

Name	Electoral Division	Address
ALEXANDER, Keith	Roblin	Roblin, Man.
BAIZLEY, Obie	Osborne	185 Maplewood Ave., Winnipeg 13
BJORNSON, Oscar F.	Lac du Bonnet	Lac du Bonnet, Man.
CAMPBELL, D. L.	Lakeside	326 Kelvin Blvd., Winnipeg 29
CARROLL, Hon. J.B.	The Pas	Legislative Bldg., Winnipeg 1
CHRISTIANSON, John Aaron	Portage la Prairie	86-9th St., N.W., Ptge. la Prairie, Man.
CORBETT, A. H.	Swan River	Swan River, Man.
COWAN, James, Q.C.	Winnipeg Centre	512 Avenue Bldg., Winnipeg 2
DESJARDINS, Laurent	St. Boniface	138 Dollard Blvd., St. Boniface 6, Man.
DOW, E. I.	Turtle Mountain	Boissevain, Man.
EVANS, Hon. Gurney	Fort Rouge	Legislative Bldg., Winnipeg 1
FORBES, Mrs. Thelma	Cypress	Rathwell, Man.
FROESE, J. M.	Rhineland	Winkler, Man.
GRAY, Morris A.	Inkster	141 Cathedral Ave., Winnipeg 4
GROVES, Fred	St. Vital	3 Kingston Row, St. Vital, Winnipeg 8
GUTTORMSON, Elman	St. George	Lundar, Man.
HAMILTON, William Homer	Dufferin	Sperling, Man.
HARRIS, Lemuel	Logan	1109 Alexander Ave., Winnipeg 3
HARRISON, Hon. Abram W.	Rock Lake	Holmfild, Man.
HAWRYLUK, J. M.	Burrows	84 Furby St., Winnipeg 1
HILLHOUSE, T.P., Q.C.	Selkirk	Dominion Bank Bldg., Selkirk, Man.
HRZHORCZUK, M.N., Q.C.	Ethelbert Plains	Ethelbert, Man.
HUTTON, Hon. George	Rockwood-Iberville	Legislative Bldg., Winnipeg 1
INGEBRIGTSON, J. E.	Churchill	Churchill, Man.
JEANNOTTE, J. E.	Rupertsland	Meadow Portage, Man.
JOHNSON, Hon. George	Gimli	Legislative Bldg., Winnipeg
JOHNSON, Geo. Wm.	Assiniboia	212 Oakdean Blvd., St. James, Wpg. 12
KLYM, Fred T.	Springfield	Beausejour, Man.
LISSAMAN, R. O.	Brandon	832 Eleventh St., Brandon, Man.
LYON, Hon. Sterling R., Q.C.	Fort Garry	Legislative Bldg., Winnipeg 1
MARTIN, W. G.	St. Matthews	924 Palmerston Ave., Winnipeg 10
McKELLAR, M. E.	Souris-Lansdowne	Nesbitt, Man.
McLEAN, Hon. Stewart E., Q.C.	Dauphin	Legislative Bldg., Winnipeg 1
MOLGAT, Gildas	Ste. Rose	Ste. Rose du Lac, Man.
MORRISON, Mrs. Carolyne	Pembina	Manitou, Man.
ORLIKOW, David	St. John's	179 Montrose St., Winnipeg 9
PAULLEY, Russell	Radisson	435 Yale Ave. W., Transcona 25, Man.
PETERS, S.	Elmwood	225 Melrose Ave., Winnipeg 15
PREFONTAINE, Edmond	Carillon	St. Pierre, Man.
REID, A. J.	Kildonan	561 Trent Ave., E. Kild., Winnipeg 15
ROBERTS, Stan	La Verendrye	Niverville, Man.
ROBLIN, Hon. Duff	Wolseley	Legislative Bldg., Winnipeg 1
SCARTH, W.B., Q.C.	River Heights	407 Queenston St., Winnipeg 9
SCHREYER, E. R.	Brokenhead	Beausejour, Man.
SEABORN, Richard	Wellington	594 Arlington St., Winnipeg 10
SHEWMAN, Harry P.	Morris	Morris, Man.
SHOEMAKER, Nelson	Gladstone	Neepawa, Man.
SPELLIE, Robert Gordon	Birtle-Russell	Russell, Man.
STANES, D. M.	St. James	381 Guildford St., St. James, Wpg. 12
STRICKLAND, B. P.	Hamiota	Hamiota, Man.
TANCHAK, John P.	Emerson	Ridgeville, Man.
THOMPSON, Hon. John, Q.C.	Virden	Legislative Bldg., Winnipeg 1
WAGNER, Peter	Fisher	Fisher Branch, Man.
WATT, J. D.	Arthur	Reston, Man.
WEIR, Walter	Minnedosa	Minnedosa, Man.
WITNEY, Hon. Charles H.	Flin Flon	Legislative Bldg., Winnipeg 1
WRIGHT, Arthur E.	Seven Oaks	4 Lord Glenn Apts. 1944 Main St., Wpg. 17

THE LEGISLATIVE ASSEMBLY OF MANITOBA

2:30 o'clock, Monday, March 20th, 1961.

Opening Prayer by Mr. Speaker.

MR. SPEAKER: Presenting Petitions.

Reading and Receiving Petitions.

Presenting Reports by Standing and Select Committees.

Notice of Motion.

Introduction of Bills.

MR. JAMES COWAN (Winnipeg Centre) introduced Bill No. 61, An Act to amend the Metropolitan Winnipeg Act.

Mr. Speaker presented the motion and after a voice vote declared the motion carried.

MR. SPEAKER: Committee of the Whole House.

HON. GEORGE JOHNSON (Minister of Health and Public Welfare) (Gimli): Mr. Speaker, I beg to move, seconded by the Honourable the Minister of Education that Mr. Speaker do now leave the Chair and the House

HON. DUFF ROBLIN (Premier) Wolseley): Mr. Speaker, I wonder if you called Orders of the Day, in case there are any questions.

MR. SPEAKER: I didn't hear what you said

MR. ROBLIN: I wonder Sir, if you called Orders of the Day, in case there are any questions.

MR. SPEAKER: Orders of the Day.

MR. EDMOND PREFONTAINE (Carillon): Mr. Chairman, I was wondering if the Acting Minister of Municipal Affairs would not have some information for the House respecting the defalcation at the Selkirk Municipal Offices?

HON. STERLING R. LYON (Attorney-General) (Fort Garry): Mr. Speaker, I have no information for the House at the present time. An investigation is underway as was reported in the newspapers by R.C.M.P. as well as the Municipal Auditors, but there's no final report issued.

MR. SPEAKER: Orders of the Day.

MR. RUSSELL PAULLEY (Leader of the CCF) (Radisson): Mr. Speaker, before the Orders of the Day, I've been trying to locate a copy of the annual report of the Industrial Development Fund and I can't locate one. It's my impression with conversations with the Honourable Leader of the Opposition that they were supposed to have been distributed and I can't find one and so far I've not been able to find one with any of my colleagues and I understand the same is true of the Leader of the Opposition. Now I'm wondering whether we just presumed that they were distributed to us or whether we've all, on this side of the House lost them.

HON. GURNEY EVANS (Minister of Industry and Commerce) (Fort Rouge): Mr. Chairman, they were not distributed generally, they were tabled in nine copies presumably with one for each room. I should be glad immediately to provide other copies for you, the Leader of the Opposition and anyone else. We'll provide copies immediately for the two leaders.

MR. D.L. CAMPBELL (Leader of the Opposition) (Lakeside): Mr. Speaker, through the good offices of the Clerk of the House and the Minister's department, I managed to get a copy. The Clerk of the House informed me that it was tabled, but apparently the copies escaped from the most of us in some unexplained way. I already have my copy and being of a very thrifty nature I wouldn't want any extra ones to be provided. I'll take care of this one now that I have it.

MR. SPEAKER: Orders of the Day.

MR. NELSON SHOEMAKER (Gladstone): Mr. Speaker, before the Orders of the Day are proceeded with, I would like to direct a question to the Honourable the Minister of Agriculture. Does he intend to introduce legislation at this session of the Legislature making certain amendments to Bill 8 as we call it, dealing with the maximum amounts that the watersheds can levy and then the assessment on land only?

HON. GEORGE HUTTON (Minister of Agriculture) (Rockwood-Iberville): Yes, Mr. Chairman, I intend to introduce some amendments to the Watershed Conservation Districts Act.

MR. SHOEMAKER: A supplementary question Mr. Speaker. That is likely to happen this week is it, would you think?

MR. HUTTON: as soon as it's been drafted.

MR. SPEAKER: Orders of the Day. Committee of the Whole House.

MR. JOHNSON (Gimli): Mr. Speaker, I beg to move, seconded by the Honourable the Minister of Education that Mr. Speaker do now leave the Chair and the House resolve itself into Committee of the Whole to consider the following bills: No. 2, an Act to amend The Vital Statistics Act; No. 3, an Act to facilitate Cornea Transplants from the Bodies of Deceased Persons to Living Persons; No. 10, an Act to amend The Marriage Act (Suspense)

Mr. Speaker presented the motion and after a voice vote declared the motion carried and the House resolved itself into a Committee of the Whole House with the Honourable Member for St. Matthews in the Chair.

COMMITTEE OF THE WHOLE HOUSE

Bills No. 2, 3, 10, 12, 15, and 16 were each read section by section and passed.

MR. MORRIS A. GRAY (Inkster): Before the Bill is passed, there's one thing missing - the name of the new Minister.

Bill No. 19 was read section by section and passed.

MR. CHAIRMAN: Bill No. 24, Section One.

MR. EVANS: I'd like to tell the committee that we love our work in the Department of Industry and Commerce and particularly the business development angle of it. There is, however, no truth in the rumour that we're amending the title of the Bill to correspond with the notice in the Orders of the Day.

MR. CHAIRMAN: Section 2 2(a) passed.

MR. ELMAN GUTTORMSON (St. George): Could the Minister explain to us what the difference is, why there's a difference in this particular Act than in the Manitoba Agriculture Corporation -- Credit Corporation. Here Section 2 states that no director or any firm that's associated with the directors of this organization is eligible for a loan. But the Manitoba Agricultural Corporation directors I understand, are entitled to loans, and are taking advantage of it. Could you explain the difference?

MR. EVANS: I think this is an entirely wrong interpretation of the intent and purpose here. This is to enable the Development Fund to place someone on the Board of Directors of a Corporation which may have borrowed from the Fund. This would not permit a loan to be made to a director of the fund as stated by my honourable friend. This is to clear up the understanding that -- to give clear power to the Development Fund to place a director on the Board of Directors of a corporation that may be borrowing from the fund.

