

THE LEGISLATIVE ASSEMBLY OF MANITOBA

2:30 o'clock, Monday, July 20, 1970

Opening Prayer by Mr. Speaker.

MR. SPEAKER: Presenting Petitions; Reading and Receiving Petitions; Presenting Reports by Standing and Special Committees; Notices of Motion; Introduction of Bills; Orders of the Day. The Honourable Member for Riel.

ORAL QUESTION PERIOD

MR. DONALD W. CRAIK (Riel): Mr. Speaker, before the Orders of the Day, I wonder if I might direct a question to the Honourable Attorney-General. I refer in the question to a circular sent out by the Liquor Commission that -- I wonder if I might just read it so I can give him the background. It says: "Beverage Room licence may be issued to a dining room liquor licensee." It says, "The Act now provides that the Commission may issue a Beverage Room licence to an operator of a licensed restaurant or a dining-room operating under a dining-room liquor licence." I wonder if this is correct, or could he elaborate on this further? The interpretation is that any restaurant could now build a beverage room onto it without the usual requirements of providing the normal hotel-motel provisions.

HON. AL MACKLING Q. C. (Attorney-General)(St. James): If the honourable member will send me a copy of this circular, I'd appreciate it and I'll take the question as notice.

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

MR. HARRY E. GRAHAM (Birtle-Russell): I have a supplementary question, Mr. Speaker. Could the Attorney-General inform us if there have been in fact any changes in the requirements for a beverage room that is wishing to avail themselves of the hard liquor privileges that were recently approved in this Chamber?

MR. MACKLING: Mr. Speaker, I can't give the honourable member details at this time; I suspect that there will be some regulations laid out. I haven't reviewed them in any particularity. I haven't had sufficient opportunity to discuss them with the Chairman to be able to inform him.

MR. GRAHAM: A further supplementary, Mr. Speaker. Will these deal with the upgrading of the existing facilities?

MR. MACKLING: They may.

MR. SPEAKER: The Honourable Member for La Verendrye.

MR. LEONARD A. BARKMAN (La Verendrye): Mr. Speaker, I'd like to direct a question to the Minister of Agriculture. According to DBS figures, the wheat acreage in Canada has been cut down from approximately 24.4 million to 12 million bushels. Can the Minister indicate what percentage Manitoba's reduction might be?

HON. SAMUEL USKIW (Minister of Agriculture)(Lac du Bonnet): I don't have the figures before me, Mr. Speaker, but I believe that somewhere in the neighbourhood of a million acres was withdrawn in Manitoba and the bulk of that was transferred to summerfallow - eight or nine hundred thousand acres. This is from memory.

MR. SPEAKER: The Honourable First Minister.

HON. ED SCHREYER (Premier)(Rossmere): Mr. Speaker, the Honourable Member for Riel asked last week, last Thursday, whether Manitoba Hydro had come to a decision or had made an announcement relative to the possibility of purchasing thermal equipment for its operations. At the time, I took the question as notice. I can now advise the honourable member that the subject matter which he enquired about, I am advised, will be on the agenda of the next board meeting of Manitoba Hydro, following which I expect an announcement will be made to this effect, to this point.

MR. CRAIK: A supplementary question, Mr. Speaker. Can the First Minister indicate - and I take it this was a public announcement because I heard it on the radio at the time - does this indicate now that a decision has been made to go the thermal route with respect to the over-all development of Hydro?

MR. SCHREYER: No, Mr. Speaker. My advice is that the specific subject matter that the honourable member is inquiring about will be under discussion at the next regular board meeting, which is later this week.

MR. SPEAKER: The Honourable Member for Wolseley.

MR. LEONARD H. CLAYDON (Wolseley): Mr. Speaker, I don't want to belabour the question unnecessarily, but I wonder if the First Minister, for the public benefit, could

(MR. CLAYDON cont'd.) announce what the hours will be for the Mounted Policeman at the front door?

HON. RUSSELL PAULLEY (Minister of Labour)(Transcona): We're hopeful, Mr. Speaker, that he will be there from approximately 3:00 o'clock until about 8:00 o'clock in the evening during the height of the visitors' attraction to the building. It will not be on a 24-hour basis.

MR. CLAYDON: You did say from 3:00 o'clock till 8:00 o'clock?

MR. PAULLEY: Approximately. I might say, Mr. Speaker, I was talking to the Assistant Commissioner of the RCMP in regard to this and we thought that this might be a reasonable time for the uniformed member of the Royal Canadian Mounted Police to be on hand.

MR. SPEAKER: The Honourable Member for Lakeside.

MR. HARRY ENNS (Lakeside): Mr. Speaker, a further question directed to the First Minister to clarify the answer given to the Honourable Member for Riel. He indicated that the board would be considering the specific matter referred to by the Honourable Member for Riel, namely, the purchase of thermal power. Would the board be considering at the same time the question of the diversion at Southern Indian Lake?

MR. SCHREYER: Mr. Speaker, I'm not in a position to reply to that question just now, and in any case I should hand that question over to the Minister who reports for the utility. Perhaps he is able to say something further at this time.

HON. SAUL CHERNIACK, Q. C. (Minister of Finance)(St. John's)? Mr. Speaker, the question by the Honourable Member for Riel was a specific one and the answer was also specific. No decision has yet been made in regard to the thermal plant but it is currently a matter for their consideration and there will be a board meeting at which it will be discussed. Now it may be that other matters will be discussed. I would think that the board would be discussing various facets of its plans for the future, and I think that's all I can say at this stage as to what the board will be discussing. I'm not a member of the board, as the honourable member must well know.

MR. ENNS: Well, Mr. Speaker, a supplementary question to the Honourable the Minister of Finance. The reasoning on our questioning at this time, of course, stems from the . . .

MR. SPEAKER: Has the honourable member a question?

MR. ENNS: Yes. The Chairman of the Manitoba Hydro indicated to us at committee that we would be hearing from him on this matter on or about July 15th, I believe was his date, and it's for this reason I'm asking whether this question of diversion is in front of the board at this time.

MR. CHERNIACK: Mr. Chairman, the Chairman of the Hydro Board has informed me that this matter is uppermost in his mind and that he is dealing with it as expeditiously as possible. I would deplore if any decision is arrived at because it is prodded in an awful hurry, but I do know that it is under the most active consideration at the present time.

MR. SPEAKER: The Honourable Member for Lakeside.

MR. ENNS: I direct a question, then, to the Honourable the Minister of Mines and Natural Resources. This morning the Minister of Agriculture indicated the purchase of some 50,000 acres of land, or the offer to purchases of marginal land within the Lake Winnipeg area. Has the department made an assumption as to what the established lake levels will be of Lake Winnipeg if the control structures that would be required for the hydro project are in effect? I would imagine that they must have based their . . .

MR. SPEAKER: Order please. Order.

MR. ENNS: . . . judgment on . . . land to buy . . .

MR. SPEAKER: Order. Order please.

MR. GREEN: Mr. Speaker, the departments involved in announcing and formulating this policy have taken into consideration all the factors which they believe should be taken into consideration.

MR. ENNS: Mr. Speaker, one final supplementary question. Will the Honourable House Leader not agree that the . . .

MR. SPEAKER: I believe the honourable member . . . Order please.

HON. SIDNEY GREEN Q. C. (Minister of Mines and Natural Resources)(Inkster): Mr. Speaker, the question of Lake Winnipeg regulations and the levels of the lake were taken into consideration when the policy was formulated. Yes.

MR. SPEAKER: The Honourable First Minister.

MOTION OF CONDOLENCE

MR. SCHREYER: Mr. Speaker, I rise at this time to address some words of commemoration to the life of the late Isaac Bertie Griffiths who was a member of this Legislative Assembly for quite a number of years in the earlier part of this century.

The late Mr. Griffiths was a member of this Assembly from 1922 - so my information goes - until 1940. In the latter part of his service in this Assembly he was appointed to the Cabinet as Minister of Health and Public Welfare, which post he held for the last five years of his tenure here from 1935 till 1940.

Mr. Griffiths was born in the Old Country, in England, in 1882, coming to Canada early after the turn of the century, moving to Binscarth, Manitoba, which happens to be the domicile of the present Member for Birtle-Russell, and upon his taking up residence in that community the late Mr. Griffiths became quite active in a number of community organizations and also in the farmer organizations of the time, and I suppose it is natural and understandable that one who does become involved to any significant extent in local and occupation groups, farm and community organizations, should almost naturally become involved in political affairs and in many cases come here as the representative of the people of his area.

I am not sure of what political affiliation Mr. Griffiths held, but I assume that he must have entered politics in 1922. My recollection of history of the time is that in 1922 just about everybody that came to this Assembly was a Farmer-Progressive, the old Progressive movement, and I assume that Mr. Griffiths was one of the large number that were elected that year for the first time and to their own surprise found themselves forming a government, a state of affairs that might be somewhat reminiscent of June of 1969, at least in some respects. The fact that that administration, although it may have been surprised in the initial instance, the fact that it was able to carry on the responsibility of administration of the affairs of the province for many, many years, I suppose is due in part to the work and role that was played by men like the late Mr. Isaac Griffiths and others like him in politics at that time.

I believe that Mr. Griffiths was predeceased by his wife five or six years ago but is survived by members of his family.

So Mr. Speaker, at this time I should like to move, seconded by the Honourable Member for Birtle-Russell, that this House convey to the family of the late Isaac Bertie Griffiths, who served as a member of the Legislative Assembly of Manitoba, its sincere sympathy in their bereavement and its appreciation of his devotion to duty in a useful life of active community and public service, and that Mr. Speaker be requested to forward a copy of this resolution to the family.

MR. SPEAKER presented the motion.

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

MR. GRAHAM: Thank you, Mr. Speaker. It is indeed a pleasure for me to second this resolution. As one who did know Mr. Griffiths - mind you, I do admit that I was relatively young when Mr. Griffiths was a member of this Legislature, but also being a neighbour almost, his farm just being a mile from my own, I did know Bert Griffiths as well as probably any member in this Chamber - I must say that his devotion to the people that he represented and his dedication to the cause of the good of Manitoba was above reproach. His untiring efforts as the Minister of Health and Public Welfare left a target that was the envy of any succeeding Minister, and we in Birtle Russell sincerely mourn the passing of Bert Griffiths.

His activities were not confined alone to the Legislature. Although in the later years of his life he did reside in the City of Winnipeg, he still maintained his friendships and relations with the constituency that he represented for so many years, and the people of that area have lost a person who served that area well and served his province well and also served in many fields in agricultural, in charitable organizations. His contributions to mankind were many and varied, and it is with a great deal of pride that I associate myself with this measure today.

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

HON. GILDAS MOLGAT (Ste. Rose): Mr. Speaker, on behalf of the Liberal Party, which is the continuing group to which Mr. Griffiths belonged when he was a member of this House, I want to add our words of condolence to those of the First Minister and the Member for Birtle-Russell.

Probably the only member of the House now who knew Mr. Griffiths personally is, in fact, the Member for Birtle-Russell. Certainly none of the present members of the House sat with the honourable gentleman. I think it is correct to say, though, that a good number of the

(MR. MOLGAT cont'd.) members did know a son of Mr. Griffiths who was in government service and who predeceased him a short time ago, Jack Griffiths, who was very active in the Water Control operations of the government for some years, and I'm sure many members had occasion to deal with him.

I know that Mr. Griffiths made a major contribution to the Province of Manitoba and it is with regret that we see his passing at this time. I think particularly in this Centennial Year it's a time for all of us to reflect on the contributions of those who came before us and a guideline for those of us who are here now, to make sure that our province continues as successfully as it did under their guidance in the past.

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

ORAL QUESTION PERIOD (Cont'd.)

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

MR. GORDON E. JOHNSTON (Portage la Prairie): Mr. Speaker, I have a question for the First Minister. I note that Dr. Oskar Reiser of CFI has met with the Manitoba cabinet and he expresses some degree of agreement with the cabinet. Could the First Minister inform the House if he is satisfied with the present arrangements with the CFI complex?

MR. SCHREYER: Well Mr. Speaker, if we were entirely satisfied, then there would be no necessity for conducting certain negotiations and discussions which are going on at the present time. There are, of course, degrees of being satisfied, but I think that I can say, in all frankness, to my honourable friend that there are certain aspects of the arrangements that must be improved upon and that that is the purpose of the meetings which took place on Saturday last and which are in process of being held now.

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

MR. G. JOHNSTON: A supplementary question, Mr. Speaker. Could the First Minister inform the House and the people of Manitoba that he is satisfied that all \$92 million of the taxpayers' money has been well looked after.

MR. SPEAKER: Order please. I regret having one question slip by asking for an expression of opinion, and I have serious reservations whether this line of questioning ought to be continued, asking an honourable member for an expression of opinion.

MR. G. JOHNSTON: Mr. Speaker, if I may, a meeting has taken place over the weekend in which the people of Manitoba have an extreme interest, and I think the question is in order, with all due respect.

MR. SCHREYER: Mr. Speaker, I don't mind telling my honourable friend that I am satisfied. It's a matter of judgment. It is my judgment that I am satisfied with the prospective viability of the operation. I can't in all honesty say that I am satisfied with all of the provisions of the agreements and contracts that have been entered into, and we are making some effort to try and change certain of the procedures.

MR. SPEAKER: The Honourable Member for River Heights.

MR. SIDNEY SPIVAK, Q. C. (River Heights): Mr. Speaker, a supplementary question to the First Minister. Can he inform the House whether there's any reluctance on the part of Dr. Reiser or CFI to complete any arrangements that may be required by the government to satisfy the First Minister and the members of the cabinet?

MR. SCHREYER: Mr. Speaker, I didn't catch the full purport of the question. I didn't catch the full import of the question.

MR. SPIVAK: Mr. Speaker, let the record show that the Minister of Government Services interrupted me four times.

MR. PAULLEY: Yes, and I'll interrupt you again.

MR. SPIVAK: He's interrupted me again, Mr. Speaker. Now Mr. Speaker, if I may, I'd like to repeat the question for the Honourable First Minister.

MR. PAULLEY: The Speaker is standing.

