with the economic disadvantage of the inner city, you would want to ask the question: what changes have occurred sort of in the past as a result of large investments of public money in public housing, and in capital works, and in the social service approach that we've used? Has it changed anything? Has there been significant new developments in allowing our neighbouring people to sort of find themselves in a better position?

And frankly, Mr. Speaker, the record is quite clear. In going back and just comparing some statistics, we found that if you look at what has been happening over the past ten years, you'll see that the situation is about the same. If you take a look at the employment figures, that the figures for those who are unemployed in the central city range around 12 percent, while those for the metropolitan area are around five or six percent, and that hasn't changed at all. There has not been one single whit of change. If you look at the percentage of people who make incomes of less than \$3,000 and compare the census figures in '61 and '71, and as well as we can up to the present time, and say, are there now fewer percentages of people in the inner city making sort of under in that bracket? It is exactly the same. We are stuck on that kind of category. So I would simply say that all the sound and fury and vast amounts of money that we have been investing in that area, has ended up with a big zero. It has ended up with no results, and that is not what I call a practical

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(MR. AXWORTHY cont'd) approach. So the question we're trying to put forward is to say, surely we shall learn from our past mistakes. Surely we shouldn't simply rely upon the same thing that has been tried over and over again.

I think I pointed out, Mr. Speaker, in the Throne Speech that if you look at the capital works investment of the inner city going back to about 1959, we've invested close to \$200 million dollars to big building approaches. And what's been the result? No change. People are still living in poverty, they still lose incomes, they still don't have any ability or capacity to get into a proper job or occupation. After all that kind of money is being spent. And we've been discussing estimates of the Minister of Education, and I've asked him on successive periods of time, what have been the results of all the programs that you're supposed to be doing? And I would suggest that the results again have been negative, that they have not really done the most practical thing which is to help the people that we're aiming at.

Now I'm not against building public works: If the government's intention is to provide more comfortable quarters for Autopac employees, that's their business. But let's not try to palm it off as a program to help the inner city. Let's call it what it is. It's a program of government construction for office workers. That's what it is, and if that's the objective, fine. But let's not try to sort of do a sleight of hand or a little shuffle and say that it is something else.

So, Mr. Speaker, we come back to the basic proposition and we say that if you're going to try to tackle problems of the disadvantaged people in the inner city, let's find out what their problems are. And the problems basically are, is that many of them are unemployed, and for those who are employed they don't make enough income. And that is particularly a serious problem for those who are in the young-age bracket, in the ages of 18 to 24, they have a much higher rate of unemployment and they simply have a less capacity to hold onto a job for a long duration.

We are talking about peoples who have less than a Grade 9 education and the drop-out rate in the inner city schools is still very extensive and very heavy. And is not changing. So we must aim our programs to see if we can somehow bring them into the stream of making a decent income and getting decent employment. We must aim our program, Mr. Speaker, at the problems of older people and middle aged people who are being forced out of the job market because of forced retirement plans or changes in career. And we're doing very little to help second career training or employment for people, those people who are 45 or 50, or 55, and losing their jobs because industry is becoming more technological or changing its skill requirements, and that can't keep up. We're doing very little for those people. And they represent, as I find in my own riding in the area of Broadway and Assiniboia, as we look west of us, they have many people in that kind of category, and the public works that they're talking about building won't do a damn thing for them, Mr. Speaker. It would simply be a waste of money for them. So let's quit selling the program as something else. Let's call it what it is.

Let's also look at another situation, Mr. Speaker. The Minister of Consumer Affairs, and I expect to have more to say about this tonight, was saying, gave his approach to inflation and unemployment and said, he went through the hand wringing that the Premier always goes through about the horrible problems of the economy, why isn't the Federal Government doing wage and price controls. I was glad that, I think it was the Member from Pembina, sort of really asked him about whether he was going into a song and dance, because obviously he'd been song and dancing this whole thing, as does Mr. Schreyer. They are up on their tippy-toes every single day of the year when they talk about wage and price controls. Because what they are saying is they are lecturing us on what the Federal Government should be doing, and the United Nations should be doing and someone else should be doing, but when it comes down to what we're doing in the Province of Manitoba they do nothing. And one of the major areas where you deal with the problem of inflation and unemployment is in Manpower policies, you match people up to the jobs that are available. And we are facing a situation in Manitoba right now where there is a number of jobs open and nobody to fill them and there's a number of people unemployed who can't get those jobs. Now if you call that an effective Manpower policy, then I would simply say that not only are you doing a song and dance but you're whistling at the same time and you're whistling Dixie. Because it simply is

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(MR. AXWORTHY cont'd) not a Manpower policy when that kind of situation is in effect. --(Interjection)-- Yes, sure.

MR. SPEAKER: The Honourable Member for St. Johns.

MR. CHERNIACK: . . . elaborate on the concept of whistling Dixie, please.

MR. SPEAKER: The Honourable Member for Fort Rouge.