MR. GUTTORMSON: I believe the Minister misunderstood me. I said, "I notice in this Act that a director isn't eligible for a loan." But I said in the other Act directors are entitled to and are able to get loans. I understand some take advantage of the Act to borrow money, and I say what is the difference? Why in this case don't you allow it and yet in the other one you do.

MR. EVANS: I regret Mr. Chairman, that I'm not in a position to explain the other Act at the moment. Perhaps he would direct his question to the Minister of Agriculture when he returns.

MR. CHAIRMAN: Section 2 (a) passed.

MR. GUTTORMSON: I don't know if I can bring it up again because if we pass this item now could

MR. EVANS: I think it's always open to my honourable friend to ask a question before the Orders of the Day. If he wishes to raise some question touching on this Bill or the provision that we're making, I should be very glad to try to clear up any difficulty he has in mind with respect to my Act.

MR. GUTTORMSON: I was just interested in the reasons for the difference between the two Acts. One allows directors to borrow on it and get money from the Act, the other one says, "No, you can't". I just wondered what the reason was why there's such a difference between the two Acts.

MR. EVANS: Now let me get this quite clear as to whether my honourable friend says that a director can borrow from my Act, from the Development Fund. I was a little lost as to which was one and which was the other. I think the only explanation I can give my friend now is that the purpose of this amendment is to enable the Development Fund to place a member on the Board of Directors of a corporation that is borrowing money from the fund.

MR. CAMPBELL: Mr. Chairman, this one goes further than that though. Sub-section 2 of this one has a definite prohibition against any director who is or through his family has a controlling interest in a corporation from getting a loan. And then the next sub-section allows a director to be placed on the The same thing had occurred to me as to the Honourable Member for St. George that after all I would think these things would, at least to some extent, be matters of government policy as to how they set up their legislation. Evidently we had a report from -- an answer to a question that a Director of the Farm Credit Corporation is a borrower under the Act. And in this case that same thing is barred.

MR. EVANS: Would it be satisfactory if I asked the Minister of Agriculture to consider this matter, and I'm sure he will investigate it?

MR. CAMPBELL: I might say, Mr. Chairman, that as far as I'm concerned I agree with the provision of this Act.

MR. CHAIRMAN: 2 (a) passed, 2 (b) passed. Section I passed, Section 2 passed, preamble passed, title passed, Bill be reported, passed. Bill No. 28, Section 1 passed, Section 2, as amended passed. --(Interjection) -- 3, (iii), The Manitoba Theatre Centre following the Canadian Legion, that they should receive a grant as well. Section 2 passed, as amended passed, Section 3 passed, Section 4 passed, Section 5 is deleted, Section

MR. CAMPBELL: Mr. Chairman, is it a fact that the whole of Section 5 is struck out?

MR. CHAIRMAN: Yes, the whole of Section 5 is struck out. Section 6, Section 5 passed, preamble passed, title passed.reported, passed.

Bill No. 33 was read section by section and passed.

Bill No. 35 was read section by section and passed.

MR. LYON: Mr. Chairman, with respect to Bill No. 37, I wonder if with leave of the committee it could be left in committee. There's one point in Section 31 I think it is, of that bill that has to be cleared from a legal standpoint and I would ask that it be held over here.

MR. CHAIRMAN: The committee rise and report. Call in the Speaker.

MR. W.G. MARTIN (St. Matthews): Mr. Speaker, the Committee of the Whole has considered the following Bills, No. 2, 3, 10, 12, 15, 16, 17, 24, 28, 33, 35 and directed me to report the same without amendment and ask leave to sit again.

MR. SPEAKER: Agreed.

MR. MARTIN: Mr. Speaker, I beg to move, seconded by the Honourable Member for Winnipeg Centre the report of the committee be received.

Mr. Speaker presented the motion and after a voice vote declared the motion carried. Bills No. 2, 3, 10, 12, 15, 19, 24, 28, 35, were read a third time and passed.

MR. SPEAKER: Second reading of Bill No. 40.

MR. JOHNSON (Gimli) presented Bill No. 40, An Act to amend the Hospitals Act for second reading.

MR. JOHNSON (Gimli): Mr. Speaker, this bill is a rather short bill and it just clarifies the fact that the lawyers state that in the present legislation there is nothing to really clarify that hospital boards shall set by-laws for the guidance of staff and the board in defining the duties of the administration and medical and other staff. This bill is quite self-explanatory in in that it states that the boards have the power to set certain by-laws within the hospitals and also to give them the machinery to set up medical staffs within these hospitals. For some reason when we went through the legislation the Commissioner and the Deputy Minister could not find that this was clarified anywhere and this makes provision for same.

Mr. Speaker put the question and after a voice vote declared the motion carried.

MR. SPEAKER: Committee of Supply.

MR. ROBLIN: I move, seconded by the Honourable the Minister of Industry and Commerce that Mr. Speaker do now leave the Chair and the House resolve itself into a Committee to consider of the Supply to be granted to Her Majesty.

Mr. Speaker put the question and after a voice vote declared the motion carried and the House resolved itself into Committee to consider of the Supply to be granted to Her Majesty with the Honourable Member for St. Matthews in the chair.

MR. CHAIRMAN: Department 14, Industry and Commerce.

MR. LYON: Mr. Chairman, as we finished on Friday evening, I think there were one or two or three perhaps, questions still outstanding which I undertook to obtain answers to before

(Mr. Lyon, cont'd.)....my colleague began his estimates today. One was with respect to a question by the Honourable Member from St. Boniface concerning the suspension of liquor license for the Holiday Restaurant. I have had that matter investigated and find that this was the second suspension against this particular restaurant for serving of minors. It was, in fact the third suspension against this restaurant for activities contrary to the Act. With respect to the particular circumstances surrounding the case in question, bringing about the latest suspension of two weeks, I can report as follows: that two females, ages 19 and 20 years of age were found consuming liquor in the Cocktail Lounge of this restaurant on November 18th, 1960. Neither of these females had been checked as to age, the evening in question. Apparently one of the girls had been -- the manager alleged that he had checked one of the girls on a previous occasion when she had produced a birth certificate which he alleged to be the same as the one produced to the reporting inspectors. The reporting inspectors found on checking the girls that in one case the birth certificate produced was in fact, the property of the girl's mother with the date of birth altered, and in the case of the other girl, the birth certificate produced to the reporting inspector was found to be one belonging to another person. This information was ascertained immediately by the inspectors but no check had been made on it by the management.

Both of the girls were charged under Section 70, sub-section 4 of The Liquor Control Act and the case disposed of in the Winnipeg City Magistrates Court on December 6th, 1960 by convictions and fined \$50.00 each respectively. The Commission then called the management before it and prior to that there was another outbreak in that particular restaurant. If I were asked to justify the two-week suspension rather than the one-week suspension I would have to say on behalf of the Commission that it was because of previous troubles that they had been having with the management. Prior to that there had been two one-week suspensions; this was the third suspension. This was for a two-week period, presumably because -- as a deterrent, or presumably because the two previous suspensions had not apparently served their purpose. I see my honourable friend is back in his seat. The information I have given will be on Hansard for him.

Now with respect to the point raised by my honourable friend the Member for Ste. Rose. He questioned as to whether or not jury panels had been required to report daily at the Sheriff's office for the last assizes in the Eastern Judicial District. We had this query put through the office of the Deputy Sheriff this morning and he reported that this was not the case; that the procedure which I outlined to the House as being the regular procedure was followed during the last assizes, namely, after the jury panels were selected in Courtroom 1 and Courtroom 2, the balance of the panel were asked to report one, two or three days later, whatever the case may be when the next jury was to be selected.

With respect to the point raised by my honourable friend, the Leader of the Opposition, we have checked the departmental files and find no cases, no files at all outstanding or any files pertaining to cases under the Coarse Grains Act of Manitoba. There were two cases with respect, or one case that I recall with respect to the Canadian Wheat Board Act, but which did not bear upon the point in issue under the Coarse Grains Act; that was the case that I mentioned in debate the other night to my honourable friend. We double checked as well with the Canadian Wheat Board solicitor and he confirmed that there had been no case other than the civil case which I mentioned in the House the other night. So I am still unaware of what cases my honourable friend was alluding to; if he can give us any further help we will continue to search. But certainly we have had no cases outstanding under the Provincial Legislation.

MR. CAMPBELL: Mr. Chairman, as far as the cases that I referred to, the reason I was mentioning the Manitoba case was the fact that I was pointing out to the Honourable the Attorney-General that this case which on checking, I found was of course a Canadian Wheat Board case, had been before the courts, which prevented our Attorney-General's Department of that day taking any action on these alleged infractions of our own Act, because even though the case I speak of was not under our legislation, yet the two instances, the two procedures or alleged violations are so parallel, one with the other that it was felt, generally felt I believe, it was better to withhold prosecutions during the time that this Canadian Wheat Board case was before the courts. Incidentally I have checked also the name of the case is, "The Queen versus Klassen". Klassen being an operator of a feed-mill and the Queen in this case being the

(Mr. Campbell, cont'd.) Canadian Wheat Board. The judgment in that case was given as I remember the date, in September of 1959, and my question to the Attorney-General arising out of that was that inasmuch as that judgment by the Appeal Court fully confirmed the right of the Canadian Wheat Board in their area, and inasmuch as there was the parallel area over which I maintain the province has control then my question to the Attorney-General was: "Why, since 1959 has the Attorney-General's Department not attempted to deal with the alleged violations under its Act?"

MR. LYON: Mr. Chairman, just on that point. The departments were not aware, I should say of this inhibition, but certainly so far as they could report to me, they knew of no pending cases such as "The Queen versus Klassen" or any other case, which inhibited either my predecessor or myself with respect to any prosecutions under the Coarse Grains Act. As I mentioned to my honourable friend the other evening we have one under investigation at the present time. I still can't comment categorically upon the validity of our Act, but if this case seems to be one that infringes the Act, certainly we will take it on to court. I think it's clear from the legislation that a person, if he owns one head of livestock, can exempt himself out from the provisions of the Coarse Grains Act and I think possibly without respect to what government has been in power, possibly this has been one reason why there haven't been too many prosecutions or indeed any, since the legislation was passed. There was one other question that was put the other night by the Honourable Leader of the Opposition, with respect to a letter to the Editor and I was asked to confirm as to whether or not his information that this was written by a lawyer was in effect true. I tried to contact the lawyer by the same name, found that he was away on holidays. His partner however, confirmed to me that he was certain that Mr. William Martin, the Barrister, had written the letter to the editor in question.