MR. SPIVAK: He interrupted me again, Mr. Speaker. This is the sixth time he's interrupted me, Mr. Speaker.

MR. SCHREYER: Well, Mr. Speaker, I rise on a point of order, because I believe the practice is that when Mr. Speaker stand everyone sits down.

A MEMBER: That's right.

MR. SCHREYER: And that accounts for two of the interruptions of the Minister of Government Services.

MR. SPEAKER: If the honourable member has a question, he may put his question now.

MR. SPIVAK: Yes, Mr. Speaker. Again I ask the First Minister, has either Dr. Reiser or CFI shown any reluctance on their part to complete any arrangements which would satisfy the government?

MR. SCHREYER: Mr. Speaker, I don't know about the propriety of that question, but I believe I can say that some of the changes in arrangements that could satisfy the administration, that CFI is prepared to make. There are others which I do not believe they are prepared to make.

MR. SPIVAK: A supplementary question, Mr. Speaker. Then I assume that the other arrangements have been -- (Interjection) -- Well, based on what you've said -- yes. Has CFI been informed by the government of the alternative arrangements that you've referred to?

MR. PAULLEY: Stop your snivelling.

MR. SPIVAK: Mr. Speaker, again the Honourable Minister of Government Services has interrupted me. Mr. Speaker, as a matter of fact, the Honourable Member for St. Boniface has interrupted me.

MR. DESJARDINS: Sit down. Sit down.

MR. SPIVAK: Mr. Speaker. Again, Mr. Speaker, the Honourable Member for St. Boniface has interrupted me for the second time, and I want the record to show that.

MR. SPEAKER: I believe the Honourable the First Minister had the floor for the last fifteen seconds.

MR. SCHREYER: Thank you, Mr. Speaker. If I might, on a point of order. As the Honourable Member for River Heights bounded up from his seat twice, I was prepared to defer to him. The third time I did not and he nevertheless persisted in trying to get the floor in violation of the rules and common courtesy.

MR. SPIVAK: Mr. Speaker, on a point of privilege -- (Interjections) -- Mr. Speaker, on a point of order. This morning we witnessed the Minister of Mines and Natural Resources refer several times to what he said the record would show, interruption on my part in connection with his address; and Mr. Speaker, I am only following the procedures already followed this morning by the Minister, or the House Leader, and what I'm doing, Mr. Speaker, is to indicate to the members on the other side that they have continually in this session interrupted the members on this side -- (Interjection) -- yes, and the Minister of Government Services again has interrupted me. Mr. Speaker. On the point of order . . .

MR. SPEAKER: I'm wondering, if honourable members have questions before Orders of the Day, if they may be proceeded with, and if not, let's move into the Orders of the Day. The Honourable House Leader.

MR. GREEN: Well Mr. Chairman, on the same point of order and I don't know if it was one, but I want the record to show that the honourable member claims to have been interrupted while he was sitting in his seat on three occasions.

MR. PAULLEY: Where he should have been.

MR. SPEAKER: The Honourable Member for Arthur.

MR. J. DOUGLAS WATT (Arthur): Mr. Speaker, I would like to direct a question to that opinion to the Honourable the Minister of Agriculture. In view of the announcement he's made this morning in regard to purchase and release of property to the extent of \$2 million which will alleviate the problems of the farmers up in the area where he lives and those represented by his party, I'm wondering when this program will be extended to other flood-prone areas in the Province of Manitoba.

MR. USKIW: I think, Mr. Speaker, I ought to indicate to my honourable friend that the program of land acquisition was indeed launched by the previous government, insufficient as it was, and all we are attempting to do is improve it so that it is worthy of receipt of the people in the area.

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

MR. MOLGAT: Mr. Speaker, I wonder if I could ask the Minister a supplementary question.

MR. WATT: . . . when it would be extended to other flood-prone areas in the Province of Manitoba?

MR. USKIW: Well, I don't know what may happen tomorrow Mr. Speaker, but I do know that this particular arrangement is under the auspices of the FRED Interlake program wherein there is a substantial involvement on the part of the government of Canada. Where it may be

(MR. USKIW cont'd.) . . . possible to negotiate similar involvement in other areas, I'm sure that this government will be very much interested.

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

MR. MOLGAT: My question, Mr. Speaker, was to the Minister on the same subject regarding the involvement of the Federal Government. What is the federal contribution to this project?

MR. USKIW: As I recall, the cost sharing under the FRED plan, on land adjustment I believe it's a 75 percent federal share, 25 percent provincial.

MR. SPEAKER: The Honourable Member for Riel.

MR. CRAIK: Mr. Speaker, a question to the Minister of Agriculture related to this topic. Can he indicate what role the Manitoba Water Commission played in establishing the level of 722 feet?

MR. USKIW: I don't believe that the Water Commission at this point was involved, Mr. Chairman.

MR. CRAIK: A subsequent question, Mr. Speaker.

MR. GREEN: I believe I was recognized by the floor, by Mr. Speaker. Since the Water Commission falls under the control of the Minister's portfolio which I hold, I am sure that the honourable member would not want to have misleading questions or misleading answers, and I can tell the honourable member that the Water Commission did discuss with the government various issues respecting Lake Winnipeg regulations. Now as to the specific footage and what you are now mentioning, I don't think that that was a Water Control decision recommendation. That's something that was arrived at by both departments.

MR. CRAIK: Well Mr. Speaker, perhaps I can direct a subsequent question to the Minister of Mines and Natural Resources, and it is: Is any level that's set, in this case being 722, is this not very closely tied in with any decisions regarding the regulation of Lake Winnipeg?

MR. GREEN: I indicated to the Honourable Member for Lakeside a few moments ago that the purchasing policy and the program took into account all factors including the possible levels of Lake Winnipeg.

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

MR. GRAHAM: Thank you, Mr. Speaker. I have a subsequent question for the Minister of Agriculture on the same subject. Will the department be considering alternative measures such as diking to protect non-agricultural land to the height of 722 feet in that area?

MR. USKIW: This question is better put to the Minister of Mines and Resources.

MR. GREEN: Mr. Speaker, again, the diking of property and water controls falls within this department and there are various problems around Lake Winnipeg, particularly as they relate to summer cottages and other property, and these problems are now being looked at, but they are not dealt with in the policy statement that was given by the Minister of Agriculture.

MR. GRAHAM: A subsequent question, Mr. Speaker then, to the Minister of Mines and Natural Resources. Will the same level of 722 feet then become the basis for any considerations under this program?

MR. GREEN: Mr. Speaker, I can't confirm that.

MR. SPEAKER: The Honourable Member for Rhineland.

MR. JACOB M. FROESE (Rhineland): Yes Mr. Speaker. I'd like to direct a further question to the Minister of Agriculture. What is the land that has been purchased going to be used for?

MR. USKIW: Essentially it may be used for a number of purposes, Mr. Speaker. Government is continuously involved in looking at alternate uses. We are looking at different government projects that may be undertaken but they're very preliminary at this stage. One of the possibilities will, of course, be a lease program which will allow the same owners to lease back properties which they indeed gave up to the Crown.

MR. FROESE: A further question to the Minister. Will it be subject to taxation?

MR. USKIW: I don't believe that Crown lands are ever subject to taxation. I may be wrong on this point.

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

MR. MOLGAT: Mr. Speaker, I'd like to address a question to the First Minister - a question to the First Minister relative to the CFI question and Dr. Reiser. In view of the statements that have been made previously of the government's concern on the subject, the news story indicates that the only, according to Dr. Reiser, the only point of issue, as I

(MR. MOLGAT cont'd.) understand it, is that the government were concerned with the proper application of all monies advanced by the fund and that they're duly accounted for. Is this in fact the only point at issue?

MR. SCHREYER: No, Mr. Speaker, it is not.

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

MR. GRAHAM: Thank you, Mr. Speaker. I have a question for the Minister of Agriculture. Could the Minister inform me if any change in the premium set up in the crop insurance program will be made to enable farmers who are not, in effect, seeding at least ten acres of wheat this year to maintain their continuity for discount privileges in ensuing years?

MR. USKIW: I am not aware at the present time, Mr. Speaker. I'll take that question as notice.

ORDERS OF THE DAY

MR. SPEAKER: The Honourable House Leader.

MR. GREEN: Mr. Speaker, I would move, seconded by the Honourable Minister of Cultural Affairs, that Mr. Speaker do now leave the Chair and the House resolve itself into Committee of the Whole to consider the following bills: Bill No. 43, etc.

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

COMMITTEE OF THE WHOLE HOUSE

MR. SCHREYER: Mr. Chairman, before the House rose at 12:30 we were dealing with the Election Act, Bill 134, and in light of the point that was raised by the Honourable Member for Birtle-Russell relative to definitions of political parties and also because of the statement or argument presented earlier this morning by the Honourable Member for River Heights relative to this Act, to this Bill, I would request that this be allowed to stand and we proceed with other House business at this time. (Agreed)

MR. GREEN: Mr. Chairman, I want to now go to No. 140, then back to 138, and then follow the bills in order. So it's 140 first and then 138.

MR. CHAIRMAN: (Bill No. 140 was read page by page and passed.) Bill 138, The Development Corporation Act. Page by page?

MR. GREEN: Mr. Chairman, would you just hold it a minute? There appears to be somebody trying to catch my attention.

MRS. INEZ TRUEMAN (Fort Rouge): . . . call 109?

MR. GREEN: I'm sorry. I want 138 . . .

MR. CHAIRMAN: Page by page or section by section?

MR. GREEN: Section by section.

MR. CHAIRMAN: Section 1(a)--passed; (b)--passed.

MR. SPIVAK: Mr. Chairman, I wonder if you could just hold. I have some amendments and unfortunately I can't find my Act at the present time. I'd like to be able to at least not ask leave but come . . . Fine, Mr. Speaker.

MR. CHAIRMAN: (Sections 1 to 8 of Bill No. 138 were read and passed.) Section 9--passed -- The Honourable Member for Rhineland.

MR. FROESE: Are you not calling the subsections at all?

MR. CHAIRMAN: I called the subsections in all those up until now.

MR. FROESE: I missed them.

MR. CHAIRMAN: Did I miss any? (Sections 10 to 13(6) of Bill No. 138 were read and passed.) Section 13(7) as amended --passed . . .

MR. SPIVAK: . . . Mr. Chairman, when this was dealt with in committee. I wonder if you can tell me what the amendment is.

MR. CHAIRMAN: The amendment here is: "Notwithstanding Section 12," instead of - it's been crossed out - I believe it was 8 before.

MR. SPIVAK: 8 - that's fine.

MR. CHAIRMAN: (Sections 14 to 28(5) of Bill No. 138 were read and passed.) Section 29(1)--passed; The Member for River Heights.

MR. SPIVAK: Mr. Chairman, I intend to move an amendment and I think it would be wiser for me to move the amendment first and then to discuss it afterwards. I was not present

(MR. SPIVAK cont'd.) when this was dealt with in Law Amendments, otherwise I would have moved it at that time.

Mr. Chairman, I move, seconded by the Honourable Member from Souris-Killarney, that subsection (1) of Section 29 of Bill 138 be amended by striking out clauses (a), (b) and (c) thereof and substituting therefor the following clauses: "(a) The names of the parties with whom lending agreements have been entered into by the corporation; the amounts of the loans made or to be made under the agreement; the rates of interest charged under the agreements; and the period within which the loans are to be repaid. (b) The name of the parties with whom guaranteed agreements have been entered into by the corporation; the nature and value of the obligations guaranteed; the amounts of principle monies of any payment of which is guaranteed; the rate of any interest guaranteed and the principle amount in respect of which the interest is initially payable; and the period during which, or within which the obligation guaranteed is required to be performed. (c) The names of the parties in whom equity investments have been made by the corporation; the amount of the investments; the nature of the investments, including any preference rate of return or deference in respect thereof and any rights attached thereto or to which the investments are subject, in particular as to restrictions of any to which the corporation may be subject in its dealing in its shares, whether imposed under agreement or under the charter of by-laws of the party in which the investment is made. (d) The names of the parties with whom lease arrangements, lease agreements respecting real or personal property have been entered into by the corporation; the nature and value of the property leased; the rental or amounts of any other payments required to be paid under the agreements; the period of the agreements, in particular the many rights to renew the agreements or options to purchase the property leased. (e) The names of the parties to whom the corporation has made grants or given financial assistance of any kind not mentioned in clauses (a), (b), (c) or (d); the amount of the grants or financial assistance; the purposes for which the grant was made or the financial assistance was given; and any provisions, including payment of interest, respecting the repayment of the grants or the financial assistance."

MR. CHAIRMAN presented the motion.

MR. CHAIRMAN: The Member for River Heights.

MR. SPIVAK: Mr. Chairman, the amendment appears to be a lengthy amendment but it was necessary in order to fulfill the objectives as stated in the section. There is nothing in the amendment that's inconsistent with the intent of the section, and I'm not in any way suggesting that this amendment, although it appears to be substantive in nature and it is, to the extent that it elaborates the details that are expressed in 29(1) - unfortunately there was no way in which the amendment itself could be framed in lesser language - not to appear in the length that it has, but the objective is to try and achieve what has been asked for or what is specifically stated, and obviously the purpose of the government on the opposite side, which is to give . . . of information.

Now we must remember that we're now talking about different kinds of arrangements in which the Fund are involved. It's not just a straight situation in which there is money loaned to a company. There can in fact be leasebacks; there can in fact be equity positions; there can in fact be situations in which there are guarantees; and the particulars with respect -- and they vary substantially. We have already had discussions about the possibility of one case of a person having an option to repurchase shares, and this is fine, but this is also part of the nature of the agreement, and all that is requested here is that we be furnished with the information in full detail.

Now, this is the objective, Mr. Chairman. If we're going to have disclosure, then the disclosure should be full in its detail; it should not go beyond the intent of the section, and this proposal, although lengthy as it may be, nevertheless deals with the kinds of situations in which the Fund now find themselves.

MR. CHAIRMAN: Are you ready for the question: The Minister of Industry and Commerce.