MR. AXWORTHY: Mr. Speaker, I wouldn't want to in any way sort of intervene into an area which is, I thought, the exclusive preserve of the former Minister of Finance who had been whistling Dixie in that office for an awful long time. So I would only simply say that he only has to look at his own musical notebook, which has an awful lot of sour notes over the past four or five years in the fiscal running of this province so to find out how he should be whistling Dixie.

And that's exactly what we're talking about, Mr. Speaker, is that this group of people really don't have an understanding of the economic requirements necessary and how you go about sort of applying a policy that will meet those things. And what we're simply saying is when there's a high ratio of unemployment to job vacancies you have an inflationary wage push. And I've never heard the Premier speak about that while he's off lecturing our Prime Minister and the Secretary-General, whoever he's lecturing these days, about what we should do. And one of the real areas of responsibility that a province can manage is in Manpower areas, in job areas, but we're doing nothing in that area. Just as we're doing nothing in the housing area. So all I have to simply say is to say that when they're up on their toes dancing and whistling and singing I wish to heavens that they would sort of stop the music for a while and really begin to look at what's happening in the Province of Manitoba. There are things that they can be doing, and, Mr. Speaker, I would suggest that we have outlined a series of those things.

The first thing we are talking about is developing a form of community employment program. Now both federal and provincial governments have been talking about such a program for the last four or five years. But what it would simply mean, Mr. Speaker, particularly in the inner city areas where there is a tremendous requirement for home repair, where the older houses in our area, many of them are deteriorating, there isn't enough skilled workmen to match up to those jobs. I have sort of been involved in some of the training programs where we've been moving people into acquiring those skills and that experience has been successful enough to suggest to me that there could be a much higher expansion of that kind of approach, so that we have a real need in the city, that it's not matched up because there isn't in many cases the Manpower to do it. And one of the reasons, Mr. Speaker, is 'cause often there isn't the capital or you can't make a profit by doing that kind of thing. It could be done on a non-profit way, however. You don't have to return 8 or 10 or 12 percent on your money to do it, and that's why the concept of community employment is very important to provide services for older people, to provide services in day care centres, to provide services By the way, Mr. Speaker, it would be an interesting opportunity to provide that kind of assistance to local government to perform many of the tasks that they can't perform because they're having to cut back their budgets because they're not getting the assistance from the Provincial Government. It would be a way that they could also provide for many of the functions and tasks that they would like to perform. So that there is a number of jobs that could be created through a community employment program which would provide the access and the training and the acquisition of skills by lower income, unskilled people that would then enable them to perform socially useful tasks.

The second thing we propose, Mr. Speaker, is that there be a Manpower Council which would bring together all the interested agencies in this city. I think the logic and wisdom of that is very apparent. That the only way you're going to be able to design a proper integrated approach of matching jobs up with people, of getting training, the kind of training we should do, is if schools and employers and government agencies are talking together. This government has not provided that forum, has not brought people together, has not provided any basis for consultation so that the programs can be hitched together and worked together. Instead, they're all sort of in fragments all searching for their own little location. And we had ideal examples of that when we talked to the Minister of Education, who's also the Minister of Colleges and said, now is education getting together with colleges?

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(MR. AXWORTHY cont'd) Well even the same Minister can't get together with himself, and we know they suffer from problems of schizophrenia, but when the same Minister can't get together to integrate his own two programs, then we know we're really in trouble. So we suggest that the second proposal would be to have a Manpower Council.

The third thing we talk about is to try to enlist and recruit the involvement of private business in the area of job training, and one of the reasons for this, Mr. Speaker, is that there have been recently some very good studies on Manpower policy in both this country and the United States which point out that institutional training is not often the best way for people to become part of the job market. And one of the best ways is through a work study program and one of the best ways of achieving that is to offer tax incentives to employers to provide people sort of with jobs that they otherwise wouldn't do because they couldn't make work out of it.

Well, the Minister from St. Matthews, what does he know. He giggles, oh and he groans, but you know, as I try to tell the Minister of Mines and Resources, you can't learn everything from Henry George because he's only seventy years out of date. I'm simply suggesting, --(Interjection)-- well I'm not even suggesting you learned everything from me, Mr. Speaker. I am saying here is an alternative that we're putting forward for discussion.

The fourth thing that we wanted sort of to propose, Mr. Speaker, is the idea that there are special problems of native people in the city and that we have talked about providing a special program to provide them with the work opportunities that they require and I think that that sort of stands on its own merits and stands for itself.

Mr. Speaker, the final point we would just simply like to bring out, if we could, is that in this area of providing this program we have really four basic things: First, to create the needed jobs for those who need upgrading; second, devise more effective ways of matching workers and jobs; third, to enlist private sectors, involve them in training programs; and fourthly, to move into a second stage away from the pilot projects into an area which has a comprehensive employment pattern for the city of Winnipeg.

MR. SPEAKER: The hour being 5:30, I am now going to leave the Chair and the House will go into Committee of Supply at 8:00. I should like to remind the members that the Chamber has provided a bus, it will wait only till 5:45, then it will leave. That's transportation to the dinner tonight.