MR. GRAY: Mr. Chairman, I apologize for not putting this question at an earlier date. In case of the Commission considering an outlet, do they have to get the okay of the Attorney-General before this is granted?

MR. LYON: What kind of an outlet, Mr. Chairman?

MR. GRAY: Well there's so many outlets. Take a liquor license or a beer and wine license or a hotel license?

MR. LYON: The only cases where approval by Cabinet is required are in an organized territory where the Act specifies that the recommendation for the granting of a license must be approved by the Lieutenant-Governor-in-Council. Other than that the approval is given by the Licensing Board which makes a recommendation to the Commission which in turn can issue the license.

MR. CAMPBELL: Mr. Chairman, with regard to the other matter, I don't wish to delay the committee by repeating what I've said formerly, but I have the feeling in this regard that we should be careful in the Province of Manitoba to maintain our own area of jurisdiction and not let either the Federal Government or any of its agencies trespass unduly at least upon our preserves. Because I hold that we have full authority in this regard I would think that we should -- I'm not anxious to see prosecutions indulged in just for the sake of penalizing people if it's a technical violation -- but I would think that we should maintain our position that at least the Federal Government or its emanations should consult us when they put in new regulations or new orders as they did in this case; and inasmuch as it was reported that the First Minister and the Minister of Agriculture had said that they had not been consulted, then to me, there appeared to be a violation of our position in the matter. Now the Minister has said that -- both the Minister of Agriculture and the Honourable the Attorney-General have said that there is now some regulations being considered with regard to that matter. I believe that's correct.

MR. LYON:point concerning the feed grain outlets being allowed to purchase and so on. Just so there won't be any confusion in the two as I had Yes, that was the information that I conveyed to my honourable friend the other evening that advice had gone forward from our department to the Department of Agriculture on this point.

MR. CAMPBELL: Then the Honourable the Attorney-General, I take it, Mr. Chairman, is not yet in a position, or his colleague the Minister of Agriculture, to tell us just what is being done.

MR. LYON: I haven't seen anything come forward from that department as yet -- any regulations that came forward would come forward from the Minister of Agriculture.

MR. CAMPBELL: Perhaps we can check when it comes to concurrence and see if anything has come

MR. PAULLEY: Mr. Chairman, before you start in on the Department of Industry and Commerce, I wonder if the Premier could indicate to us the rotation of departments now. I understand that it is intended that following this department, we'll go into the Department of Public Utilities. I wonder if we could have an indication of where we go from there for purposes which will be appreciated.

MR. ROBLIN: I'll try to give that notice Sir, just as soon as we hit Public Utilities. I may be able to say by then. I'll give as much advance notice as I

MR. EVANS: Mr. Chairman, I have a good deal of factual material that I would like to discuss with the committee and I thought it would suit all concerned if I made a short statement on my own salary or on Administration, then further statements on Industrial Development, Regional Development, Travel and Publicity, Civil Defence and the Manitoba Development Authority, which takes in of course, northern development, transportation and the resources for tomorrow's conference. I think after two years and a bit of preparation the committee is entitled to some accounting of what the department has done and I propose to do my best to supply that and in the course of questions hope to be able to answer the questions that the members will have.

I think we should mention the business conditions under which we are operating, briefly. The past three years have been a period of consolidation, I think not of retreat, not of decline, but a pause to catch up and to allow some consolidation of the advances that have been gained, because certainly from 1946 to 1956 was a period of rapid expansion, perhaps the most rapid that we have had in my particular field at least, in western Canada. Hindsight is always pretty reliable and we look back now and see a certain number of non-recurring forces which held up our economy under the armpits very successfully during this period. These particular forces may not recur but I am firmly convinced that history repeats itself and that other forces equally powerful, perhaps of the same character will come along as they always have done, to give the economy another impetus. But just to run over the forces that have now seemed to have spent themselves. There was a considerable pent-up demand for consumer goods that was accumulated during the second war. There was the necessity to modernize the manufacturing plant and equipment that was worn down and not replaced during the war - not only during the war but during the depression years. There was the reconstruction of western Europe which called for so much in the way of manufactured goods and of supplies and raw materials from North America. There was a very high immigration and birth rate. There was the cold war in Korea, which whatever other tragedy it may have involved, did form a sort of stimulus to the economy. This is a thing that puzzles all of us who try to follow business conditions: how a thing so essentially destructive as war can come along and have some of the aspects of stimulating the economy or giving full employment and so on. The net result of course is economic waste but it does seem to constitute some sort of a stimulus at the time.

Then we must think across Canada of the amount of capital that has been invested in the sinews of Canada and you can start on the Pacific Coast and pick -- just one example there is the Kitimat development, a huge development there. Coming along to Alberta there is the oil with all that it entailed by way of drilling the wells itself and of equipment and of pipelines and so on to carry the oil to market. In Saskatchewan one thinks as one item of the Saskatchewan Dam, the huge investment going in there at the present time. Manitoba, Inco and the Town of Thompson which is about to open, I think it's this coming week-end officially open, and the further developments we hope for there. The St. Lawrence Seaway with the developments that have been brought about there by a huge expenditure of capital and other expenditures are still being made and will continue to be made as a result of that. Then you can go farther and think of uranium developments in various parts of Canada; the Canso Causeway; the Ungava iron deposits and their development; other things like the DEW Line, the Trans-Canada highway and a number of others -- television and airports and other things that have been built of a capital nature. Those capital investments may have accounted in many of those years for as much as a quarter of the economic activity that went on in Canada. Many of those things have been completed and of course that stimulus to the economy no longer exists.

Well, changes are taking place and this is a period when we have now coming into the working force a good many of the people who were accounted for in the high birth rate of the

(Mr. Evans, cont'd.) war years and after, and there is a problem of unemployment. On January the first, I think the date is, but in January there were 33,400 people applicants to the Unemployment Insurance Fund. This constitutes 3.7 per cent of the Manitoba population. It gives us perhaps a little comfort to realize that the Canadian figure is 4.6 per cent. Nevertheless, the Manitoba figure is too high and it is up to us to consider this most seriously and to bring to bear all the resources of the province both government and private to see what can be done to reduce it. We know that we continue on into a period when farm employment will continue to decline in number. There seems to be a fair indication of that and my honourable colleague the Minister of Agriculture has already referred to it, and there will be further reserves from that source and others of labour available in the province. Well labour and skilled labour and willing labour is an asset and we have to turn that asset into prosperity and that is the spirit in which we are tackling our responsibilities in this department. I think there are bright prospects ahead. When you have labour and raw materials and power you have the wherewithal to make wealth and that is what we are after. The secondary manufacturing industries appear to be the, perhaps the most readily available and most quickly developed source of employment -- that and the tourist industry together -- and we are addressing ourselves to the problem then of creating jobs for people through the medium of whatever is proper within the sphere of the Manitoba Government.

I would like to emphasize here and I may return to this subject later, that we do not regard it as the job of the government and I think it would be wrong to think it was the job of the government to provide these jobs, to create them, to go out to build the factories, to hire the people, get the raw materials and put them to work. We think there are people far better qualified and far more skilled at doing that and far more flexible in their operations, and those are the people with the incentive to do it, those who will go into it in a private enterprise way. And so our role will be to do all we can to encourage them, to do whatever is proper for the government to do to assist them, to help to get their costs down so far as we can and leave the job to them to do. Well the distance we're able to go or the gains we are able to make will depend on a number of things. I think they will depend very largely on initiative and inventiveness. How many times in the past has the economy turned upward because of some invention or some initiative on the part of private enterprise. You've to think only of telegraphs and the railroads and the development of other industries which from time to time, including the automobile industry, has in fact taken and turned the whole course of an economy of a continent at least, if not the world. So we are turning as much attention as we can to such things as new products, new attractive design which will sell our products across international borders even when there are tariff barriers; cost control and reduction of costs and that very important factor salesmanship, because it is a very great factor in the world today, it being so closely knit and so close to each other with jet travel and others to bring people to almost any part of the world within hours. The very factor of salesmanship can be helped, I think, by governments -- by governments with publicity and promotion programs designed to draw to the attention of the markets, the high quality and reliable nature of the goods that are produced in the province. So the department is taking the long view. We think that a program of this kind can have some impact within a few years, but that we must lay plans which will come to their full fruition perhaps in a period of 15 or 20 or 25 years. Now my honourable friends will be quick to say on the other side, that I won't be there to pick the fruit, and that may very well be true, but nevertheless if the thing is launched in the right direction, I feel quite sure that successors, certainly within the Conservative Party, if not myself, will be able to take the load and carry it forward.

With this job before us then, of the unemployed and the prospects of larger numbers of unemployed people coming on the markets, we must enlist all the interests and all the talents, and all the machinery of the province, both private and public, to tackle this very considerable task. It has already been announced that we will have this committee on Manitoba's economic future. It will be the rallying point for developments of these new programs which must be put in hand if we are to overtake what looks like a handicap at the present time. To tackle this we have in the department now what I regard as a very hard-hitting machine, well staffed with trained people who can take up these tasks and who can achieve results. We look ahead to a job that is big and practical. I like to look at in non-economic words; I find so often that the meanings of words are hidden when you use the academic or the rather remote words: developing

(Mr. Evans, cont'd.) economic potential or realizing the wealth of our natural resources and things of that kind. I prefer to say that we're in the job of trying to provide jobs for people to work at and cash markets for farmers, and I think that there is a part for the Department of Industry and Commerce to play in both these fields. We're going at in long-term planning; we're going at it with a degree of inter-department co-operation that has been most gratifying to me. I can hardly express my appreciation in too strong language to my honourable friend from the Department of Mines and Natural Resources for the help that he has given us and from the Department of Agriculture. We feel that the further processing of agricultural goods into choice and fancy quality products, which can command markets at some distance and even over-tariff areas is the most immediate return that we can secure in the industry field and we believe also, that it will provide some of the most immediate opportunities for farmers in the province. And the same, although in slightly different form can be said of the kind of work that is going on between the staffs of the Department of Mines and Natural Resources and my own.