HON. LEONARD S. EVANS (Minister of Industry and Commerce)(Brandon East): Mr. Speaker, I don't know whether the honourable member has examined further on in the bill where - I believe it's from 31(2) to 31(3), particularly 31(3), where it states; "Notwithstanding subsections (1) and (2), the Chairman may be required to attend meetings of the Legislative Committee on Economic Development to provide the most recent annual audit statements of assets and liabilities, profit and loss, in respect of any company in which the corporation has

(MR. EVANS cont'd.) acquired an equity position by the purchase of the shares of that company or otherwise." In other words, if he's concerned about the disclosure of equity, a full financial statement will be provided at that time, or the most recent financial statement that is available, to the corporation and therefore to the members of the committee, and therefore to the public. So, to that extent, I would suggest that this information is being made available, and of course the chairman will be there for questioning and therefore this is another source of detailed information. So I'm just wondering whether -- and the honourable member himself has stated that there is no -- I think he stated this, if I heard him correctly -- that there was no substantive change that he was suggesting. He was merely elaborating on what we intended under Section 29(1) on disclosure. And reading it again, it states: "The amounts and names of parties with whom lending or guarantee agreements, or with whom equity investments have been entered into with the province," so I would think that this pretty well covers the range of types of transactions that the Fund or the Development Corporation might be engaged in. Consequently, I'm just wondering -- I haven't had the opportunity to sit down and study the amendment, but it seems to me that unless the member can make it much more clear than he has, it seems to me that we have provided already in this bill with the type of disclosure that we desire.

MR. SPIVAK: Mr. Chairman, I consulted the Legislative Counsel, not for the purpose of determining any policy matters because that obviously is not what he's interested in; I asked him if I wanted to achieve this objective based on the particular clauses we now have, what kind of basic change should be introduced, and the changes that you have before you were in fact drafted by him to comply with the specific situations that I described to him which are the situations that would come within this. I may say to the Honourable Minister of Industry and Commerce that when we get to Section 3 of 31, it's my intention to propose another amendment in connection with it; but even if my amendment, which deals in a different way than the manner in which he expressed it -- not exactly the way he expressed it -- even if that wasn't accepted, I would suggest that there is a distinction between the publication of the information by way of a report to the Legislative Assembly and the discretionary situation which can arise as to whether the general manager does or does not come.

Now Mr. Chairman, I recognize, and I would suspect that the government may have to examine this very carefully before they make a decision on this, and I would recognize that there may have to be some delay while they deal with this, but if we really, seriously are interested in disclosure, there is nothing that is asked that is not within the ambit and the functions of the Fund as it presently operates, and all that is asked is the specifics. The reference here to the amounts and names of the parties with whom lending or guarantee arrangements, with whom equity arrangements have been entered into with the corporation, do not take into consideration lease arrangements, and the Fund has the power to build and to lease. Now surely, if you're going to disclose one item, we're entitled to have the other items because, in effect, even though title may remain vested in the Fund or in the government, a lease arrangement in effect is a loan arrangement; and if I was to deal with the other matters, Mr. Speaker, the problem of equity becomes, I think, extremely important, and the kinds of conditions that can be put on equity involvement becomes extremely important; and I think it's relevant if there's going to be disclosure because the manner in which equity is taken and the conditions upon which it is given, not just the interest rates, are factors which determine the actual way in which the Fund is operated and the way in which it has discharged its function.

In addition, if there was -- and I'm not suggesting that there is -- but if there is any way in which the Fund has given financially -- and there may very well be cases where it should give financial aid, I'm not objecting to that -- surely this is as much a part of the lending arrangement and surely we are entitled to this once the government has determined to open this section.

MR. CHAIRMAN: The Member for Ste. Rose.

MR. MOLGAT: Mr. Chairman, I recognize on first glance that the amendment may seem rather involved because it is a lengthy one on paper, but on going over it, basically the only changes I see between this and what the government proposes to do is the addition of clauses (d) and (c), which would bring lease agreements under the same general rule, that the House would be given information, and that any grants or financial assistance would also fall under the same category. And this seems to be a reasonable request.

Now I recognize that the Minister may be somewhat reluctant to simply accept an

(MR. MOLGAT cont'd.) amendment which is this lengthy and which he has not had time to study prior, and I would suggest that, if this is so, the Minister simply leave the section open so that he can have a chance to look at it rather than simply take the position, which unfortunately government frequently takes, of voting against amendments proposed on this side of the House. I think that the amendment is valid, that there are sound reasons for it. Again, I have only been able to glance at it myself, I have not been able to make a detailed study of it, but from first glance it appears to me to be a reasonable request and I would hope that the government would not simply act in terms of opposing because it is coming from this side of the House, but would look at it, if not prepared to accept it immediately, and take time to have a look at it and let's go back to it later.

MR. SCHREYER: Well Mr. Chairman, this might be good advice coming from the Member for Ste. Rose, but I couldn't help but detect in his own remarks the statement or the reference that he himself really didn't have enough time to ponder the full implications of all the proposed amendments. He gathers that they are acceptable enough and really don't have that much ramification beyond and above what we are ourselves proposing in the bill before us. Well, even if one took the honourable member's advice to heart - which I'm inclined to do - I must say, though, that I'm pretty apprehensive about accepting an amendment in this way. And furthermore, Mr. Chairman, it really must be said - this must be said - that in the previous Manitoba Development Fund Act there was a specific prohibition against the disclosure of the kind that we are putting forward in the bill that is now before us. I believe that's correct. What the previous Act specifically prohibited we are specifically requiring, but it's not good enough for my honourable friends opposite apparently, because now they are the full and firmest of advocates of disclosure. I find this ironic in the extreme.

I realized full well at the time of the drafting of the bill and this section of the bill relative to disclosure, that perhaps there could be additions made to the nature of disclosure that would be made, but at least we have taken a very important step and we are undoing a specific prohibition in a previous statute. Now I think we have, as I say, we have taken a major step forward. It may well be that we should make further moves, further provision for even more disclosure in the future, maybe in the immediate future. Perhaps it should be at the next session. But I really feel under no obligation to think that now that we are going to have disclosure we must have, you know, the fullest, most far-reaching kind of disclosure without a good deal of time to ponder the ramifications, and I would think, when I say a good deal of time, that we're talking about weeks and months, not just a day or two.

MR. CHAIRMAN: The Member for River Heights.

MR. SPIVAK: Mr. Speaker, I think the most ironic statements are the statements made by the First Minister. I find it extremely ironic for the First Minister to have made the comments that he did, because if he examines the amendments he will realize that the intent is exactly as expressed in 29 but, because of lack of understanding and experience on either the part of the Minister or those who drafted this section, and even possibly on the part of the First Minister, they did not cover every kind of situation. Now, for him to try and thrash old straw by suggesting that we were not interested in disclosure, now the disclosures come in we now are advocates of it, is ironic because it does not contribute to this debate. We accept the fact that this is the policy of the government. Having accepted the fact that this is now the policy of the government, all we are attempting to do is to provide them, through this change, and to provide this Assembly with information that they I think really want the Assembly to have, and I have a suspicion that there's a reluctance on their part because they're not prepared to examine it, and I can tell by the remarks that are made that they do not understand how the Fund operates, frankly, and as a result they are fearful that what is contained here is some kind of trap to possibly embarrass them or embarrass the operation of the Fund - and that, Mr. Chairman, is not the intent at all. What is intended here is the opportunity to achieve what was intended in the objective in 29(1), and I accept Mr. Chairman that it may very well be necessary for the Minister to talk with those who advise in connection with this matter, to determine and satisfy himself if what I'm saying is correct or not.

MR. SCHREYER: Not only does the Honourable Member for River Heights have colossal gall, but he's also capable of making hypocritical statements. Hypocritical in the extreme. It would be unparliamentary for me to say much more about the honourable member and hypocrisy, but it may well be that some changes could be made to the bill to those sections relative to disclosure. And I listened with interest to what the Honourable Member for Ste. Rose had

(MR. SCHREYER cont'd.) to say, and perhaps some change in wording can be made that will have the effect of providing for disclosure of those kinds of arrangements made between the corporation and others that are of a lease nature, or any other kind of financial arrangement. This is really what the intent is and I think that the use of perhaps six or seven words in the right place will have the effect, rather than be subjected to another magnum opus of the Honourable Member for River Heights that's not quite as long as the Universal Declaration of Rights but it almost runs to two pages.

The point I want to make, and I make it without apology, is that I could sit here and listen to just about everybody, just about anyone in this Assembly, make certain proposed changes to the bill, but one of the last persons, I would think, that should want to say very much about disclosure or to get up and pretend that he understands the operation of the Fund better than anyone else, one of the last persons, I should think, would be the Honourable Member for River Heights. And I say that because, during his term in office, he did not seem very powerfully moved to make any changes or propose any changes relative to disclosure, nor did he seem to understand fully, either, the operations of the Fund. And I have that on pretty good authority. If he had a perfect understanding of the operations of the Fund, then I should think that it would not have been necessary for this administration to have to go back over some of the arrangements that were made by the Fund with respect to at least one or two of the larger transactions that were entered into.

However, I put that aside for the moment and say that perhaps we should work out some arrangement here now to give the Minister of Industry enough time to really determine how and in what way certain revisions can be made to this bill that would have the effect of giving application to the advice of the Honourable Member for Ste. Rose. Quite frankly, so far as the Member for River Heights is concerned, I don't think that we should be expected to give too much credence to whatever advice he presumes to offer, particularly as respect to this bill.

MR. CHAIRMAN: The Honourable Member for River Heights.

MR. SPIVAK: Well Mr. Chairman, the person who has colossal gall is the Premier of this province, because, Mr. Chairman, if what he has just said is the answer to this section, if this is his sound argument, if this is his -- it's really unworthy of the person who's supposed to sit as the First Minister of this province. The problem with the First Minister dealing not with this section but with the whole question in general of the Fund and what's happened in the past, is he can't forget his years in Opposition and he can't forget this political sense that he has which follows him all over and which characterizes the innuendo and the suggestions and the use of the adjectives of hypocritical etc., to try and, if he can, in some way tarnish what's been represented.

Now Mr. Chairman, I must say, you can reject this amendment. You've got a majority. If you do not believe in the substantive nature of this, you can say so, but to stand up and to say what you just said in answer to this amendment, Mr. Chairman, I suggest is unworthy of a First Minister.

MR. SCHREYER: Well, Mr. Chairman, I have said already that we are not very anxious to make changes in the bill at a time and in a way that really does not give sufficient opportunity, sufficient time, for us to ponder the proposed changes, the proposed amendment, in its fullest possible ramifications. We have endorsed the concept of disclosure, this corporation's operations. More disclosure. We have said so many times. But because we have said so does not mean that we are prepared to accept an amendment that is a pretty lengthy one in its wording, and to accept it with just a day or even two or even a few days' notice. The Minister will have to have an opportunity -- perhaps he can do it quickly -- to see in what way the bill can be changed to give effect to that specific matter which the Member for Ste. Rose talked about, and that is the question of transactions involving leases, and perhaps of a more general nature other kinds of transactions as well. But that, it seems to me, is a little more -- a little more is involved in this amendment that is offered by the Honourable Member for River Heights. And I must say to my friend the Member for River Heights that I have not, not very often at all have I made mention about the fact that honourable members opposite, when they were the government, had many years of opportunity to make certain changes that they thought were necessary. Really, the point that I want to impress on my honourable friend is that they could not have considered a matter very important -- I think this is a fair statement -- they could not have considered a matter very important if they allowed passage of years and didn't make any change with respect to that point which they now appear to consider very important.

(MR. SCHREYER cont'd.)

There are amendments that have been offered to other pieces of legislation. Some of them, I suppose, have been accepted, some rejected. It is not uncommon for government to accept amendments offered by members of the Opposition. I can recall the Transportation Act, for example, a lengthy Act running to many pages; numerous amendments offered by the Opposition, at least half of which were rejected, many of which were accepted after due deliberation. But the difference, the big difference is that those changes were of a kind where there had not been much public discussion, but in the case of the principle of disclosure, I know for a fact that members of the Opposition in previous sessions have made persistent argument about the need for more disclosure in the operations of the Fund, and it was something that the previous administration therefore had brought to its attention time and time again, and therefore there can be no excuse. It was brought to their attention in a systematic and persistent way. They didn't consider it important enough, or in fact they must have been opposed to the principle involved. I just find it ironic that now, after having turned down or turned aside, I'm not sure which, turned down because they were opposed or turned aside because they didn't think it was important, previous proposals on this question, they now want to take it much further in its application.

MR. SPIVAK: Well Mr. Speaker, there are several points that the Honourable First Minister brought up that are worthy of consideration again. First, reference was made to a change in the Manitoba Development Fund Act in the Speech from the Throne. We are now dealing in third reading four and a half months, or over four months, from the time the Speech was delivered. We had the bill presented to us within the last month and the First Minister is concerned about the fact that he requires some additional time for consideration. The objective of opposition, as I understand it, and the First Minister should be aware of it, he sat in opposition for a number of years, is to in fact make a contribution to the debate and to try and in those areas in which there is an interest or discussion, debate, to make its position clear, and this is exactly what this amendment does. The government can reject it. It can reject it on its merits. But surely to God it's not going to reject it because of the fact that the Opposition presented it or because of the fact that there's still old arguments about the question of disclosure, or even surely it's not going to reject it because all we're attempting to do is do a little bit now and then we'll want to wait and see, and then we're going to do a great deal more. Because, Mr. Chairman, there's one part of this that isn't entirely correct; entirely correct; and that is this question of, you know, how much information was in the public domain before and the suggestion that there had not been changes by the previous government, because we have the words of the Minister of Industry and Commerce in his presentation on this new corporation, Manitoba Development Corporation, which is really the Manitoba Development Fund. Delete the Fund, name Corporation, we've got the same Act, with two sections differing. In which he says, on Page 6 of his presentation, which was his prepared presentation, and will be found in Hansard: "However, a good deal of information is already available in the public domain, so to meet what we believe are the legitimate requirements for public scrutiny and ensure that the government is better informed, the Corporation's annual report shall include information respecting loans and investments made in previous years."