In business we are looking for and receiving the closest co-operation in the plans that we are developing. I should like to mention particularly, Chambers of Commerce and business associations who, with exception -- not only the Manitoba Chambers of Commerce and the Winnipeg Chamber of Commerce and the National Chambers of Commerce -- but individual chambers across the province have volunteered help and have provided it at great expenditure of time and of some money on their own part. I should mention that individual business firms have also lent considerable support and some cash support to what we are doing. Honourable members may have noticed that with regards to our regional development program, a series of advertisements ran throughout the province in the weekly magazines and in the press. It was a series of advertisements that cost \$16,000. All of the money in that connection was provided for us by business firms who agreed that this was something that would develop the province and anything that developed the province was good for them. I would like to tell the honourable members who they were. They were the British American Oil Co., Canada Cement Company, Canada Life Assurance Company, Hudson's Bay Mining and Smelting, Imperial Oil, Loblaw's, Manitoba Sugar Company, The Manitoba Weekly Newspapers Association and The Hudson's Bay Company. That was an act, in my opinion, of long far-sighted self-interest if you like, "that anything that is good for the province is good for them". Nevertheless it was cash assistance in a program that we thought was worthwhile and I voice my appreciation to them.

Now I come to the point where I would like to be able to say, perhaps in a few words, what I think of my staff. It's hard to do justice to the quality of staff that I am so fortunate as to have. They are tireless in their work; honourable members I am sure would be quite astonished to know the amount of work that apparently remains not completed on Friday night, but is ready for us to discuss on Monday morning, and it is no exaggeration whatever to say that a very great deal of work is done by members of the staff on time that should have been their own or for their own pleasure. They have to a high degree, pride in their workmanship and that's a crucial point, in my opinion, in doing the kind of work that they are doing. If there is conscience behind the work and you can trust it when it comes out, it saves time, it saves mistakes, and my staff has it. They have independence of mind, and a good deal of whatever is new that is developed through our programs is the result of the thinking of the staff themselves with new ideas. I might say that when in discussion in the department both in our small committees and in some of our larger meetings, the staff show a good deal of independence of mind and I welcome it when they resist ideas which may be my own or someone else's and are able to prove that I was wrong, and that saves me in the long run from making mistakes, and I pay tribute to them for that quality as well. They're progressive, they keep their eyes on this longer goal which we have all set before us of creating these jobs and of changing gears as it were in the economy of Manitoba to a higher gear. All of what I have said must come as a part of the tribute and my appreciation to my Deputy, because Mr. Grose has done so much to achieve these qualities in the staff, to inspire them, to lead them and to control the work that they do, and I pay tribute to him. Well I am grateful then to all my staff; I am grateful for the quality that they have shown; I am grateful for the work they have done; and I am grateful indeed for what I like to think is true, that they have extended to me their friendship. Now, Mr. Chairman, I would be glad to answer any question on the administration section and then if it suits the convenience of the committee I will make some further remarks when we come to the headings that I mentioned at the start of my few words.

MR. CAMPBELL: Mr. Chairman, I think I shall follow in large measure the example of the Honourable the Minister and make a very brief statement, ask only a few questions on this item and reserve any discussion for the appropriate ones as we go through the estimates of this department. Quite frankly I think that is the better way and apparently this department is itself so well departmentalized that it seems quite easy to do that.

I would suggest to the Minister, Mr. Chairman, that it would be helpful to members on this side of the House if he would find it possible to tell us in many of the individual branches, the present estimate of expenditure in the current year. Now I know that that's not always easy to do, but if we could have prepared as we go through here the estimate as it stands now -- because after all we are very close to the end of the current fiscal year -- it would be useful to us in judging the necessity of these appropriations in their present size. I note for instance, Mr. Chairman, that in 1960 under the head of Administration, this House was asked for practically \$123,000 and yet the Public Accounts which are before us for that year -- and you'll realize Mr. Chairman, that they are the most recent Public Accounts we have -- show that just over \$100,000 was spent. In other words there was something close to \$23,000 not spent there. I have noticed something the same in other branches of the department. I am not complaining about that, that frequently happens, but I think it is helpful when we're judging of the need of these particular supplies if we had as close an estimate as could be made of how the expenditure stands at the moment. I remember that I, a year or two ago, was inclined to be rather critical of the department, feeling that too large a percentage was devoted to administration, but I see that at least they didn't spend all the money that we voted for them, and I may have something to say about that as we carry along a little further.

I do wish to make some remarks later on about the Regional Development Branch, the Information Services Branch, the Civil Defence Branch and the Manitoba Development Authority, but I shall reserve those until the particular items come up. But there are a couple of other questions that I would like to raise at this time in case the Minister wishes to get an answer for them later on. One of them is a question that I raised in discussing the Speech from the Throne, and I think it deserves to be brought up again because to me it seems to be particularly appropriate and perhaps almost the key in our present situation. I notice on page 13 of the report the paragraph that is devoted to the luncheon for the Defence Production Department officials, and I see that the department is quite definitely optimistic about the good that that will do. I notice that they thought that only 100 to 150 would attend and twice that number purchased tickets and were present at this function, indicating the great interest held by Manitoba firms in the subject of defence contract participation. The next paragraph said: "From the way the meeting was received by those in attendance it was apparent that this luncheon business meeting proved most helpful to Manitoba manufacturers and suppliers and that it more than fulfilled its purpose". Mr. Chairman, in that kind of an effort -- and I recognize that it is an effort by the department -- there is potential for advantage I'm sure, but we won't know just how successful it was in my opinion, until we find out what has come out of this effort. The opening sentence of that paragraph says that, "In an effort to promote a greater participation by Manitoba firms in Canadian Defence production, contracts, etc." that this luncheon was held. Well that's some time ago, now more than a year. What has come out of it, because I think that is the proof of the pudding. Have we some concrete results that we can report arising from that and other activities along this line? Then a more current one I mentioned when I spoke on the Speech in reply to the Throne, I posed the question, which I do again, because to me it is basic: "How can we in the Province of Manitoba expect to develop the trade and commerce and industrialization the way that we would like to do if we have the Federal Government -- which after all is by all odds the senior partner in International affairs -- restricting trade. To me, when the Honourable the Minister of Industry and Commerce entertained the Honourable George Hees and some of his associates here, it seemed that his conference could not be other than hamstrung to a certain extent in advance by the action that the Federal Government has been taking in restricting the trade potentials of this country. I would like to know how the Honourable the Minister squares the position of the Federal Government with what we're trying to do here. Now admittedly the Honourable the Minister does not have to answer for the Federal Government, and I don't expect him to do so. I'm sure that he would be glad at times if he could avoid responsibility for them. But isn't it just a fact, Mr. Chairman,

(Mr. Campbell, cont'd.) that their policies are making it much more difficult for my honourable friend and his staff to which he has paid such tribute, to do their job in the way they want to do.

On page 17 of the report dealing with regional development programs, we are told that two private economic consulting firms, specialists in resource and industrial development, were retained by the department to prepare surveys. I would like if the Minister would be able to tell us what was the cost of the surveys, because I have found from experience that usually such experts are quite expensive, and I would like to know if it's possible to tell us what concrete results have evolved from those particular efforts. I notice immediately following that that there have been meetings held, many meetings, well attended with great enthusiasm according to the report. But I still would like to know what has come out of all those surveys, and those meetings, and the enthusiasm. How has it worked out in the way of jobs that the Minister is quite properly concerned about?

Then on page 21 I notice that 150 farmers and businessmen in the Souris district have received assistance, financial assistance from the Manitoba Development Fund in a project that is mentioned as being \$125,000 project. Would it be correct, Mr. Chairman, to tell us the portion of that \$125,000 that has been advanced or provided by the Manitoba Development Fund? I notice that it says that annual sales are expected to be in excess of \$100,000 annually. Well now it is practically a year since this report, since the period covered by this report. Have we any report as to how well these people are getting along? There's similar information given on that page with regard to Plum Coulee, to Stonewall, and in each case I notice that we are furnished with the capital investment, the total capital investment, and the expected annual sales, but we're not told the amount that is advanced or contributed by the Manitoba Development Fund. I would appreciate it if we could get those figures. I know that in the Act under which that fund operates that we, this Legislature hedged the businesses which it assists about with certain safeguards. We say in the Act: Neither the director, the directors nor particular applicants themselves can be called before the assembly or committees thereof in order to give information dealing with what I suppose is intended to be their financial position. But surely it was not intended that we could not be told how these various schemes are progressing, and I think that's the thing that we would want to know.

Incidentally, Mr. Chairman, on the same page that I've been speaking of, page 21 of the Annual Report, there is a picture and below it the statement: "This multi-million dollar canning plant was put under construction at Portage la Prairie during the period under review". Now this is undoubtedly the Campbell Soup Plant at Portage la Prairie and the period under review is the year ending March 31st, 1960, and I am personally acquainted with the facts in connection and the construction was started before that time. I'm afraid that in some instances the department is so anxious to make it appear that industry is developing, or coming to Manitoba at such a rapid rate that their enthusiasm leads them into claiming accomplishments that pre-date the times mentioned. In this case I am sure that construction started before this period. Well now, Mr. Chairman, I purposely raise a few of these points simply for the purpose of giving the Minister the opportunity to answer them, either now or when we come to the actual branch itself and so far as any further comments by myself, I think I shall reserve them until we reach the appropriate heads. It seems to me that usually we make better time in that manner and I'm quite willing to follow that procedure in my own case.

MR. EVANS: I wonder if the Honourable Leader of the Opposition would tell me in what detail he wants the expenditures in the present current year?

MR. CAMPBELL: Now just, for instance, the administration, the committee is being asked for \$136000-odd. All I would be interested in knowing is, what is the present estimate of the department as to what is being spent under the general heading this year? I notice that last year we asked for \$134,000-odd. Are we going to reach it, and so on, and the different ones there? Because, as I have mentioned, there are several instances here, this one being one, where something in the neighbourhood of \$23,000 or thereabouts was not expended.

MR. PAULLEY: Mr. Chairman, I'd like to say a few words on the introduction of this department's estimates. I want to thank the Minister for his opening statement, and I don't anticipate being very, very long insofar as general question on his salary are concerned. I appreciate very, very much the attitude of the Minister when he says that hindsight is better

(Mr. Paulley, cont'd.)than foresight in regards of the economy of the province, particularly industrial-wise. I don't think though in all fairness that the Honourable the Minister of Industry and Commerce had a similar statement either two years ago or even last year. That the picture that he painted on both of those occasions, as I recall it, was one that the future was very, very great and bright, and while we may have had just a little recession or two, the future looks very bright. I think now that he has assessed the picture in a more true perspective because he does indicate in all of his remarks, that I was able to jot down or did jot down, the assessment of the future, that we are going to go through a period of retrenchment -- shall I say, or can I say -- a period that may not be as rosy as we hoped that it would be in the Province of Manitoba. It seems to me that he now recognizes, I think, in all fairness what we on this side had pointed out previously, that due to changes taking place in our industrial population of those who were employable and about to become employable, that our economy was not advancing rapidly enough to take care of them. He pointed out, I think, quite properly the same as I did the other day on introduction of my resolution on unemployment, that the backlog of consumer buying, which was created as a result of the last war, had been caught up and the Korean War had now been caught up, plus the fact that the so-called war babies are now entering into the field of industrial enterprise, and were creating quite a problem for us. I'll say in fairness to the Minister he did tell us the other day what his department estimates will be the requirements insofar as our future industrial expansion, in order that we may overcome not only the 33-odd thousand unemployed which we have at the present time, but to take up also the number who will be coming on the market in the near future. Now he does mention of course, and I presume that it's necessary for a Minister of Industry and Commerce in any Legislature to say that bright prospects are ahead for us. The unfortunate part to me though Mr. Chairman, is the fact that while the Minister does speak of the bright prospects ahead that they're not yet for a period of a few years. I can appreciate -- (Interjection) -- yes you did, or words to that effect, that you don't think that it's going to catch up with us for a period of a few years. That we'll be able to absorb -- as a matter of fact I say to the Minister he said this in respect of his statement the other day when he was giving us the percentage-wise increase necessary to take up the new employable persons on the industrial scene in the Province of Manitoba. So I don't think

MR. EVANS: I should think my honourable friend would wish that we have an understanding on this point. My figures of the other day said if we are to hold our natural increase and if we continue to expand at only our present rate this will be the result. However our purpose is to expand at a faster rate and as I purposely pointed out just a moment ago, these great swings in the economy will come again as they have in the past, and I don't hold any pessimistic view. As a matter of fact my view of the prospects for the future are that they are bright.

MR. PAULLEY: Well, I don't think there's too much difference of opinion between my honourable friend and myself. I'm not considered generally as a pessimist; I was trying to take note of my honourable friend's statements. If you recall Mr. Chairman, he did go over a number of factors which added to the impetus of industrial development since the war, and mentioned a number of factors such as the development of the DEWline and a few other things like that, which added to the progress of the economy of the country and suggested that we haven't got them at the present time, and my interpretation, correctly or otherwise, was that the department and industry generally were looking for something to take the place of these factors which we haven't arrived at yet. I think I would be correct in that assumption. Now I just want to say this to the Minister when we're looking forward so far as our province is concerned -- again I don't want to be pessimistic and I'm not pessimistic actually -- but this same thought and the same forward look insofar as industry is concerned is of necessity and essentially going ahead in all the rest of the jurisdictions of the Dominion of Canada because we're all faced with the same problems. My friend the Minister tells us that we've got to have new products, new designs, cost control and production cost controls and salesmanship which can be helped by government. I merely point out I think what is a truism, that we're not alone in trying to promote these things and it is quite a field which we meet with competition not only in the sale of our products but in the attraction of industries into our province.

Now I do have a note here in respect of the matter that my friend and I were just discussing. He does say here the department is taking the long view and these things can come in

(Mr. Paulley, cont'd.) years ahead. I think that's a direct quote from my honourable friend. He may not have meant, Mr. Chairman, what I interpreted his remarks to be. I agree with him most heartily that we must enlist all of the talents that we have in the province, be they of labour, of industry, management and government in order to try and overcome the terrific problems which we have at the present time, and I wish to assure him once again that I'm sure those of labour -- and I don't presume to stand here just as a representative of labour -- but I do say to him that I'm sure that those of labour are prepared and willing to sit down with the Minister and anybody else in a solution of our problems here in the Province of Manitoba. I'm glad that the Minister is now talking of long-time planning. I recall, even when he sat next to me on this side of the House that he almost agreed with me with everything except economic planning for the future. I think there has been some considerable change of my honourable friend.

Now then Mr. Chairman, I would like to ask one or two specific questions -- I could possibly ask the one that I am now going to ask in relation to the Manitoba Development Fund when the section comes up. It can be that he'll take note of it; he can answer it now or he can answer it then whichever he likes. I note that in the report it deals

MR. EVANS: Mr. Chairman, if the honourable leader is asking which would be my preference, I would prefer to deal with detailed matters under each of the headings as we come to them. If however, he prefers an answer to his question now I'll make a note of it.

MR. PAULLEY: Yes, well the reason I suggest this Mr. Chairman, is that he may have to get the information elsewhere. It's merely this, or principally this: I note that there are, according to the report which is for the year ending March 31, 1960, that 348 new jobs, or new persons were employed in the industries listed on the first page, and I would like to ask the Minister, I find nowhere in the report, what was the average interest or what was the interest charged on all of these particular loans? That was the question, and he may not have it at his fingertips; he may be able to find it by the time that we get to the department. I'd also like to make this suggestion to him, Mr. Chairman, that insofar as the Development Fund is concerned I think it would be appreciated by the members on this side of the House if it was possible to have the annual report on the calendar year basis rather than the fiscal year because we are now dealing with something that's almost a year behind. I might note, and I don't say it simply because it's Saskatchewan, but I do happen to have the report of the Industrial Development Fund of Saskatchewan which is on the calendar year basis and brings us closer to date. I might say that it might not be possible insofar as the annual report of the department itself is concerned, but I would suggest insofar as the Development Fund is concerned that it would be far better for those on this side of the House.

I'd like to ask the Minister and I believe that this overlaps into a number of different departments, I notice the other day he was kind enough to table for our information and send me a copy of a survey, an economic survey of south-central Manitoba which was put out by an organization by the name of Ebasco Services Incorporated. I note that this company has its headquarters in New York. I would like to ask the Minister if it is now the policy of the department to share with other companies the compiling of these reports, because up until now it seems to me as A. D. Little and Company were the little white-haired boys and any reports that we got was from that particular company. And now we have another American organization who has entered into the picture -- it's the first time that I've noted it -- and I would like to ask the Minister why it is. I would also like to ask the Minister once again as I have in the past, surely to goodness here in the Dominion of Canada we can find organizations and research companies in our own Dominion or even in our own province that would be able to supply this service to us. We do spend a considerable amount of money for these surveys and I think that we should be developing the resources that we have here in the Dominion. Now then I, too, as the Honourable the Leader of the Opposition has said, would like to know the cost of the particular items and the value in a material way that we have gained from them. One of my colleagues the other day asked for a list of the reports which we have already received, not we, but the department has received over a number of years from the Arthur D. Little Company. We would like to know exactly what has happened insofar as those reports are concerned. I was enabled last year to see a report dealing with the question of potable water in the southwestern part of Manitoba. I know that there has been some progress made as the result of that service;

(Mr. Pauley, cont'd.) I would like to hear from the Minister a more full report as to exactly what has been done.

Now then an announcement was made the other day Mr. Chairman, and I'm sure every member of the House was very pleased to hear that Trans-Canada Air has now been awarded the contract -- (Interjection) -- Transair, excuse me, I have Trans-Canada here, that's what I'm leading up to, Trans-Canada -- Transair have been awarded the contract to supply the DEW-Line out of Winnipeg or through Winnipeg. I'm sure we're all very, very pleased to know that that contract is now going to come through our capital city here. But I want to say to the Minister I'm very, very much disturbed with what is transpiring insofar as Trans-Canada Air Lines is concerned in the Province of Manitoba and particularly the Greater Winnipeg area. It seems to me that annually there are a number of the personnel in Trans-Canada Airways being moved out of the City of Winnipeg to Montreal and to other points in the east. I don't know if my information is correct, but I have been informed that approximately 2,000 employees over the last number of a few years who were employed by Trans-Canada Airways have now been transferred out of the Greater Winnipeg area. I appreciate the fact that there has been a revolution in air transport and the size of planes and equipment, but I would like to hear from the Minister what his department has done to encourage Trans-Canada Airways, to curtail the number of employees who may be transferred out of this area. I think that it is not to our good to be in a position where we can point with pride to an increased amount of business through Transair when at the same time we may have lost over the last two or three years, a far greater number of employed people in Trans-Canada Airways here. Now then Mr. Chairman, there may be other questions that will arise in the various sections of the estimates. I am sure the Minister would be terribly disappointed if we passed his estimates without some reference to the propaganda sections of his department, and I want to assure him that we will be making some suggestions along that line. But I think Sir, that those are the few points that I make on the introduction to his report; I'm particularly and keenly interested at the present moment on the transfer of personnel of the Trans-Canada Airlines.

MR. GRAY: Mr. Chairman, I just want to ask one question, one brief remark, dealing on the Minister's salary, then we'll deal with each section separately. What extent has the department developed the idea -- I'm speaking against my own interest in my own business -- for the people in Canada and outside of Canada to "see Manitoba," the same as the others say "See Europe," "See Italy," "See Israel" and see many other spots in the world? In other words I venture to say that 95 percent of the Canadians have not seen Manitoba; and I don't know how many Manitobans have not seen Manitoba. Now I want to congratulate the department on their wonderful bulletins and brochures and other booklets they issue. The question is, "How is it being advertised?" How is it being circulated?" I think I am the best friend in the city to circulate literature because there is a demand for it. In other words we are spending so much money in the department, develop something for Manitoba. Tourists, in my opinion, is one of the essential industries -- I don't say the essential, but one of the essential. Now I have not seen anything directly, personally, where the department work concentrates on this project. Whether the facilities for the tourists are here, whether the hotels are here, whether they know where to go? I think this is very important, speaking as a MLA for Manitoba, although I say I would rather see a man going to Europe than Manitoba, I make more money on him. But nevertheless, it's a very, very important thing to do. I also know when some of the tourists pass by the office and they want something on Manitoba which I give him, they are kind enough to send it to me, and it's surprising to see how little they know; they don't even know how to go out to Portage la Prairie; they don't even know how to go out to Winnipeg Beach. That's a fact. Now this is something which I thought perhaps I would raise under the Minister's salary, and reserving my rights to ask questions about the other items.

MR. SHOEMAKER: Mr. Chairman, the Honourable Minister will recall that I read a resolution relative to greater use of the Hudson's Bay Route during the agriculture estimates and I understood him to say that he would make a statement on his estimates. I don't see a heading that refers to transportation or anything of that kind. I wonder should we discuss it under item 1?

MR. EVANS: That item, Mr. Chairman, will be found under the Manitoba Development Authority, I will be glad to discuss it at that point.

MR. SPEAKER: 1 (a).

MR. EVANS: If there are no further questions I would like to deal with the matters raised by the Leader of the Opposition and I may reserve some of these for discussion under the item in question. With regard to the present estimates of expenditure for the current year under administration, I shall endeavour to get the information and find out how much has been spent in comparison with last years estimates. Now the question of whether it's too large a percentage of the money confined to administration, I would like to tell the honourable member that a very large part of the administration of the entire department and all its branches is concentrated under administration. We have in the department a stenographic pool, which serves all of the branches, and the item of administration seems, perhaps, unduly heavy until you realize that included in that is the stenographers' pool of 18 persons, which of course is a more economical way of working those services than attempting to provide one for each of the administrators.