Well Mr. Chairman, there's an admission by the government that a good deal of the information was in the public domain, and of course it was. Now we can -- (Interjection) -- Mr. Chairman, it's very simple to argue the old battles over again and I can -- the Minister of Government Services is not present but I can wait with anticipation for him to stand up and to give the speeches that he gave, and the Honourable Minister of Mines and Natural Resources and the Honourable Member for Ste. Rose and others. And I recognize that we could debate this again. And the possibility exists, that I would think probably very real, that if an election was called in a few weeks we're going to debate that for the next 35 days, because that's all the First Minister is going to have to debate.

Now I suggest, Mr. Chairman, that rather than debate it, you deal with this on a question of substance. Either you are prepared to accept it -- Now the Honourable Minister of Finance has come in and he's laughing. May I repeat for his benefit what I said earlier. My intention was to take the section and for to achieve exactly what its objective was, and what I did, I went to the Legislative Counsel and I said to him specifically, these are situations that can possibly exist in connection with the Fund's operation that are not covered by the sections as I interpret it, and I asked him whether it was possible to draft it and put it in. I believe I'm entitled to do

(MR. SPIVAK cont'd.) that as a member of the Opposition, to go in and ask him to do the drafting - not to deal with the question of policy. And he came forward with this two-page series of amendments saying that this is the only way that he could possibly express it in the words, the legal language, that was necessary to get the intent. And I suggest to the honourable members opposite that, if you really examine this, you'll find that the changes are not as great as may first appear and that rather than reject it because it was introduced by the Member from River Heights, that you should examine it and give it consideration. May I say as well, Mr. Chairman, for the benefit of the First Minister, when he talks about the Fund and our understanding and his understanding of what we thought about the Fund, I have some stories - the right time will come in which I can relate the inexperience of the First Minister with respect to the Fund.

MR. SCHREYER: Mr. Chairman, I don't pretend to be that experienced, admittedly, in the operations of the Fund, except I have enough experience and general intelligence to know when the Fund was either misdirected or misguided or cut loose and allowed to fend for itself, when it was -- and I'm suggesting that my honourable friend when he was Minister, after he became Minister of Industry and Commerce, that a number of things, changes were made, some of it major transactions entered into by the Fund, that only a person who was either inexperienced -- well, inexperienced is the kindest thing that could be said for that person.

MR. SPIVAK: Mr. Chairman, the time will come when the First Minister is going to be able to disclose his cards and I'll be able to disclose my cards, and I think history will show that in the first year the First Minister was far more inexperienced than I was.

MR. MOLGAT: Mr. Chairman, -- No, I think the Minister has got up a little earlier so I'm prepared to sit down.

MR. GREEN: Well Mr. Chairman, I know that the Member for Ste. Rose is trying to be constructive, and I know that he will be able to be so as soon as I finish my remarks. I certainly can't say the same for the Member for River Heights, and the First Minister has commented on the amount of his gall, but even though the First Minister has only heard second-hand, we who have sat in this House in the past three years can only really appreciate just what nerve the Member for River Heights exemplifies in his present antics, and Mr. Chairman, I want to indicate that he is not stopping with the present disclosure provision 29 (1). He has indicated that he is going to bring another amendment, and what he has -- oh, definitely. There is no doubt that he has the right to bring another amendment; and let it be noted that the member is interrupting me. There is no doubt that he is going to bring another amendment. And Mr. Speaker, what we are really talking about here is the question whether or not we are going to proceed and continue on that policy which was so many times enunciated by the Member for River Heights that you do not disclose the financial transactions of the Fund, or whether we are going to embark on a new program whereby the transactions of the Fund become a matter of public property. And this is really the change that is being made; and for the member who defended the right of the Fund to maintain its transactions as being private for three years and did introduce a change when he saw how this position was untenable, for him to say that we are not going far enough is just ridiculous, because Mr. Chairman, I would suggest that the amendments that are now being put to the Manitoba Development Corporation Act permit, in effect, disclosure of everything.

Well, I ask my honourable friend to look at No. 29 (1). I ask him to look at 29(2), which says the Lieutenant Governor in Council may, at such times and as often as he deems it necessary, require the board to furnish him such reports or information respecting the business and operations of the corporation as he may direct and the board shall comply with the requisition, which was in the Act before, but Mr. Chairman, if my honourable friend wants chapter and verse - and he knows that I can get it; he knows that the Premier of this province in December of 1966 took the position that Section 29(2) prohibits the government from asking the Fund to indicate its financial transaction. I can give it to you in the record on Hansard that the Premier of this province said, "Not unless we change the legislation have we got the right to ask the Fund for information," and we specifically recited to him Section 29(2) and he would not change his position. A year later, realizing the impossibility of the situation that the Act said black and the Premier said it meant white, which is in effect what he said, the Minister of Industry and Commerce, in an attempt to save the situation, passed a regulation which indicated indeed that black meant black and did not mean white and contradicted the Premier of the province, because that's the only thing - and he's interrupting again, Mr. Speaker - because that's the

(MR. GREEN cont'd.) only thing that they could have done. They had no choice. But this government has never taken the position - and that's the difference - we have never taken the position that a question could not be asked relating to a transaction. We have never taken the position now that we could not give this information, so we have already crossed the area of disclosure, and just because 29(1) says that certain things will be disclosed does not mean that under any of the other sections of the Act other matters cannot be disclosed. So Mr. Chairman, we are really in the situation, where the former government prohibited, this government is releasing, and under 29(1) is not all that we are releasing.

I want the Member for River Heights to remember, and the Member for Ste. Rose will recall this, that when we were on that side of the House if we so much as mentioned the name of a Manitoba firm and dealing with the Manitoba Development Fund, the now member for River Heights, the then Minister of Industry and Commerce, shuddered in his chair, got up - and I paraphrase - he said that "the economy of Manitoba is going to fall down if you members on the other side mention the name of firms in this House." Now he says that we are not mentioning the names of enough firms. Well Mr. Chairman, I suggest to you that if he says that the First Minister can't forget the fact that he is in opposition, let me say that the real problem here lies, is that the present Member for River Heights can't accept the fact that the people of the Province of Manitoba threw him out of the administration, and he still wants to be in the administration, and therefore although we have gone on disclosure, what any reasonable man would have said that we have opened up the records of the Fund and we've stood up in this House and we've answered questions which the previous Minister would not answer, the present Minister of Industry and Commerce, whenever a question has been put with regard to a loan, has not said "Don't mention the name of that firm, you are going to cause them to go bankrupt; don't mention the name of that firm because the Province of Manitoba is not strong enough to accept the mentioning of names of private firms in this House," that because that has happened and because he can't accept the fact that he's not in the administration, what he is really doing is attempting to show that you forgot something; you've got real estate transactions, you haven't got leases; and I suppose he could say you have forgotten lease options, or he could say that you have forgotten some other form of transaction which you haven't mentioned in here, but Mr. Speaker, that's irrelevant.

The change that has been made is that the government has indicated, not only by legislation but by the fact that it has disclosed information in this House, a willingness to disclose. This is in direct contradiction to what the previous Minister did when he indicated that he would not disclose except for the regulation that he passed which said that the cabinet could ask for the information but he would never tolerate with equanimity the mentioning of the name of a private firm in this House. If you did that the economy was so weak while it was under the direction of that Minister, if you mentioned the name of a firm the economy would fall apart. Well that's what he said. He didn't use those words but I can get the speeches where he said, "Doesn't the Leader of the New Democratic Party, doesn't he know that when he mentions the name of a firm in this House that he is going to cause all kinds of difficulties?"

Well, Mr. Chairman, I would expect the Member for River Heights, if he had any integrity, to be opposing this legislation - to be opposing it; to tell us that we should go back to the days, as they used to say about the former Member for Lakeside, back to the dinosaur days - those are now his days - when the government disclosed nothing. That's what he should be doing because that's the policy that his government had while he was Minister.

MR. MOLGAT: Mr. Chairman, I would be prepared to yield to my honourable friend the Member for River Heights. At the moment I am sure he is ready.

MR. CHAIRMAN: I would suggest to all members that we stick to the subject at hand, that is the amendment, and let past be the past, because otherwise we will never get finished debating this point.

MR. SPIVAK: Well Mr. Chairman, I think it's fairly relevant. You know, in the last few weeks the Minister of Mines and Natural Resources has exhibited a schizophrenic personality. He's been a lawyer who has argued civil liberty cases and has appeared in the court probably more than any lawyer in this Chamber, yet when we talk in connection with the injunction bill, he basically said that he doesn't believe in the rule of law.

MR. GREEN: Nonsense.

MR. SPIVAK: That's not nonsense. That's what he said. He basically said that he did not believe in the rule of law, because he said that the judges are going to interpret a section in a certain way

MR. GREEN: Mr. Speaker, on a question of privilege, that's what you say.

MR. SPIVAK: Mr. Chairman, I listened to the Honourable Minister of Mines and Natural Resources stand up and impute a number of things to me and make representation of what I am supposed to have said, and I listened with, you know, I listened in fascination, listened with some fascination because I watched his performance. Mr. Chairman, presented a reasonable amendment and the only arguments that are being advanced are what happened in the past and how much gall I have to suggest an amendment when we are going to give disclosure. It may not be complete or it may not even be right, but everything that we say, or everything I say is irrelevant, and I'm suggesting in this position for him to indicate the position that he has taken of what I should be saying, shows another bit of schizophrenia on his part because, you know, the objective of a democratic process is for the Opposition to deal with the government's intention and to make its contribution as best it can, and I'm suggesting that because you have a majority you are intending now to proceed with disclosure - and, Mr. Chairman, may I say that most of the information that will be forthcoming was available and has been available. I may say as well, Mr. Chairman, it was in the first year after I became the Minister, after my first session, I was responsible for leading to the additional disclosure procedures, and I would suspect that if I had been on this side I would have been on my way towards this with much greater substantive -- (Interjection) -- Yes, I say that, because I think the record will show that and if the Honourable First Minister will discuss with some of the members of the department, I think -- (Interjection) -- Well, I know you seem amazed. You seem amazed at quite a few things.

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

MR. SPIVAK: At the end. Now, what I'm suggesting isn't an irrelevant thing. It happens to be a substantive motion dealing with the objective of achieving the intent of 29 (1). It was done with consultation because the language, of necessity, had to be as lengthy as it was and I recognize that this in itself automatically would sort of put one off, but surely the House Leader is not going to reject a suggestion from our side simply because it is coming from our side or simply because he wants to start and argue what happened in the past.

Now, Mr. Chairman, if the drafting isn't correct in achieving the intent, surely there has to be some reason applied when suggestions are made. Now this is all that is intended here, and I find the whole procedure here quite amusing. Now I recognize the Legislative Counsel is now talking with the Minister of Industry and Commerce and I believe that you may require some time to consider it in detail and you may reject all of it or part of it, I don't know. -- (Interjection) -- Well, the First Minister says only these six words. I have put it to the Legislative Counsel and he said no. Now, if the First Minister is a better draftsman than the Legislative Counsel, then this is fine.

MR. SCHREYER: . . . better get some instruction.

MR. SPIVAK: Well, I have a suspicion based on my experience with the Legislative Counsel, that he's a better draftsman than the First Minister, the Minister of Mines and Natural Resources, the Finance Minister and the Minister of Industry and Commerce all put together.

MR. CHERNIACK: Would the honourable member permit a question?

MR. SPIVAK: Yes.

MR. CHERNIACK: Would he mind referring me at least to the drafting that I have done in the past that has passed over his desk?

MR. SPIVAK: I'm . . . ?

MR. CHERNIACK: Well, the honourable member said that he knows that the Legislative Counsel is a better draftsman than I am. I would like to know when he has had an opportunity to review my drafting?

MR. SPIVAK: As a matter of fact, Mr. Speaker, I really do not have the opportunity but I would suggest that I can make that statement just based on my observance of the Honourable Minister and my knowledge of his legal experience, and I think I have some knowledge, not fully, but enough to recognize that he doesn't have the experience of the present Legislative Counsel.

MR. SCHREYER: It's a matter of drafting instructions.

MR. GREEN: Mr. Chairman, the member indicated that he would permit a question. Mr. Chairman, the regulations that the honourable member says that he passed towards disclosure, is it not a fact that they talked about disclosure of the Fund to the Lieutenant Governor in Council; it had nothing to do with the Legislature?

MR. SPIVAK: Mr. Chairman, I am not in a position to refer specifically to what was said. I may say to the Honourable Minister, if I'm correct I indicated in a very lengthy statement the exact procedures with respect to disclosure, and I do not have the Hansard in front of me nor the statement and I'm not in a position to clarify this one way or the other in this respect, and I just simply do not know it from memory. I do know that it was a step forward and it's not as complete as . . .

A MEMBER: One step at a time.

MR. SPIVAK: Well no, no. One step at a time. You have now taken the second step. All I'm trying to do is help you and I find it very strange, I really find it very strange for you not to be concerned about accepting the amendment. I would say, Mr. Chairman, that if you are not going to accept it I would like to know why you are not going to accept. I would like to know what sections are difficult for you to accept, and I think this would be important, I would be able to understand what's bothering everybody on the other side. I simply don't understand it.

MR. GREEN: Would my honourable friend consider, first of all, the fact that we say that we can get -- that this information is not prohibited as it once was, as you people said it was? That's first of all why it's not necessary. Would the honourable member recall this morning's speech where he indicated that the government's willingness to change its legislation indicated that it hadn't thought out its legislation? And he made that speech this morning.

MR. SPIVAK: Let me say this, Mr. Chairman. I made a speech with respect to policy matters where they have withdrawn, not something because of drafting, or not something because of -- (Interjection) -- No, again, you know, the Minister of Mines and Natural Resources hasn't been listening very intently, I suggested, Mr. Speaker, that there were some policy matters that obviously had been approached and were contained within the legislation that were done without any understanding, and frankly without any consultation with the people involved, and had there been understanding and consultation he would have had a better result, and I pointed out in the Child Welfare Act that the deletion of the section was caused simply because of this, because in effect the proof that was supposed to be forthcoming to the committee never came forward because it wasn't there in the first place. Now, I think that that's a legitimate position. We now have something before us and all that's been suggested is some additional drafting which can be rejected or accepted by the government.

MR. CHAIRMAN: The Member for Ste. Rose.

MR. MOLGAT: Mr. Chairman, I have been hesitating to get involved in this most enjoyable political discussion that's been going back and forth in the House. I have heard statements of hypocrisy and gall and the terms of being schizophrenic and so on, and I don't pretend to be a judge of any of those but I think I am a judge of one thing, and I have come to one conclusion that both the Minister of Mines and Natural Resources and the Member for River Heights are extremely poor salesmen of political ideas in this Chamber, and if both of them refrain from trying to sell political ideas here I think we might get much further along with the business.

I have to admit that I found, with some surprise, the approach of the Member for River Heights, in his new approach to the question, having debated with him in past years at great length the whole question of openness, the whole question of disclosure on the part of the Development Fund, having warned him on many occasions that he would get into deep trouble in the long run by the policy of secrecy that the government then followed, having appealed to him at times that this was the wrong course, that really the Development Fund should have been a development arm of government as such, having made all those arguments in the past, I found with considerable interest his proposal of today. However, I attributed it to conversion, to realization, somewhat late I must admit, that he had been in error and I was giving him the benefit of the doubt that he has now converted to better ways. However, be that as it may.

Mr. Chairman, my concern is that if we are going to change the Act, that we do the best job with it now that we can, and I see the government's point that they may not want to make a wholesale change in the wording at the moment although I think, and I repeat I have not had a chance to check it, the wording that is proposed by the Member for River Heights seems to achieve the purposes which I understand the government wants and which I certainly want to see, and that is that the maximum information be given without any damage to the firms involved or to the development of Manitoba. The First Minister says it may be done by adding six or seven words. Maybe it can. It may be simply by adding lease agreements and grants and financial assistance in section (a) we may achieve that as long as we change I think

(MR. MOLGAT cont'd.) something in (b) and (c), but rather than take a fixed position and end up in the argument that has gone on this afternoon, if the Minister is not ready now to do so, and I recognize that he may not be able to, then let's leave the section because we have spent now a great deal of time thrashing old straw without getting to the nub of the question.

I do have one specific question for the First Minister though, in view of the old straw that has been brought up, and it is one of the fears that I had in past years, that while the House was being denied information and while the House was being told that the government, that of my honourable friend who proposed the amendment, and the Fund were at arm's length, that I had the feeling that they were not at arm's length on many occasions and that the government was in fact interfering at times with the Fund, giving directives to the Fund, and the House was not being told of this. In fact, the House was being told the reverse, that they were at arm's length. I ask the First Minister now, I ask the First Minister specifically, was in fact the government at arm's length or did the government interfere in the Development Fund in prior years?

MR. SCHREYER: Mr. Speaker, the Minister of Industry and Commerce is prepared to indicate how we might want to proceed with respect to the subject matter of the amendment that is before us, and I'll proceed now to relate my remarks to what has just been said by the Member for Ste. Rose.

I think that the answer to the first part of his question is self-evident inasmuch as it has been the practice - and I don't think anyone opposite will deny it - that in the past three years approximately, by regulation, the proceedings, transactions and information that was available and in the hands of the Development Fund, was to be made available to the Lieutenant Governor in Council. I believe that was a clearly understood practice of recent years. Whether it was in the earlier years right after the inception of the Fund I am unable to say. I do know that the former Premier, Duff Roblin, did take the position, as my honourable colleague the Minister of Mines has said as well, that the government was not in a position to table in this Assembly any of the particulars of the transactions entered into by the Fund and that they were specifically prohibited from doing so by the statutes. But I think my honourable friend the Member for Ste. Rose is aware of the position that was taken by the former Premier.

Subsequently, while the statute was not changed, nevertheless by some other instrument, by regulation Order-in-Council I presume, it was in order and it was the practice for the government to be apprised of the particulars of transactions entered into by the Fund. Therefore, on that basis alone, I am prepared to argue that the previous government could not have been at arm's length and ignorant of the particulars of the transactions, particularly the major transactions of the Fund. And I go further to say, although it would be difficult for me to prove it, that I have no doubt in my mind whatsoever that in the case of some of the most major of the transactions entered into by the Fund there was not only apprisement on the part of the government of the facts, but there was also detailed guidance by the government to the Fund Directors.

MR. SPIVAK: Mr. Chairman, before the Honourable Minister of Industry and Commerce deals with the amendment, I wonder if the First Minister could now indicate in the past year whether the procedures that he mentions have not in fact been followed by himself and the government?

MR. SCHREYER: Yes, Mr. Chairman, but the difference is that we have never claimed otherwise.

MR. MOLGAT: Mr. Chairman, I wonder if I might then for clarification get a further statement from the First Minister. He has indicated that in the case of the major loans, not only was the government apprised but there was guidance from the government. I want to come to one specific one because it has been the subject of a great deal of discussion. Was the MDF free of government interference in the case of Churchill Forest Industries, in that project, or was there government guidance prior to the loan being granted?

MR. SCHREYER: Mr. Chairman, the Honourable Member for Ste. Rose I think has the same impressions as I have, and I don't know whether my impressions could be necessarily any more accurate than my honourable friend's since they are after all only impressions; but I must say that I am completely satisfied in my own mind that when government representatives, the political leaders of government enter into protracted negotiations with representatives of some particular industry and then subsequently give it over to the Fund or the Development Corporation for negotiation that there cannot be other than very detailed guidance by the

(MR. SCHREYER cont'd.) government to the officers of the corporation. Whether or not that constitutes interference is a nuance I believe. Certainly I defy anyone to rise in his place and say that there was not the kind of detailed instruction, detailed guidance laid down by the government of the day to the Fund on certain major transactions. As I say, in my mind there is no doubt of that whatsoever. Whether one wants to interpret that as being political interference, whether one wants to interpret that as being simply clear instructions from government to the Fund to see to it that major policy intent of the government is being carried out is a, I suppose, a moot point of interpretation. The important thing however, Mr. Chairman, in my mind is to make it clear that where this is taking place that it is taking place and one should not attempt to perpetuate fictions about it.

MR. CHAIRMAN: The Honourable Member for River Heights.

MR. SPIVAK: Mr. Chairman, again, a question to the First Minister on this particular item before we deal with the amendment.

MR. CHAIRMAN: Do you have a question?

MR. SPIVAK: Yes. Is it not a fact that on more than one occasion you have contacted the Fund directly and spoke to the General Manager and gave him instructions in connection with the loan?

MR. SCHREYER: Mr. Chairman, I said yes, I have, we have, but we have never pretended otherwise. I have never said, and I don't believe any of my colleagues have ever said that there was some kind of necessary arm's length relationship that had to exist between government and the development agency, and therefore I don't understand my honourable friend's question.

The reason that this is such an interesting point of discussion is because while this practice which is being carried out was also carried out by my predecessors. My predecessors apparently insisted on saying time and time again that this was not the case, and I'm saying that this is the case, we are doing it, they did it, except we don't deny it.

MR. CHAIRMAN: The Minister of Industry and Commerce.

MR. MOLGAT: Mr. Chairman, I wanted to ask a question on the statement made by the First Minister.

MR. CHAIRMAN: The Member for Ste. Rose.

MR. MOLGAT: Is it correct then that in the winter session of 1966 when the announcement was made by the government regarding the Churchill Forest Industries' development and members on the opposition side asked the government whether the MDF was to be involved - on repeated occasions - whether there would be funds, the government said they didn't know, that the House was not being told the truth?

MR. SCHREYER: Mr. Chairman, the Honourable Member from Ste. Rose will have to draw his own conclusions. I certainly am prepared to say once again that whenever the Fund was involved in major large scale transactions that the government of the time was very much aware of it and aware of the nature of the transactions.

MR. CHAIRMAN: The Minister of Industry and Commerce.

MR. EVANS: Well, Mr. Chairman, at the beginning I was almost ready to believe my honourable friend from River Heights that he was simply desirous of aiding the cause of good legislation in the province and here was his suggestion to improve the proposed Development Corporation Act, but I would point out that absolutely no notice was given of this lengthy amendment, and I really do feel - I didn't get a copy of this until you presented it in the House - and the fact is that although it is a lengthy document and it takes one awhile to read it, it really does have very little in substance to what already is in the bill. In fact there's only specific mention, that is to one type of financial assistance, and that is specific mention of the lease type of arrangement. All others have been included except that there was another phrase which was an omnibus phrase. As the Minister of Mines and Natural Resources pointed out, it has been indicated and is indicated by this government that it is our intention to disclose the individual transactions entered into by the Development Corporation, and this is well spelled out in Section 29 (1).

As far as the wording is concerned I think that you could think of an infinite number of ways to word this thing. I'm sure we could get Legislative Counsel, we could hire 50 legislative counsels and come up with 50 different types of wording, but really you're going to say the same - the substance, the law, the legality of it is exactly the same. However, because we haven't added the word "lease" in here and because we do intend to make it comprehensive,

(MR. EVANS cont'd.) this was our intention, I'm going to propose that we have a minor amendment, at least it's not going to take almost two pages of words, along this line. I'm going to suggest it and then I'm going to have the matter stand because I want to make sure that it is proper legal phrasing and so on. But what I'm going to propose is that in Section 29 (1), subsections (a), (b) and (c) be deleted and in its place the following two subsections would be added: "Subsection (a):- The amount and nature of assistance, financial or otherwise granted or to be granted by the corporation and the parties to whom the assistance was or is to be granted whether by way of loan, guarantee, lease, grants or investment; and (b) the terms under which the assistance was or is to be granted."

Now I'm suggesting this is along the lines of what we're thinking, a very concise amendment which will make it a bit more comprehensive than it is. But I submit, Mr. Chairman, that the original Act or the original clause would provide for the vast bulk of the types of financial transactions which the Development Corporation would be engaged in, and to that extent, this government was directing and is directing the Manitoba Development Corporation to disclose the individual transactions to an extent never thought of before by the previous administration. So therefore, Mr. Chairman, I would ask this specific section to stand for the moment. (Agreed)

MR. CHAIRMAN: The Member for Rhineland.

MR. FROESE: Mr. Chairman, before we leave this section, I did not participate in the debate so far. However -- pardon?

MR. SCHREYER: Perhaps it would help my honourable friend if I were to repeat - we're not leaving the section, we'll be coming back to it. Maybe he would be more prepared, more ready to deal with it then?

MR. FROESE: I would just like to make a few comments before the matter is stood so that at least I can make my views know. In speaking to the amendment that is before us and going over the particular section in the bill which we are trying to amend, many of the things I think are covered, but what I would like to see is also the amount that would be coming in each year from loans. More or less we are having a revolving fund, if I can claim it that way, that the total amount of money is more or less a revolving fund and that the money is going to be used as it's being repaid and probably additional funds will be borrowed if required. If we could have it set out in the report that will be tabled that it be done in such a way so that we would have some idea as to how much money we can expect the following year and so on in the matter of repayment?

Then, too, I think guarantees have been mentioned. The amount of the guarantees, the matter of equity investment, how much is being extended in this way? I'm not sure just whether when we talk of equity whether this means shares only or whether we are talking of equity other than shares. Since the Credit Union Act was brought in it seems to me that now we're speaking of different things when we're talking of equity. So if the Minister can enlarge on that later on I would be happy to hear from him.

The matter of lease agreements as incorporated in Section (d) and then in (e) is the amount of the grants or financial assistance that would be given to these various firms. If these are all covered by way of the amendment that the Minister is now proposing I'd be quite satisfied.

MR. CHAIRMAN: Is it agreed that Section 29 (1) stand? We carry on?

MR. SPIVAK: Mr. Chairman, just on a point of order. It stands with the amendment before the committee. The amendment's already been proposed before the committee - it stands as . . .

MR. CHAIRMAN: (Sections 29 (2) and (3) of Bill No. 138 were read and passed) Sub-section (4) . . .

The Member for Rhineland.

MR. FROESE: Mr. Chairman, I would move that Section 29 be amended by deleting subsection (4).

MR. EVANS: Mr. Chairman, wasn't that deletion approved of in the committee stage in Law Amendments Committee review of the legislation? If my memory serves me correct, it was late at night, but I think we agreed to the deletion of Section 29 (4). Maybe the Clerk or the legal counsel could advise us on that.

MR. CHAIRMAN: There's no indication that there was an amendment in Law Amendments on this.

MR. MOLGAT: Mr. Chairman, in view of the indication by the Minister that he had thought it had passed, I presume there are no objections by the government to having it deleted at this time. I certainly support the amendment by the Member for Rhineland, particularly when one considers that in previous section, the section specifically reads: "Request an independent committee appointed by the Lieutenant Governor in Council." I think it would be an anomaly to go out of our way to specifically say an independent committee and then pick a member of the Legislature who has certainly political affiliation and I don't care which side of the House that member would come from. It seems to me that would be incorrect. It would also put the member of the House in a I think, an improper position when the matter came up before the Legislative Assembly at the following session as 29 (3) calls for. So I presume the Minister is agreeable to having it deleted?

MR. FROESE: Mr. Chairman, in making the amendment certainly I feel quite strongly on this, that if we are to retain the board as an independent one that there should be no member of the Legislature serving on it. It seems to me, too, that we're servicing a group here with a commodity that certainly would lend itself to patronage and I feel that we should steer away from this. I know the section was in the old Act but I don't recall ever having a member been appointed to the board, so that this was not acted on. I feel that the provision should not be in there. I feel that it should be deleted so that the influence would not be exerted on the board, or government influence would not be exerted on this board.

MR. CHAIRMAN: The Minister of Industry and Commerce.

MR. EVANS: I am very surprised. It was my understanding - there was no discussion on this matter in the Law Amendments Committee, and it was very late at night. Personally, I am not in agreement with the Honourable Member from Rhineland's amendment or suggestion, but it seemed to me that it was agreed by the Law Amendments Committee very quickly. Now I'm asking if the Clerk of the House would check his records.

MR. CHAIRMAN: The Legislative Counsel informs me there is nothing in the present Act that was deleted in this section.

MR. EVANS: Well I'm happy that this was not then agreed to in the Law Amendment Committee and I would therefore say that the government is not prepared to accept the honourable member's suggestion and we would prefer to leave it stand as it is.