With regards to the Defence Production luncheon, my honourable friend asks for information as to results of the luncheon. Certainly we can point to the results at the luncheon itself, where the Deputy Minister of the Department of Defence Production in Ottawa, Mr. Dave Dalton, stood up and for, perhaps as much as two hours, answered questions from Manitoba manufacturers in such practical terms as these: "Where can we see the specifications of the order?" "How can we bid?" "What kind of deposit is required?" "What kind of a plant must I have to be eligible?" "How big must my plant be to be one that would take on one of these contracts?" Asked for a general description of the kinds of goods that would be ordered in Canada and for which their plants might be suitable and so on, and I think that in terms of educating Manitoba manufacturers as to the possibilities of getting in on defence production, the luncheon itself was beyond question a practical success. As to the orders that may have been achieved since then, I have no concrete information and I don't think it could be got without a special survey, which would entail going to each of these companies and asking them, "as a result of this luncheon, did you get any orders or were you put into the way of getting business that you didn't otherwise have?" I do know that in Manitoba we enjoy a good share of the amount of defence production that is allotted to the west; it is not as big as the share in eastern Canada even on a per capita basis, but I think that's accountable for by a number of things, partly because our plants are not of the large capacity to handle some of the defence productions, nor have they some of the specialized manufacturing facilities. Nevertheless some figures which I have seen, and which I don't regard as being official, do indicate that Manitoba has a good deal more than her proportionate share on the basis of population, than Saskatchewan, Alberta and British Columbia -- that is on the basis of some figures I have seen, but for which I can't vouch. I believe good results have followed and that business has accrued.

In regard to my honourable friend's statement about Ottawa restricting trade, I am frankly puzzled. I cannot understand why he would say this when the Honourable George Hees has put forward such an outstanding effort, and such a successful effort, to organize the export promotion which is his thing -- he will have some reference to tariffs and other matters of that kind. In the world in which we live it's a matter of trade, very often it's a matter of bargaining; it consists of a constant series of bi-lateral bargainings and agreements between countries, sometimes with tariff adjustment. And the history of the tariff has shown, certainly under the administration of the Conservative Government in Ottawa, they are no higher than they were under the Liberal administration before them. I think you must have a certain level of tariff in order to be able to have an industrialized nation; and you mustn't have it so high that you can't take in goods in payment for the wheat that's exported from your agricultural sections or for the other exports that we are taking steps to develop now, and in which, as I hope to show later on, we are achieving some success. I simply don't follow my honourable friend's remarks; I don't agree with them, and as he indicates, it's not a part of my duty, nor have I the time nor the ammunition at the moment to defend the Ottawa administration and its trade, nor fully to describe the outstanding results that they have achieved and are achieving.

I am not able to say at the moment what the costs of the two surveys are, for southcentral Manitoba and southwest. My guess is that all of the costs have not yet been accumulated, and the second of the two was only submitted at Brandon -- was it a week or two ago? It may indeed be that we haven't received the bills. If however, the information is available, I'll be glad to get it for my honourable friend. As to the results, that would surely be too early to expect

(Mr. Evans, cont'd.)....results. A month ago we submitted the first of these at Morden and not more than a couple of weeks ago, I think at Brandon. The next step following the submission of the report is to take it around to workshop groups in different towns throughout the areas; consult the people and endeavour to interest them in forming community development corporations and by other means to attract industries to their areas. I think my honourable friend, even with his record for speed, would regard perhaps two weeks as being too short a period to achieve all of those results and to get some factories into operation. I will not be in a position, Mr. Chairman, to reveal the amount of loans, that is awarded to or allowed to any corporation or any borrower. That is a policy that is followed by the Development Fund itself; it has my approval and I would regard it as privileged information. With regard to the Campbell Soup Plant, I hope there was nothing misleading printed in the report; I shall have the matter checked and be able to tell my honourable friend later on.

My friend the Leader of the CCF has taken a considerable interest, and I would like to say this quite sincerely, in the economic situation in which we find ourselves. I was interested in what I thought was a scholarly speech that he made the other day, which delves down to the fundamentals of the employment situation and our degree of prosperity at the moment. I cannot agree with my friend as to the steps that he proposed; or not all of them. Nevertheless I did want to say that I regarded it as a contribution to this Chamber and to our thoughts on the economic problems that face us. I am glad to have his material and his speech; I have read it with interest and with respect. Now he says that we're not alone in this development urge in Canada and of course he's perfectly right. We, in Manitoba are in sharp competition with other areas in Canada for attracting industries and holding them. I would say in the matter of organization and in the plan that we're following, that we are however, ahead of most other parts of the country, perhaps because we have had the advantage of coming along latest with our plan, that is to say -- I apparently floored the Attorney-General -- but we have come along now with the advantage of looking at experiments that have been tried elsewhere on this continent -- very largely in the United States -- and as one might expect, we have been able to see successes on one hand, perhaps some mistakes on the other, and have been able to choose of course, which those in the development business assure us has placed our plan in the forefront, in the forefront of development plans in the North American Continent, not only in Canada. We are, however, as he properly points out, in competition with all these other people and in hard competition; we are going to compete; we are going to fight and we think we will get out share. Now I could not welcome anything more heartily than the statement that the Leader of the CCF Party has made. He said he wasn't speaking for organized labour but I do know that he has a very close connection with organized labour. I think it is nothing less than basically important to have an assurance that organized labour with their resources, with their abilities, with their research people and so on, and with their large share in the economy of the country, will take seriously and lend assistance to such a work as we have started in the economic development committee of Manitoba. As my honourable friend will know from my early announcement, it is proposed to have representation from labour or to invite representation from labour on not only the committee itself but on the committees that are set up under it to undertake special sections of the work. There is hope, I think, for very considerable progress if we invite and secure the active assistance and hard work of all concerned in this problem. The assurance on behalf of labour that this will be forthcoming is most heartily welcomed by me and by my department, and I hope that labour will find, on its part, that their interest will be reciprocated on our part and my department's part in inviting them to take the closest part in development of our plans and studies.

It is not possible at this stage to give the figures of new jobs accurately, created as a result of loans from the Manitoba Development Fund. The figure that I have been using is a creation of some 600 jobs since the start of operations of the Manitoba Development Fund. My honourable friend points to -- was it 300 or 400 reported in the annual report. That figure would be the product of some close study. The one I give you now is -- in conversation with my department every time we discuss this we say, well how many jobs do we think we have now. The best guess that we can make at the moment is some 600 jobs in being at the moment. The interest rate charged on these loans varies from a minimum of one half a percent above the provincial borrowing rate, to somewhat higher rates depending on the degree of risk involved

(Mr. Evans, cont'd.).....and the degree of the size of the loan. Loans are made on the same considerations by the Manitoba Development Fund as they would be by a private lending institution, and the degree of risk is quite a factor in determining the interest rate. Some times the profitability of the operation is taken into consideration. If it turns out to be an industry which can well afford a slightly higher interest rate, that may be taken into consideration. I'm not able to speak with authority on this because I undertook, when the Manitoba Development Fund was launched, to ensure that the fund was operated independent of my department; that its work would not be interfered with; that it would be carried on by the board without interference from the government. This has been carried out and I can tell the House that I have not made representations to the board regarding any loan before their decision has been given, and I have not asked the board to reverse or change any decision that they have taken themselves. Now I do see the records of the loans that they make, and the interest rate, and they vary, from memory, something in the order of 6 1/4 or 6 1/2 percent to as high as 7 1/2 percent or 7 3/4.

My honourable friend raises the question of changing the fiscal year to the calendar year. There would be attractions to that but we would always be left with the problem of reconciling the accounts at the end of a fiscal year to those based on the end of a calendar year, and reconciling those accounts to the provincial fiscal year which is, of course, the 31st of March. There are advantages in both. One gives information more closely up-to-date when we meet in the Legislature here; the other means that you're everlastingly dealing with provincial accounts, as in this case where the capital funds are provided by the government on a certain fiscal year and you see it in the estimates, then the accounts of the fund itself being closed off on a different year it would always be more difficult to reconcile. As it stands at the moment, we think that the same fiscal year as the province is probably the most efficient way to deal with this, and if supplementary information is required by the House or by the committee, to provide it as required and at the request of the members.

Now as to the consultants employed by the department. My honourable friend draws attention to the fact that we have now engaged one or two others, or have made use of other consultants beyond the Arthur D. Little Company of Cambridge, Massachusetts, and this is correct. The first consultants who were employed for the South Central Manitoba Study were the Ebasco Company of New York City, and they were chosen because they had done a very large amount of this work in the United States and elsewhere outside the United States, but not in Canada. We have employed another similar organization, the Economic Research Corporation of Toronto and Montreal, who did the Southwest Study. So we had one Canadian firm and one American firm carrying on these works. I may say that both the studies were of high quality and the Canadian firm has no reason to fear comparison with the work that was done by the Ebasco Company of New York City. I'm not indicating that the Ebasco Company were not of as high quality, I think that they were comparable.

But we have gone rather farther in this connection of employing other consultants. We have used, during the past year, the Canadian Research Association of Toronto for freight investigations, Ebasco Services of New York for regional developments, Economic Research Corporation of Montreal for regional developments. Those were the south central and southwest regional studies respectively. Payne and Ross of Vancouver for iron and steel markets, Project Planning of Toronto for recreational development, R. L. Banks and Associates of Washington for transportation research, Underwood and McLellan of Winnipeg for the engineering study on the Townsite of Churchill, Sandwell International Limited of Vancouver for a pulp and paper study, J. H. Price and Associates of Montreal for a molded paper products study. I might say in this connection that we are following this device as much as possible. That is, to engage as consultants, the terms of the contract being to have as much of the field work, or what you might call more or less the mechanical work, done by our own staff as possible. Now this is perhaps partly to cut down the cost or the total amount of money spent, but even more so, and I think in the long run of greater value to us, is to have our people have the experience of following through the research under the guidance of professional consultants of this quality. I find there is a ready acceptance on the part of these firms to work in this manner. They know that we are learning the game and they're happy enough to do it as well.