MR. MOLGAT: Mr. Chairman, I wonder if the Minister could indicate why he is not prepared to accept it. If he says in the first section that he wants an independent committee, why then does he want to have a member of the Legislature on that committee when the member of the Legislature by virtue of the way that we get here is certainly not a politically independent individual, he is representing a political point of view? If the Minister says an "independent committee" surely he should then not want to change it in the following section and cause it to be a "member of the Legislature" particularly if the member of the Legislature happened to be a member of the government side. Then I think it would be doubly important because quite obviously the view would be, or could be, by the individuals who were seeking redress under 29 (3) that the government in fact was stacking the committee against the individual, the decision originally having been made. So I strongly urge the Minister to reconsider his position. If he's not prepared to do so then at least explain to the House why he wants that section in there.

MR. EVANS: First of all, Mr. Chairman, I would point out that this particular section of the Act is exactly the same as was in the previous Act. In other words, there's no change being suggested by this government with respect to this section. This is identical to a similar section in the previous Act. As a matter of fact, perhaps I can find the exact number. I think it was - yes it was Section 30, subsection (4) - it's on Page 92 of the previous Act, the office consolidation of the Manitoba Development Fund Act, and there is no change whatsoever in the wording of the section. In other words, as I said, there's no change.

Now I note also that the section says "may" be appointed. In other words, an MLA may or may not be on this particular independent committee. I would submit that it only relates to one MLA and the committee indeed may be made up of many people and we may find that it would be very appropriate in some cases to have a member who is in this House and who has had the benefit of discussion in this House who may be - it doesn't specify the particular party, it could be from any party, the member may be from any political colour, and certainly may add substantially to the usefulness of the committee, and I would submit because he's only one surely he couldn't, or should not detract in any way from the independence of the committee.

As a matter of fact, Mr. Chairman, I think the honourable members are doing all of us

(MR. EVANS cont'd.) in this House a disservice by suggesting that by having an MLA on the committee you tend to make it less of an independent committee because I do think that the individuals in this House are people who have plenty of ideas, people who can be rational, at least at times we're rational, and who can exercise independence of judgment and provide all their experience and their training and their background in making this a more useful committee. To suggest that the fact that there is one MLA on the committee that it therefore isn't independent is to me just not, you know, it's just not a reasonable assertion. As I said earlier Mr. Chairman, this is permissive, this does not mean that the committee will have an MLA, it means that it "may" have an MLA, and to that extent we are providing more options for all of us. We're providing more options for the government of the day, more options for the people of the province. By agreeing to this amendment of the Honourable Member from Rhineland what we're doing is reducing our options; we're putting ourselves in a less flexible position. So therefore for these reasons, Mr. Chairman, I would suggest that it would serve no useful purpose to agree to the Honourable Member for Rhineland's suggestion that Section 29 (4) be deleted.

MR. CHAIRMAN: The Member for River Heights.

MR. SPIVAK: Mr. Speaker, the presentation by the Minister of Industry and Commerce is rather amusing to say the least. He's got about a full circle in. In fact he convinced me that we should vote against the section. But he came to the conclusion at the end which appears to be opposite of what he says, is suggesting.

Now the Minister of Industry and Commerce happens to be a very nice person, I think everyone accepts this, I do not think he should be Minister of Industry and Commerce nor do I believe that he really understands what this section is all about. Now this section was introduced by the government last year and was objected to and the objection is a valid one. There should not be a member of the Legislative Assembly on an independent committee viewing an appraisal on a specific loan of the Manitoba Development Fund that's in question. That's just straight common sense. -- (Interjection) -- No, no. This was introduced by you. It was introduced by you. And I suggest as well, I suggest as well, Mr. Chairman, that it's not a good practice and it should not occur. In the event that the Legislature requires study and consideration of a specific situation then it should be made up of a Legislative Committee or it should be referred to the Standing Committee on Economic Development, and there's provision for this later on, in which there can in fact be an availability on the part of the Members to be able to have access to the records and documents for this kind of study. If the situation should arise and it seems expedient for the government and the best procedure to be followed to appoint an independent committee, remember, Mr. Chairman, we have an Economic Advisory Board who do the supervision now of the Fund and who in fact are the group who at this point, if I'm correct, are examining those specific loans in which there have been some concern expressed in which there's been a review of the Fund's activities. It seems to me that there should not be this provision and we should not put ourselves in the position of allowing the government to be given the right to appoint a member of the Legislature on an independent committee because it may very well be one of their own members and this gives them, gives the government on that side or the members of that caucus I would say an unfair advantage over the members on this side. I don't think it really is the intent and I don't think that was really the desire. We now are going to have some supervisory capacity on the part of the Standing Committee on Economic Development. It would seem to me that this is where the members should be involved and this is where the members have a right to look into whatever information is required.

MR. CHAIRMAN: Are you ready for the question? Amendment by the Member for . . .

MR. EVANS: Well, I'd like to ask the member that's just spoken a question. If he thinks that this clause is so terrible why did his administration include it in the Act, why did he permit it? It's in the old Act, look at Page 92.

MR. CHAIRMAN: Are you ready for the question? The Honourable Member for Ste. Rose.

MR. MOLGAT: Mr. Chairman, surely the Minister isn't going to use the argument it's in the old Act as an example why it should be in this one. The Minister's been telling us he wants to change the old Act, now don't use the argument on the one side, the Act should be changed then as soon as you hit another section you say no it shouldn't be changed because it's in the old Act. Now come, Mr. Chairman, that's not reasonable nor logic. If you're changing

(MR. MOLGAT cont'd.) the Act, let's deal with the Act on what's right or wrong. I have to admit, Mr. Chairman, that I did not find one single argument in what the Minister had to say which . . .

MR. EVANS: You weren't listening.

MR. MOLGAT: I was listening with great care and I suspect, Mr. Chairman, that even the Minister didn't believe what he was saying, didn't agree himself with the statements he was making because he certainly wasn't making with a great deal of force, if he has any faith in them. There can be no logic, Mr. Chairman, in saying in one section that he wants an independent committee and in the very next section saying but we are going to reserve the right to put an MLA on that committee. Now if you want a committee that's independent I presume you want it independent of government, because it is reviewing a decision by a government body. Now if you want it reviewed by a government body, I see my colleagues on the sideline suggesting that there is an independent member, well if he's the one to be so appointed then we should put it in the Act, but other than that, it's a committee to review a decision by a government Board, to make a recommendation back to government. Now surely if you say you want it independent then you don't proceed by putting a government member on it.

MR. CHAIRMAN: The Member for River Heights.

MR. SPIVAK: Mr. Chairman, I rose only on a question of really giving the Honourable Member for Ste. Rose and the Honourable Minister of Industry and Commerce some information, because in looking in the Act, I think I'm correct, this section was introduced by the government in their first session and it was not in the previous Act, so therefore if I'm correct this was introduced and I believe that we on this side voted against it. At the time I spoke against it; I thought it was wrong then, I still think it's wrong and I think it should be knocked out frankly.

MR. EVANS : Mr. Chairman, I should have realized it, I suppose, but I didn't. But at any rate let me say this that the original intent of having an MLA appointed to a member of the committee is that that MLA may have represented the complainant; in other words, the individual company or the individual party that was felt aggrieved or wronged in some way or other could have, and does in some cases - I trust the Honourable Member from Ste. Rose is listening carefully and he trusts that I'm making my point forcefully, I don't have to pound the table - the fact of the matter is in many cases the complainant brings his complaint to a particular MLA and the intent is and was and remains and will remain , that this particular MLA who is the vehicle for bringing the complaint could sit on the committee and in this way justice could prevail. All in all, I think the complainant might feel that he has a better review of the particular complaint. But this was the original intent of the particular section.

MR. FROESE: Mr. Chairman, -- (Interjection) -- the Member for Churchill says I'm not to talk him out of the job. I think we're not discussing the qualities or the abilities of any of the members such as the Minister was indicating when he spoke previously. I think if ever there is a Crown corporation that lends itself to patronage, this is one of them. This is the one and I feel we should very definitely take this clause out of this particular bill because certainly the one member who will be serving on it, and if he should be later on on the Economic Development Committee certainly he could make many proposals which would just suit to the liking and fit in with the corporation and therefore that's another reason why I feel that this section should be taken out. I certainly have no alternative but to oppose the retention of that section in the bill.

MR. CHAIRMAN: The Member for River Heights.

MR. SPIVAK: Mr. Chairman, I want to say to the Honourable Minister of Industry and Commerce, he was not in the House when this took place, but referring back to the previous debate in reference to the previous statement that was made in the House with respect to disclosure, on that occasion I know that I announced a policy which provided that the Fund, the General Manager of the Fund would deal specifically with complaints whereby one of the members would come in if it affected a person who was a constituent in his area and he would deal specifically with that and open all the records of information in connection with it so that the MLA would be in a position to acquire for himself the information. Now I think this was the procedure that's been followed since the time that that announced policy was made in the House which I believe was in '67. I don't think it's changed, so that in effect the intent of what he's suggesting has in fact been in operation and is being accomplished and really this section does not deal with it. This section really deals much more with an independent commission

(MR. SPIVAK cont'd.) being set up on a specific situation, and there have been complaints before where we've had specific situations where it may be desirable, but I think the principle involved is a bad one.

If you're going to appoint an independent committee then it should not include members of the House. If you want to appoint a House Committee then this is fine. If you want to appoint a sub-committee of a particular standing committee such as the Standing Committee of Economic Development, I think that's valid and correct, but I do not believe that it's right than an independent committee be appointed on a specific case; and where now all the cases we're talking about in the future should include a member of the -- (Interjection) -- Well the Minister of Industry and Commerce says you're talking about one man but that's not the way that section reads; it can be more than one man. You know, the problem here is you're interpreting it a certain way because you have in your own mind that this is the way it's going to function, but it doesn't follow that you'll be Minister of Industry and Commerce and it doesn't follow that the next person will not interpret it in a different way and it's liable to a different interpretation. I think it's a mistaken error because I do not think that one member of the Legislature, or two possibly from one side, should be appointed if in fact there's to be an independent committee, in which House members are to be involved.

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

MR. FROESE: Yeas and Nays, Mr. Chairman.

MR. CHAIRMAN: Call in the members.

MR. CHAIRMAN: For the edification of the members who were absent the amendment is to delete subsection (4) out of section 29.

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

YEAS, 17; NAYS, 24.

MR. CHAIRMAN: I declare the amendment lost.

The Member for Ste. Rose.

MR. MOLGAT: Mr. Chairman, I want it recorded that I was paired with the Honourable Member for Elmwood. Had I voted, I would have voted in favour of the amendment.

MR. BARKMAN: Likewise, Mr. Chairman, I was paired with the Member for Winnipeg Centre and I imagine he would have voted contrary to what I would have and that would have been for the amendment.

MR. PAULLEY: . . . wish to raise on and I have no objection to my honourable friend, but the two honourable gentlemen will be the only two that are recorded as to how they voted. I wonder, and I have had some compunction throughout this previously as to whether or not, because it is a straight count. I have no objection to it, I don't raise it but I do want to point out that there is no real recording of individual votes in Committee of the Whole House.

MR. MOLGAT: Mr. Chairman, I quite recognize the question and it was with some hesitation that I did so. On the other hand, if I'm not to have the chance to vote, then I would have to take the position that I was not there.

MR. PAULLEY: I realize that, Mr. Chairman.

MR. CHAIRMAN: (Sections 29 to 31 (2) of Bill 138 were read and passed.) The Member for River Heights.

MR. SPIVAK: Mr. Chairman, I have an amendment. I'll move the amendment first and then discuss it afterwards.

Mr. Chairman, I move, seconded by the Honourable Member for Riel that subsection (3) of Section 31 be struck out and the following subsection substituted therefor: "Disclosures by Chairman and General Manager: 31 (3) Notwithstanding subsections (1) and (2) the Chairman and the General Manager shall attend the first meeting of the Standing Committee of the Assembly on Economic Development held after the first day of June in each year and any other meetings of the committees which he is requested to attend shall provide the most recent (a) annual audited statements of assets and liabilities and profit and loss in respect of any company in which the corporation has acquired an equity position by the purchase of shares of that company or otherwise; and (b) complete financial information in respect of any individual enterprise or operation in which the corporation becomes involved under Part II. :

MR. CHAIRMAN presented the motion. The Member for River Heights.

MR. SPIVAK: Mr. Chairman, again this amendment is to further the objective of the tentative Section 31 (3) basically to allow the Standing Committee on Economic Development to

(MR. SPIVAK cont'd.) have the opportunity of examining both the chairman and general manager of the Fund. Now, Mr. Chairman, the way the section is now worded, the section states that the chairman may be required to attend a meeting - there is no obligatory intent on that section - it's a discretion again as to whether he should or should not attend and may or may not attend, depending whether the standing committee on economic development does in fact meet.

Now, Mr. Speaker, the purpose of this amendment is to first of all make it obligatory that there should be a meeting of the Standing Committee on Economic Development and that at that first meeting after the audited statement of the previous year is before the board, should be presented so that there could be information given to the members of the standing committee, and thus to the Legislature, in connection with those companies in which the government or the corporation has acquired an equity position and so that there will be an opportunity to examine the full details of the financial statements and information.

Now, Mr. Chairman, if we examine what's happened with respect to the standing committee on economic development, we know that the committee has met, has decided that it will meet again to discuss a report which said that it met and that report then was tabled in the House; we now have a resolution before us on the Order Paper which indicates that the standing committee will be set up in the future. So far the Standing Committee on Economic Development has done nothing and so far the intent of the TED Report with respect to this particular item has not been followed. Now the intent of this section is to have the Legislative Committee on Economic Development be given the opportunity to have the most recently audited statement. We've had an opportunity, Mr. Chairman, to have reviewed Hydro matters in this session. We've had an opportunity, Mr. Chairman, to deal with the person who is the chairman, whereas in the previous year we had an opportunity to deal with someone who was both the Chairman and General Manager and it's of course understood that there will be occasions on which the audits may be held by the same person, or you may have a general manager and a chairman, separate individuals holding each responsibility.