Now with regard to the last point and one that is a matter of considerable concern to my friend the Leader of the CCF Party, I may say that I share his concern completely with regard

(Mr. Evans, cont'd.)....to Trans-Canada servicing. It seems clear now, that as Trans-Canada Air Lines go out of the propeller-driven aircraft, by that much they will decrease their servicing in Winnipeg and what has been a substantial industry in Winnipeg and Manitoba will be deiminishing by that amount. When they went into jet-powered aircraft they set up servicing facilities at Montreal and Vancouver and do, in fact, conduct the servicing at those two points. There may be some technical reasons for it that I'm not well qualified to go into. I think at Montreal, for example, they feel that to have servicing facilities there at the end of a flight across Canada and to be able to service the plane there before it takes off over the ocean for England, is one of the reasons for placing this servicing facility in Montreal. But I am not here to defend their policy. I disagree with their policy. I have made the strongest representations that I am able to, both in written form and by personal visits, and it was only comparatively recently, certainly within the last year, that we were able to secure from Trans-Canada Air Lines a statement of the fact that this was indeed their policy. We saw these people disappearing, as my honourable friend has drawn attention to. My honourable friend from Winnipeg Centre kept informing me of other people that he knew who were moving from Winnipeg to Montreal in service of Trans-Canada Air Lines. I kept pressing for a statement and kept receiving perhaps less than a definite statement from Trans-Canada Air Lines. Nevertheless, within the last year we have received the statement that it is the policy not to place jet-servicing facilities in Winnipeg. Well this raises a very large matter for us to consider as seriously as possible. This is one of the reasons that I welcome the Dew-Line Operation so much; not only for the business that it will generate for suppliers in Manitoba but for the strength that it adds, and will add to one air line, Trans-Air, and by that much to strengthen the air industry here. It will strengthen the servicing or the ancillary services that do support the air lines.

I don't think the general public, and perhaps not all members of the house, know the extent that we have highly skilled and well-equipped servicing facilities at Stevenson Airport to take care, certainly of all the propeller-driven aircraft down to the latest of the propeller-driven. That is an industry that must be sustained and must be nourished with business; and I'm sure that the development of the Dew Line will be a contribution, a valuable contribution in that direction. But of course it is by no means enough, and I tell the House that one of our main objects at the moment is to find any means by which we can return Winnipeg to its former important place as an anchor of the air industry in North America, and I am not in a position to state any plan at the moment except to give assurance that we will give it the most serious and continuing study in the most practical way. I have interviewed a number of people on this subject now, who I think are in a position to help to advise us on what course to follow. I have other appointments actually made now that I should take up when the session is over. I shall go and see them, and who knows what we may be able to develop. If Winnipeg is on the flyway from certain parts of North American across the pole to certain parts of Europe, we will try to find people who will advise us as to how we could attract air lines to Manitoba so that we become at least a landing spot or a servicing airport for these international airlines. This is very general; this perhaps can give you nothing to bite on. The only assurance I would give the committee is that it's become a matter of very serious policy with us which we will follow with every ability that we have.

Now we have the questions that my honourable friend from Inkster asked, which really come under the heading of "Tourist Development," and I wonder if it would suit his convenience just as well if I referred to those matters when we come to the tourist thing, so that we may preserve the organization of the material as I indicated at the beginning.

Mr. Chairman, I have now come into possession of some information which my honourable friend might care to have with regard to expenditures. Under Appropriation No. 1, Administration, the revised estimate of expenditure for this year will be \$129,770, which I think then would correspond, if I'm correct, to the appropriation of \$134,270. With regard to how successful has been the business luncheon with officials of the Department of Defence Production, we know that of the total contracts awarded to the four western provinces: - in 1958 Manitoba received 28.2 percent; In 1959 Manitoba received 25 percent and in 1960 received 46.5 percent. Now let me hasten to add this, that no one, least of all myself, would attempt to claim credit by such a device as this luncheon or any organization that we put into it or what must be regarded as a spectacular rise. I would not want my honourable friends to think we

(Mr. Evans, cont'd.)....were trying to claim all that much credit; nevertheless the trend is in the right direction. I don't think the luncheon can have done all that much harm, anyway. Now it should be noted that total defence contracts in 1960 were considerably less than in 1959' they were -- well I haven't got the total figures here, but of the amounts that were awarded in western Canada including British Columbia, Manitoba received 46.5 percent . The cost of the regional surveys southwest Manitoba by the Economic Research Corporation of Montreal and Toronto \$8,000; of south central Manitoba \$9,500. And as I have indicated it's not yet reasonable to expect us to be able to reveal the results that might follow from the reports. With regard to the picture and the caption under it -- my honourable friend is perfectly right -- it had been intended to place under the picture the words "that had commenced production" and the word "constructions" was wrongly used in that connection. As I've already indicated it is the policy not to reveal the amounts borrowed by individual loans. The range of interest rates for my honourable friend the Leader of the CCF, is rather a slight change from what I gave. It's 6 percent, not 6 1/4 percent. 6 percent to 7 1/2 percent.

Well now, if there are no further questions, Mr. Chairman, we might then deal with the rest of the administration.

.....continued on next page.

MR. CAMPBELL: Mr. Chairman, I would like to comment just briefly on the answers that the Honourable the Minister gave to me. I'm afraid that I'll have to plead guilty that perhaps my reference to the trade situation was not too clear, because it may have looked as though I was sort of suggesting that the Honourable George Hees was one of the ones that I was blaming for restrictive trade practices. I think I would want to exonerate him and put any guilt on him only by association with his colleagues down there, because when my honourable friend the Minister says, and I think these were his words, that he could bear some testimony to the outstanding results which the federal government have achieved and are achieving in the realm of trade, I must say that I don't share his optimism in that regard. What I meant to convey was that I think the restrictive trade practices of the government as a whole, as they are, rather than Mr. Hees, are working against the best interests of an exporting area like Manitoba in general, and even against the industrial export potential of people who are wanting to get into the outside areas. If my honourable friend really thinks that they have outstanding results then I'd ask him to comment, and I really don't expect him to comment on these because he doesn't have to defend the Federal Government in these matters, and I'm simply putting myself on record as believing that one of the handicaps that industry faces here, certainly that the primary producers face, is the restrictive trade policy of the present Federal Government, and to call their accomplishments outstanding ones I'd simply have to refer to the action on British textiles and on Japanese importations and several other areas that are well known.

Now I did not mean to imply that the luncheon that my honourable friend gave would do any harm. Even I wouldn't go that far, and I was simply making the point that it is hard to assess the results, and I think it's hard enough to assess the results in a lot of these cases, but I am interested to know how much actual business is resulting from these various endeavours of my honourable friend's department. I know that he believes it most sincerely, but I must say that I am still somewhat skeptical about the concrete results that we can claim, and I'll be glad, very glad to get any further information that we can receive, and I'm not the least -- I do not object at all if at this stage we wait until the individual items are dealt with.

So far as the Honourable the Minister saying that the information regarding the loans would be, in his opinion, privileged information, I realize what the Act under which this Board operates provides, and I wouldn't want to get the individual loans and the name of the borrower and that sort of thing, but when the Minister says that this just can't be given out I must refer to this January issue of the Country Guide, an article which is headed, "Home Towns Get Down to Business". There's quite a story about the Manitoba's Regional Development Program, and in one case, at least, the loan is given here. This is quoting from the article: "A smaller town in the Pembina triangle, Plum Coulee, has started to lessen Western Canada's dependence on potato imports from the south. Appointing an experienced grower to manage a company, they raised capital to buy potato seed for planting in the spring of 1959. By the following Christmas they had sold \$10.00 shares in the community to a value of \$45,000, and with a loan of \$40,000 from the Manitoba Development Fund they paid for a storage, grading and washing plant and equipment to sow and harvest potatoes." There's some more to the article as well, but apparently someone has given this information, whether it's correct or not, and in several other items, even though the exact amount is not mentioned, they do refer to the fact that the Development Board Fund has shared in the So while I recognize that we wouldn't want and shouldn't ask the department to give the details of the financial standing of individual businesses including their loans, yet I think that what's given in the annual report and statement of accounts of the Board is helpful, because it does give them by sort of types of businesses. Then I think the other thing that the committee would be entitled to have would be, in general terms, information as to the economic health of these various projects that some public money is going into, and I would like to know, because it seems to me from reading the report and this article and others that have come to my attention, that at least three in which the department has shown some interest, some of which they have invested some money, are in the potato business and I would like to know how they're getting along in the potato business in general -- not necessarily the business secrets of the individual plan or project itself, but the general overall picture, and I think in that case if that could be done without revealing any details that shouldn't be given at this time.

MR. EVANS: Mr. Chairman, in answer to the question of the Leader of the Opposition with regard to where the information came from with respect to the amount of the loan or its terms to the Plum Coulee Corporation, I think I can answer definitely it didn't come from government sources. How these newspaper and other reporters are able to arrive at their information I don't know. Any borrower is of course free to discuss his affairs with the newspaper, and undoubtedly they arrived at it in that way. With regard to the economic health of the borrowers, I think we can say that at the moment the amount of loans that are in default is approximately a quarter of one percent, which of course is extremely low. Now, don't let's get too self-assured about this. There is an element of risk in making money of this particular kind available. Perhaps that has to be faced. If there were no risk and returns were available on it other people would have done it, but it is a tribute to the skill of the Board that they have to this point kept their losses to a negligible proportion. One or two industries have at times had to come and consult about management assistance, discussion, they were not prospering, they were not making profits, and we have furnished what assistance we could and procured assistance for them, and I think it can be said now that all of the loans with the exception of the proportion that I spoke of, appear to be in shape where we're not unduly concerned.

With regard to the three industries dealing in the potato business, I am not -- I think perhaps it would be safer for me if I consulted my staff and asked for a considered statement on this. I think I know the position but it would be better if I brought a more considered statement with me.

MR. M. E. McKELLAR (Souris-Lansdowne): Mr. Chairman, I'd like to bring to the attention of this committee a message of importance to the Town of Wawanesa and also the people of Manitoba, to show what can be done in a very small town. Last Wednesday, March 15th, there was a very large ad -- it was in all the daily papers in Manitoba -- mentioning the fact that the Wawanesa Mutual are going into the life insurance business effectively now, and I would like to say that we in our area are very proud of this company and also the fact that they're entering this very important field in the insurance business. We have here, in this Legislature, two agents of their company, the Honourable Member for Gladstone and the Honourable Member for Hamiota, and I think that if anybody's interested in life insurance, they would be glad to look after your interests.