Now there is a distinction, Mr. Chairman, between the operation of a Board by the chairman and the operation of the actual corporation by the general manager. They are two separate functions. We have already asked in this Legislature for the opportunity to have the General Manager of Hydro appear before the committee so that we would be given the opportunity to be able to hear his presentation with respect to Hydro matters. We did have an opportunity for him to be present when he was chairman, we do know that there appears to be conflicting testimony that was given in previous years to the testimony that's now being given. Now, Mr. Chairman, the government on the other side has indicated that there is a new policy and that new policy will be the desire to take equity investments as a means of advancing funds so that many corporations in Manitoba will be able to expand and the public as such will be able to benefit.

Mr. Chairman, many of the members on this side are aware of the financial positions of the three companies in which equity positions have taken place so far, and we understand frankly, on compassionate grounds more than anything else, why it was necessary for the government to enter into the equity position to be able to save the company, and, Mr. Chairman, I don't think anyone on this particular side, on this side, is particularly concerned with in any way jeopardizing or in any way preventing these companies from getting out of their financial position into a position of profit and into the position of expanding their activities and thus creating an additional impact on our economic life. I think, though, that many of us on this side are a little bit disturbed by some of the allegations made by the members on the opposite side that what has happened is such a great new revolution in terms of the operation of the Manitoba Development Fund and really is a new step and a new advance in our economic activity. What has happened, Mr. Chairman, has happened out of sheer necessity as a means to try and assist companies who were in trouble, and I have mentioned before that the Honourable Minister of Industry and Commerce in a recent interview indicated that he was spending most of his time trying to save companies rather than to bring companies into Manitoba.

Now having said that, Mr. Speaker, it's important, because I think the record has to be clear on this and I think it's necessary for no attempt at distortion to be made, as I believe it has been made by some on the other side, of a situation that is not exactly correct, be presented here or outside of this Legislature, and the only way that I can see this happening is to have the particular section expanded so that it's obligatory for both the Chairman and the General

(MR. SPIVAK cont'd.) Manager, each one of whom have separate functions, to appear before the standing committee, that they appear before the committee at the first meeting after the financial statement has been presented and reported to the board, and according to another section of the Act - and I haven't got it in front of me, but it's in . . . , they would have to report by June 30th - that at the first meeting of the Standing Committee on Economic Development to be held, that the Chairman and the General Manager come forward, be in a position to deal with the financial position and equity position, so that there is some way in which we can make an assessment as to the government's judgment - because this is what we are now reviewing - the government's judgment in directing the Fund to loan money or in approving of a Fund action in loaning money, because now if we examine the section, it's under, it's subject to the approval of the Lieutenant Governor in Council - and I'm referring to 5 (c).

Mr. chairman, we in this side have an opportunity to be able to judge the stewardship that has to be judged on the part of the government with respect to this item. Now, there is no way this can be done because what is now presented is, first, that the chairman "may" come, no obligation that he "shall" come. Secondly, it doesn't follow that the Standing Committee on Economic Development will meet in between sessions, notwithstanding the resolution that's put forward, because the last meeting - and we had a later session - but the last meeting was only about two weeks before the session actually commenced. And thirdly, we do not have in this particular section the opportunity that the amendment now presents of being able to deal with the complete financial statement, because, Mr. Speaker, I have had the opportunity of reviewing one of the financial statements of one of the companies that's involved and has been involved in equity participation, and I think that the action of the government was correct. And I'm not suggesting that the action of the government was not correct, but there has been, I would believe and I can only express it this way, a little bit of a distortion presented to the public as to what the government is actually doing, and I think that this has been rather unfair and I think it's rather unfair because in the event, as I suspect, that this particular venture is not successful in the next few years and requires additional sums of money, I'm not so sure that the public will understand what has taken place, and rather than put themselves in that position I think the government owes it to themselves as much as they owe it to the members on this side to give the Fund the opportunity of explaining exactly what has taken place and, in particular, how the money has been secured, why it was loaned, and the reasons for it.

So, Mr. Chairman, I would commend the government to consider this amendment. It's done on the basis that it would be the first meeting of the Standing Committee on Economic Development after the first day of June in each year, and I may say it may very well be that there may not be a meeting for six months after this date, but nevertheless it will give the Standing Committee the right to know that the individual General Manager and the Chairman will come forward, and the opportunity for the review that should be undertaken will take place.

MR. CHAIRMAN: The First Minister.

MR. SCHREYER: Mr. Chairman, the Minister of Industry will no doubt be dealing with the substance of the proposed amendment that has been moved by the Member for River Heights but I thought it would be useful to take at least a minute or two to talk about parliament, because what the Honourable Member for River Heights is proposing is yet another indication that really he doesn't quite appreciate what some of the long-standing practices of parliamentary institutions are and have been.

Let me say, by way of a beginning, that the previous administration took the position that the transactions entered into by the Manitoba Development Fund in their basic particulars were not accountable or reportable here to the Legislature, the data as to amounts, interest rates and the like, and in fact they went so far as to pass a statute which said that the Legislature shall not receive certain of this information. Maybe I've transposed the words. Right. My colleague corrects me and says that while it wasn't put in statute in that way, nevertheless the stated, the asserted position in this Chamber by the former premier was that they would not, they could not report certain of this basic data to the Legislative Assembly. Now what we have done here, trying to put it in as brief a context as possible, we are saying not only that we want to change that, but we are also saying that we may. The previous administration said that they would not provide certain of this information and we are saying that this information "may" be provided.

Now it's also necessary to explain this; that I am aware, of course, that it is a long-standing practice that agencies - Crown agencies, that is to say - departments, can be

(MR. SCHREYER cont'd.) summoned before a parliamentary committee and this is done frequently, both by this Assembly and by the Parliament of Canada and parliaments elsewhere, but nowhere am I aware that there is a statutory provision that a Crown agency shall, or that the permanent senior officer of a Crown corporation by statute shall appear before a Parliamentary or Legislative Committee. It is a common practice, one that we respect and intend to continue, but we are not prepared to deviate from long-standing and well-respected parliamentary practices. It is not in statute; we see no reason at all for the Member for River Heights taking the position that it should be put in statute now; a long-standing, well-respected practice that has been followed over the years and decades we intend to continue. And more than that, we respect the parliamentary and legislative institution enough to say that we will never come before this House and say that there are certain basic data and information which we as a government, as a Cabinet, have in our possession, we're saying that it cannot be made available to you. It's a matter of judgment of the government whether or not it is to be made available, but never to say that it can't be made available by law, which is what my predecessor did say on more than one occasion. It is, if I may say so, Mr. Chairman, simply irrational, illogical, a contradiction in terms to say that it is by law impossible to provide certain information to the Parliamentary or Legislative Assembly. Now, because we have made this rather important change by saying that we are going to stop the practice of saying that it is not possible to provide data, we are now saying that it may be provided, and like many other statutes it's couched in permissive terms rather than in mandatory language so that the judgment of the government of the day can be brought to bear as to whether or not certain information or data, if revealed, might be harmful for whatever reason, but if we take that position we have to be held accountable for it, but we are not going to follow the pretext, the rather insulting pretext, that it is impossible by law or parliamentary practice to do that.

Now, can I give some examples? The Air Canada, the Canadian National Railways, Manitoba Hydro at the provincial level, and many other kinds of similar Crown or publicly-owned institutions are requested to come before parliamentary or legislative standing committees on a regular basis each year, and this is done, but nowhere is there any provision in statute that this shall be done. Parliament decides, the Legislature decides, the committees thereof decide whom they will question and whom they will hear as a witness, and to depart from that long-understood and long-followed practice, to me at this time is quite unnecessary, quite unnecessary except perhaps for certain political considerations which are harboured in the mind of my honourable friend - I don't know exactly why. At this time I'm suggesting that if we pass his amendment, making it a statutory requirement, it really doesn't change anything substantial, I don't think, except that it offends me because it is an offence to a long-understood parliamentary practice.

MR. CHAIRMAN: The Minister of Industry and Commerce.

MR. EVANS: Mr. Speaker, I would underscore the remarks just made by the Premier, and that is that surely it is up to the committee to decide on its procedure, whether the committee itself, having been established by this House, whether the committee itself wishes to have the Chairman of the Development Corporation appear before it or whether it doesn't wish to have the Chairman of the Development Corporation appear before it, at any particular time. I suggest, Mr. Chairman, that it is to lay down the utmost of rigid procedures to spell out the time, the date of a meeting, or that the Chairman shall appear at the first meeting at a particular time, period of time, the first day of June in each year; that this is in effect providing the committee with a more rigid structure in its terms of operations and that this is simply unnecessary. What we are being treated to, Mr. Chairman, is the judgment of the Honourable Member for River Heights; that he feels that we should have the committee meet shortly after the first day of June in each year or, rather, that the committee shall have the Chairman of the Development Corporation appear at the first meeting of the committee held after June of each year. In his judgment, he thinks this is a good thing and that therefore all of us should immediately jump on the bandwagon and agree to it. I say, Sir, that this is creating a rigidity that is unparliamentary and unnecessary. The committee decides on its procedure and I think we should leave it to the committee.

With respect to the substance of Part B respecting, as I read it, complete financial information in respect of any industrial enterprise or operation in which the Corporation becomes involved under Part II, I would point out that in the Act as it stands, in Section 44 of the Act, there is provision already, on Page 21, Section 44, that an Annual Report shall be

(MR. EVANS cont'd.) prepared by the Development Corporation and that this report will be forwarded to the Minister, who shall lay it before the Legislative Assembly, with respect to any activities under Part II of the Act. So therefore, Sir, there is provision to provide considerable information on the activities of the Corporation under Part II. This is included in Section 44.

Furthermore, much of the data with respect to equity positions taken by the Corporation will already be - and even if it is provided for under Part II - will already be provided under "A" as suggested in the amendment, or more specifically it is already provided for in the section as it presently stands. In other words, I'm suggesting that the disclosure by the Chairman, the provision of recent annual audited statements of assets and liabilities, shall be provided whether the equity was taken under Part I or Part II, so really much of the information, or all of the information requested by the honourable member in his amendment, subsection (b), is already provided for within the Act as it presently stands before you. So I suggest, Sir, that this amendment is not only not in keeping with parliamentary procedure, but it provides for nothing that is already not provided for.

MR. CHAIRMAN: The Member for River Heights.

MR. SPIVAK: Mr. Speaker, listening to the remarks of the First Minister one could only think that the White Knight was waffling again, because really, Mr. Chairman, what has happened is here is an opportunity for the government and for the First Minister to in fact accept something which they declared before, and rather than accept it or even deal substantively with the motion, they now go back again to the past and talk about the past, talk about procedures, and are not prepared to deal substantively with what's before us.

Mr. Chairman, we've entered into, from what I can understand, from the information that's been told in this House, into three specific areas in which equities have been taken. Those three are marginal situations, they are controversial situations, and I think the First Minister is aware of this. There are people within the community who are concerned about the government's involvement in these operations because of their knowledge of the financial position of it, and there have been many questions that have been raised from members on this side with respect to it that have not been raised in this House simply because there was no desire or intent on the part of the members here to in any way try to do anything that would affect the financial position of the companies, recognizing the particular situations that they're going through; and what's being requested here is the opportunity, at some time, for some kind of review to be made, so that in fact we will be in a position to deal with it, to know in fact whether there was justification, and not to use the political processes as it exists in this House in a way that could possibly damage the operation.

Now, Mr. Chairman, we do not know, since the announcements have been made of the equity position, the profit and loss position of the various companies. There are rumours that are of concern and I think the government on the other side should be aware of it - they certainly have been mentioned to this side - in connection with the operations, and it would appear that at some time, somewhere, we in the Legislature have a right to judge what has taken place and there is an obligation for that information to be forthcoming; not in a discretionary way but an obligation. That's number one.

Number two: We have had the situation where the government members have announced this new position - which is not a new position because it always existed before - and in effect, as I've indicated before, all that the government is now doing is using another means of getting money into the hands of the Corporation by taking as additional security the equity and making various deals in connection with it. One may be to leave it with the Fund; one may be to be able to sell it back to the original shareholders, or what have you; and I'm not quarrelling with this additional extension of financing, because that's really all it is at this point. There may very well be an occasion in which the Crown corporation will be set up and the government will enter in it on the basis that we are going to operate in partnership, but so far this has not really happened. I realize that the government needs the flexibility, but at one point the members in this Legislature are entitled to know the specifics, and this I think the Honourable First Minister really agrees.

Now, all I'm saying is that I've suggested a procedure and I have suggested a timing, because the calling of the committee will be in the hands of the government. If we examine what's happened in connection with the Standing Committee on Economic Development, the procedures so far have been a farce. And everyone knows that. We're not fooling anybody. The Standing

(MR. SPIVAK cont'd.) Committee on Economic Development didn't meet for all intents and purposes. -- (Interjection) -- Now here we go back to '68, to '67. The Standing Committee was a recommendation of the TED Report. Now let me say to the First Minister, the Standing Committee on Economic Development comes directly as a recommendation of the TED Report, on Page 399, and if he wants me to . . .

MR. SCHREYER: Before the TED Report the world didn't exist!

MR. SPIVAK: Yes. But the fact of the matter is that the government, in bringing this, brought this forward and at the time the statements were made by the then House Leader in the absence of the First Minister, and said specifically, "We are introducing this following the recommendation of the TED Report."

MR. SCHREYER: That's only one of the reasons.

MR. SPIVAK: No, he said this was the reason.

MR. SCHREYER: Not exclusively. That's not a bible to me.

MR. SPIVAK: No, I agree it's not a bible. We both agree that it's not a bible, but the truth of the matter is that you took credit in introducing it by referring back to it. Now, having said that, I suggest to you that the Standing Committee so far as it's operated has been a farce, and all I can believe is that if we do have a period of tranquility between this session and the next one - and I'm not so sure we will, but if we do, . . .

MR. GREEN: Will the honourable member tell me what will be the in-between period that he is talking about?

MR. SPIVAK: Well, I'm not so sure. We do not know how long 140 briefs -- there is a dispute between the Premier and myself as to whether it will take two months or not; this we will have to wait and see. However, -- (Interjection) -- I have a solution for the Honourable Member for St. Boniface but he wouldn't want my solution for him either.

Now, Mr. Chairman, I think it's extremely important to point out that if the Premier suggests, or the First Minister suggests that we on this side should rely on the good will of the Minister of Industry and Commerce and himself with respect to the calling of the meeting, the fact that the committee itself will make up its own mind as to what it will do, let me remind him that the committee is controlled by the government, that in effect, in dealing with economic matters already so far in the first session that was held, that there was really not the kind of flexibility and freedom in connection with the debate . . .

MR. GREEN: Would the honourable member permit a question, one question at this point? Would the honourable minister at least agree to this, that if . . .

MR. SCHREYER: Who? Who?

MR. GREEN: That is a bad mistake, and Mr. Chairman, it would be a bad mistake, let me underline that. Would the honourable member at least agree to this, that if he, as a member of the Opposition, got up and asked the First Minister of this province, if he got up and said to him, "Do we not have a right to investigate as to the financial affairs of the Province of Manitoba and the investments of the Manitoba Development Fund?" do you not agree that the First Minister could not get up and say, "Not unless we change the legislation"? Would he not agree to that, that he would be entitled to ask that question and we would not be able to say the legislation prevents it?

MR. SPIVAK: Mr. Chairman, first may I say to the question asked to me by the Minister, that his schizophrenic position was shown by his reference to me as a Minister. Now, having said that, may I say to the Honourable Minister that it is not my intention to deal with hypothetical questions and so therefore I will answer in that way and continue on with this.

I would suggest, Mr. Chairman, that this amendment should be seriously considered by the government, and in effect, if they do not do this, they are going to lead us into the position of having to do something that I think is quite undesirable, which will be the constant questioning with respect to the seeking of information in connection with equity positions of some of the companies because too many questions are asked. I may say, Mr. Chairman, that I think, by design, the members on the opposite side have thoroughly confused the public in Manitoba and there is a complete misunderstanding on the part of the general public as to what the equity position actually is and the intent of the government is with respect to equity matters. I say that and I'm confident that if we were to go out, Mr. Speaker, and start to walk down Portage Avenue and ask individuals what they thought in terms of the equity position of government, and asked for an understanding of what has been represented to them, it would not be what is clearly the situation, which is that the equity positions are really a means of financing at this

(MR. SPIVAK cont'd.) point, with the right to enter into a Crown corporation as such, which existed under Part II before in any case.

Now, having said that, I'm suggesting that unless there is going to be the opportunity for the kind of review, then you are going to put us in this position of continually asking and seeking information, some of which would be possibly particularly embarrassing to the companies involved at the time, . . . to any question of the government, which will not be furnished by way of information and which will only lead to a continual hassle. What is really being proposed is the opportunity for a more thorough discussion, and the times set are based on the reality of, first, the auditor report coming to the board in time, and secondly, recognizing that the sessions, that you can be meeting in-between sessions at the Standing Committee meeting, which will be the next meeting, and that could be six months or eight months after the report has even been tabled with the board. That doesn't appear to be unreasonable but it does give the House the opportunity for this kind of a debate.

MR. CHAIRMAN: The Honourable First Minister.

MR. SCHREYER: Mr. Chairman, the honourable member uses the expression "confusion"; that this government has, in certain of its industrial development activities, confused the public, particularly, as I understand him, particularly as regards to the question of equity, taking up an equity position; and I really couldn't follow his explanation as to in what sense there was confusion of the public in this regard. But I want to say to my honourable friend that if it's confusion of the public that is uppermost in his mind at this time, I would like to begin the process of education with him by referring him, to start with, on Page 110 of Hansard, December 12, 1966, wherein there is this exchange which summarizes in a very few words where the confusion really began in the first place, because the Leader of the New Democratic Party at that time poses this question: "Mr. Speaker, has not the government the authority to investigate into the use of public funds in the Province of Manitoba?" And the leader of the government of the day replied: "Not unless we change that statute, we haven't." - referring there to the Manitoba Development Fund Act.

Well, Mr. Speaker, in that exchange, the question posed by my colleague the present Minister of Labour and the reply by the former Premier, that is the nub of whatever confusion has persisted in the public mind, and I might add in members of this House ever since. You know, Mr. Chairman, it's very simple. What we have done is to say, as a new government, that that interpretation of governmental responsibility and authority was wrong, but completely wrong, and we have proceeded to act as though it is completely wrong, and so we are saying now that members of the Assembly have the right to question about these things, and we are also saying that they should have an opportunity to question those responsible for the economic policy and industrial development policy of this province, and we have in this Act a clause, in this bill, rather - we have a clause which says that the officers of the Manitoba Development Fund may be called before the appropriate committee - in this case the Standing Committee on Economic Development.

But that improvement, Mr. Chairman, apparently isn't good enough for my honourable friend, because he wants it to be mandatory in statute, and I say to him once again that, you know, parliamentary practice is as good if not better than law, and parliamentary practice is that where a committee of this House receives, when this House receives an annual report of any department, board or agency, a committee of this House can well ask for that report to be taken up in committee and for the calling of the principal officers of the agency, board or commission that they wish to question - and that obviously can be done. This is what is being done and has been done for many, many years in this Assembly and in the Parliament of Canada and elsewhere.

Now, I fail to see why the honourable member insists on wanting to put it in statutory provision, because I say in conclusion that we have righted a wrong; we have corrected a most grievous and major kind of error on the part of the previous administration, because we are saying that it is absolutely wrong to say that the government cannot provide information and cannot itself look into the activities of a Crown development agency. And we're acting as though that was wrong; in fact we're acting on a completely new premise that it is possible to enquire into the activities of such a Crown development agency, and by extension it is possible for members of this Assembly to do so because members of the Treasury Bench are accountable to this House.

MR. SPIVAK: Mr. Speaker, I'm very happy that the Minister of Mines and Natural

(MR. SPIVAK cont'd.) Resources has been able to find this section and now proves that he was right again, and we have now had this expressed now and I would hope maybe would leave us for the next little while so we could deal with the specific section that we're concerned with.

Mr. Speaker, it seems strange to me for the First Minister to sort of indicate the position that, because there was a wrong before, that two wrongs are required, because in effect this is really what's being suggested. I have tried to deal with this in a sort of tolerant way and I've tried to indicate our real concern. He may think that this is not a real concern but if I wanted to, Mr. Chairman, on this occasion -- (Interjection) -- no, just let me finish; no, let me finish, Mr. Chairman. If I wanted to on this occasion deal with a specific free loan and start to read into the record the very questions that have been asked in connection with this by people of substance, and some who have some connections with the various undertakings, I would think that there would be a real question as to the judgment on the part of the First Minister and the members of the government in allowing the Fund to get involved in these situations. In fact, I think it would be a real serious judgment of their stewardship -- (Interjection) -- and I know - we're going to have now, you know, we're going to bring back Churchill again, because Churchill's now the answer for everything that happened in the past. But, Mr. Chairman, I am simply suggesting, and in fact, you know, I would think that it would be wise, and we may have the dinner hour for the members opposite to consider it, to recognize that what is being proposed happens to be a reasonable proposal to overcome the kind of situation where the day to day operations of an undertaking in which equity is involved, or the month to month operations, are not subject to the kind of internal dispute that can occur in this House as it occurred in connection with Churchill. Now I'm saying that because if . . .

MR. SCHREYER: Are you suggesting in camera meetings or what?

MR. SPIVAK: No, no. I'm not suggesting in camera meetings. There obviously has to be a public meeting, but I'm suggesting it would be wiser to have it set up and agree that it will take place at one time after the audited statements where there'll be an opportunity for a full review and discussion, rather than have a situation -- no, but there's no obligation in spite of what the honourable . . .

MR. SCHREYER: Would you permit one question?

MR. SPIVAK: Mr. Chairman, if the Honourable First Minister thinks that I, based on the experience of the last year, am prepared to rely on the good will and judgment of the members opposite, I say no. You know, I've seen too much now to indicate to me that, you know . . . The committee system to a certain extent has been used, used as a sham and window dressing on the part of the government, and I say this, the Public Utilities hearings are the best example - and I'm now referring to Hydro - of what I am concerned about, because we will not have the opportunity of hearing Mr. Fallis; we won't have that opportunity, nor are we going to have the opportunity of hearing Mr. Bateman or Mr. Kristjanson, who were the people involved in the decision and who gave testimony, whose evidence we had before . . .

MR. EVANS: Who's making the decisions now? It's the government.

MR. SPIVAK: Yes, I know the government's making the decisions and this is why, Mr. Chairman, I don't want it left up to the discretion of the government in charge, I really don't.

MR. PAULLEY: You want to do it, not the government.

MR. SPIVAK: No, I'm not saying -- No, the Honourable Minister of Government Services is a little bit confused and maybe he should go out and have dinner and then come back and he'll feel so much better he'll be able to participate in the debate, but at the present time his contribution would be very little. There have been occasions when he's made contributions, but not right now.

MR. PAULLEY: Even in those circumstances it was better than yours.

MR. SPIVAK: Well, that's a question of judgment and I know that I've disagreed, I've disagreed with the Minister of Government Services in his judgment before, even on some of the colours of his ties and he's disagreed with mine, and I'm sure this will happen in the future.

MR. PAULLEY: Right.

MR. SPIVAK: But, Mr. Chairman, it would seem to me, and I really commend the government to consider this over the dinner hour, to recognize that what I'm suggesting is extremely real, and if they do not do this and we put ourselves in this position, then I say to you that you're going to face the situation in which the equity situations which are critical -- because

(MR. SPIVAK cont'd.) it would seem to me, Mr. Chairman, that when people get involved with the Fund and when they start to talk of giving up equity their situation has got to be reasonably drastic, because they have come to the Fund in most cases as a lender of last resort, they've come in the situation where they require financing that may not be conventionally given, or percentages of financing that may not be conventionally given, or refinancing that may not be given, and what they are attempting to do is try . . .

MR. GREEN: Would you permit a question?

MR. SPIVAK: Yes.

MR. GREEN: Would you say that Churchill Forest Industries was desperate when they came to the government for money?

MR. SPIVAK: No. Mr. Speaker, I'm talking about equity positions. I said equity positions before.

MR. GREEN: All of the things that you have said apply to a loan position as well.

MR. SPIVAK: Well, I said that my experience in business and as a lawyer indicates to me that people who give up equity with any funding lending institution are usually in a pretty desperate situation and that in effect if . . .

MR. GREEN: That's nonsense.

MR. SPIVAK: Is that nonsense? No, I know it isn't nonsense.

MR. PAULLEY: We're in . . . that situation as a result of you.

MR. SPIVAK: Well, as a matter of fact we only have three examples in front of us that the government's been involved in and they've been three desperate situations. Is anyone going to suggest that they weren't? Are the Ministers on the opposite side who were aware of the fact going to suggest that they were not? They were.

MR. GREEN: May I tell him that Versatile never came to us to give up equities. They came for a normal loan.

MR. SPIVAK: I'm sorry. I didn't hear that.

MR. GREEN: Versatile came for a normal loan.

MR. SPIVAK: I don't think that the Minister of Mines and Natural Resources really wants Versatile discussed in detail as to how they came and as to what happened. I think that's a very funny story but I don't think it should be expressed in this House.

I wonder if you will call it 5:30 and we can deal with it . . .

MR. PAULLEY: Get some new ammunition for tonight.

MR. SPIVAK: No, my intention is to continue and I'd rather have . . .

MR. GREEN: . . . move the committee rise.

IN SESSION

MR. PETER FOX (Kildonan): Mr. Speaker, I move, seconded by the Member for Crescentwood, that the report of the committee be received.

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

MR. SPEAKER: The Honourable House Leader.

MR. GREEN: Mr. Speaker, I move, seconded by the Honourable the Minister of Labour, that the House do now adjourn.

MR. SPEAKER presented the motion.

MR. SPEAKER: The Honourable Member for Fort Garry.

MR. BUD SHERMAN (Fort Garry): I ask the House Leader where we'll be at 8:00 o'clock.

MR. GREEN: Back in the House. I indicated earlier that we would be going in Committee of the Whole House until we finished and then we'll go back to Law Amendments Committee for the Landlord and Tenant clause by clause deliberations.

MR. MOLGAT: Mr. Speaker, if I may. There's one bill that is still at the second reading stage, the one on the deferral of taxes.

MR. GREEN: We haven't even sent that to committee. In other words, it's still in the House and we will be dealing with that. I trust it'll be a disposition that'll be normal in terms of House proceedings.

MR. MOLGAT: . . . and it will be going -- the reason I ask you that, I had some requests from people who wish to appear. It will be going to a committee outside the House?

MR. GREEN: No, Mr. Chairman, the answer to that statement depends on the disposition of the House, so . . .

MR. SPIVAK: Mr. Speaker, I wonder if I can ask the House Leader a question. Reference was made going back to Landlord and Tenant to deal clause by clause in connection with the Act - we're going back to Law Amendments to deal with, clause by clause, the Landlord and Tenant. I gather there will be some amendments introduced by the Attorney-General, because I know that they were . . . I don't know how many there are or how substantive they are, but I wonder whether there should not be some communication given to those people who did appear before Law Amendments, in the event that the amendments that are proposed are reasonably substantial, because I think that there should be an opportunity for them to . . . -- (Interjections) -- No, Mr. Chairman, my request may be turned down, but if we recall The Consumer Protection Act and we recall what happened on that occasion, we'll recall that while counsel met outside for the province with the other representatives, there was at least an attempt given to the committee to be given a basis for the changes and the reasons for changes. If we're dealing with substantial matters . . .

MR. GREEN: Mr. Chairman, I understand that Law Amendments Committee is to receive representations from the public. The member is describing a process now which involves a continuous, or what could be a continuous infinite negotiation with these people. I am aware that when we get to Law Amendment Committee there will be clause by clause consideration of the bill. I am also aware that there will be certain amendments proposed by the Attorney-General.

MR. SPEAKER put the question and after a voice vote declared the motion carried, and the House adjourned until 8:00 o'clock Monday night.