Now I would also like to bring to the attention of this committee some of the history that is attached to this company, which started in 1896 as principally for insuring, I think -- if I'm correct, they went out to insure threshing machines. That was their first venture into the insurance field, and later on went into the general fire insurance field, then into the automobile field and now they're entering the life insurance field. And I would like to read to you the message that is in this large ad here, word for word, "For over sixty years a household word across Canada, Wawanesa has just added a new important policy-holder service, The Wawanesa Mutual Life Insurance Company. For the man who knows Wawanesa, it's big news. It's opportunity for complete protection under one roof. All your life, fire, automobile insurance provided by the company you know best. A new company but the same familiar Wawanesa service. The same assurance for reliable coverage. The same friendly local agents," -- as I have mentioned here before -- "The same management. It is fitting that the service of Wawanesa Mutual Life starts in Manitoba. The parent company began business in Wawanesa in 1896. The famous village that became the birthplace of big business. And today your Wawanesa Mutual insures the property of more Canadians than any other insurance company. Your Wawanesa Life agents can provide all the basic forms of personal life insurance, whole life, endowment and term. All permanent life policies will be participating, earning dividends that will add greatly to the value of your protection. What's more, policies are simple and therefore easily understood. A little thing -- it's the little things that count with Wawanesa." That is the story that they tell in their ad. But I would like to say that we in our small towns needn't be afraid of the big towns, because it's the local initiative that will gain the business in the world today.

MR. PAULLEY: I don't know if you will now hear from the Honourable the Leader of the Opposition respecting the Portage Mutual or some of the other insurance. Personally, I generally deal in Co-Op Insurance. I appreciate very much the remarks of the Minister of Industry and Commerce in reply to some of the points that I raised. I do suggest to him that if at all possible

(Mr. Paulley, cont'd.) he continue his representations to the TCA, and now, and not wait until after the session is over because goodness knows when that is going to be, and this is, to me, an immediate problem. Now, I notice that he did list a number of research companies that are doing work for the department now. It was my understanding that Arthur D. Little were on a retainer basis, or some sort of a retainer basis. I would like to know whether these other companies that the Minister mentioned are on retainer basis as well. And when the Honourable the Minister was listing the various survey reports, I didn't catch them all but I did notice one there that he referred to as a research report dealing with the iron and steel product. Now if memory serves me correctly, there was a report made, I believe it was in 1952 or '53 with the possibility of '54, by Arthur D. Little in respect to the iron and steel industry here in the Province of Manitoba. Now I'd like -- the Minister may not have it at his fingertips now -- he could find out from the boys upstairs whether or not this is correct -- well, I'm sure that it is correct because I have the copies at home -- and whether this is a duplication of the services that were performed back in those days, the former Liberal administration, in respect of iron and steel. Incidentally, I think it would also be of interest to know whether or not from the report that I'm speaking of, that back in the early '50's dealing with iron and steel, whether there were any results as a result of the survey made at that particular time. Again I say I don't expect the Minister to have these at his fingertips, but the boys in the gallery might be able to give him some information on that.

MR. EVANS: Mr. Chairman, I have some of this information in my head, perhaps most of it. With regard to Arthur D. Little Company, we do have a retainer basis with them but with no other. I think the main information concerning their contract is already in your hands. Well, I know I'm correct in saying there is a retainer basis with no other consulting firm. They're engaged piece by piece. With regard to the iron and steel business, I think the former report, which I recall now, had to do with the general opportunity for the development of an iron and steel business in the Province of Manitoba. The report referred to now was with a particular process which might be brought into Manitoba; a particular operation which we're considering commencing in Manitoba. It was not a general study but one of a particular process and the market that might be available for it, and the up-to-date conditions surrounding the iron and steel business in Manitoba now. There has been -- (Interjection) -- Yes, confidential report to the firm that was considering entering into this business. And for that reason I would not be able to either name the process or describe whether the result was positive or negative.

MR. A. J. REID (Kildonan): Mr. Chairman, magazines and papers carry ads from firms operating outside of Manitoba, selling a variety of goods and products. But I'm wondering if the Minister's department checks on such commodities to safeguard the public that they receive value for their dollars. Because it is true, when the public think they're getting a bargain, that many times they're not, and also takes out from the province many dollars which would benefit our home market and industry.

Mr. Chairman, the Minister quoted in his Throne Speech that his department made a study which resulted in a transfer to Manitoba the supply base of the DEWline. Now, Sir, I'm sure the Defence Department of the United States would not consult an urban and rural provincial government such as we have in Manitoba on such an important issue. I don't mind giving credit where it is due, but it is by such window dressing and publicity that the public has false illusions that this government is doing such a marvellous job. True, I'm happy that this will give our local home markets a boost, and now that Transair has a contract for the airlift, which will greatly help due to Trans-Canada moving their repair depot, because some of the staff will likely be transferred to Transair which will require additional aircraft and staff. Mr. Chairman, if the Minister is really sincere in helping industry establish here, why don't he tell this House what the Manitoba Development Fund is actually doing, and who gets the largest loans. Because I understand it is very difficult for small businessmen to get loans at reasonable rates. These men would be establishing new industries while the department now is loaning money to establish firms that eventually through circumstances would settle here anyhow. The Minister's department to me, Sir, seems to be composed mainly of high paid advisers that for a price tag of over a million dollars you should be able to get all kinds of advice for any man's money. This is expensive publicity and high-pressure salesmanship, and I think most of it is spent on window dressing and putting on a big front on the merits of the present government instead of

(Mr. Reid, cont'd.) being spent for Manitoba.

MR. EVANS: Oh, No, Mr. Chairman. Well, I think I shall have to start on my friend from East Kildonan and tell him some of the facts of life.

A MEMBER: Ask him who wrote his speech.

MR. EVANS: The first is this, that with regard to the DEW-Line I don't think he could possibly, if he had searched from end to end of all that we have done in the department in over two years, some 32 months, if he could have found a worse example of something to illustrate the point he tried to make. I could provide him with a thousand things where good luck has brought us an industry, or where somebody came and settled and we were awfully glad to see them and we helped them. But the DEW-Line of all things. I'm going to tell my honourable friend that we began with just a gleam in our eye. We saw this supply being made from both Montreal and Edmonton, and we weren't getting the business here in Manitoba. And we said to ourselves, "Well, Eastern Canada particularly gets a very large share of all the defence spending in North America, why can't we get something? Here's the DEW-Line. That's in defence of North America. Let's see if we can't get that." So we began to ask, "Who has the responsibility for supplying the DEW-Line. Why can't Manitoba get some of this business?" And we learned that it was the United States Air Force that does the operation up there, and that they employ a sub-contractor called Federal Electric Limited of Paramus, New Jersey. Well, we inquired, "Now how do we get in touch with these people and ask them please to come to Manitoba and do their supplying here?" And we heard, well, the first thing to do was to go down through the Department of External Affairs in Ottawa. This is Manitoba to Ottawa, Ottawa to Washington, Washington to United States Air Force, United States Air Force to the Federal Electric and back to Paramus, and by the time we got the reply back, everybody was so confused about what was going on, and everybody was so discouraging about it that we almost cried and went to sleep. But we didn't. We said, "This thing is right, because we can save money and we can get our due share of something that is in defence of Canada, and something that we can provide more efficiently than anybody else." And so, we got to work, and we made -- my honourable friend the Leader of the Opposition will be scathing about this -- but we made a study. We got out the facts. We had a look at them. We said, "How much does it cost to take all this stuff up there by air and couldn't we do it more cheaply from Manitoba?", and do you know, when we got all those figures and wrote them down and studied them, we found that it would save a very large amount of money for the American Air Force if they would supply from Winnipeg, in comparison with using these other two bases.

Well, still they didn't believe us, and we got tired of going through this channel of Winnipeg to Ottawa to Washington and around back again, so we just took it on ourselves to get in touch with the Federal Electric, and they said why sure they'd be interested in a proposition that would save them money, and they sent up one of their experts here and he worked with us. We got the CNR railway to turn out some of their freight experts and they put in a good deal of work on it, and we prepared a report that proved the case. Well my friend, we thought it up, we studied it, we proved it. Then we took our little package and we went right down to Paramus and we got hold of Admiral -- I've forgotten his name now -- who is the head of Federal Electric, and we sat down on face-to-face salesmanship and we sold him on the idea, and then he was convinced and he went and sold the American Air Force, and in the meantime, so that nobody else would nip around in back of us, I got down to Ottawa, repeatedly, and saw everybody who might be concerned there -- The Department of Transport; The Air Transport Board; The Department of Defence Production -- The Department of Defence -- I'm not sure there wasn't one other -- and by means of face-to-face salesmanship with the proposition that we had thought up by ourselves and worked out by ourselves, we sold them a proposition that brought \$28 million a year of business to Manitoba. So, my friend, you picked the wrong one. Well, I would say that my honourable friend has got such a cheery smile on his face and he's such an awfully nice fellow that I really feel -- I'll leave the point at that. I would say that the criticism he offers with regard to window dressing and all the other slightly unkind things that he said, and which he tried to borrow I think from my friend, the Leader of the Opposition -- (Interjection) -- Yes, he thought it up in the first place, and why there is such a community of ideas between those two groups over there I don't know. I'd always been able to tell my honourable friend from East Kildonan apart from the Leader of the Opposition, but now they

(Mr. Evans, cont'd.) are so confused in my mind, I don't know who's who or who thinks what.

Now, I'm going to leave the next section of my report to my honourable friend from East Kildonan. When he listens to the practical results that have been achieved, he will realize that this is not window dressing, that this is not something that is just up in the air, because he's going to be here some little time, and if he will do me the honour of sitting in his seat he will learn what has been going on in the Province of Manitoba as a direct result of the very brilliant people who back me up with facts and reports and studies that result in business being achieved for the Province of Manitoba and jobs for people to work at and cash markets for farmers to have. Now I think that's about all I care to say on that subject at this moment, because I will move on -- if there are any further questions on administration or of a general nature -- I'll move on to the section of Industrial Development and we'll continue further with this subject.

MR. PAULLEY: There is just one further question. I believe the First Minister indicated to us some time back that where there were dual positions which each had a salary that they were going to mention to us -- I believe he did say that this was one of the departments.

MR. ROBLIN: I want to thank my honourable friend for mentioning that -- this is the other one. The Deputy Minister gets his salary as a Deputy Minister and he also gets an honorarium of \$3,000 for his work with the Manitoba Development Fund.

MR. PAULLEY: And what

MR. ROBLIN: Plus \$15,000, total of \$18,000 -- fifteen and three. -- (Interjection) -- Sorry, it's \$12,000 and \$3,000, being a total of \$15,000.

MR. E. R. SCHREYER (Brokenhead): Mr. Chairman, the study that the Honourable Minister referred to which they submitted to the New Jersey people. Who marshalled this study -- the Provincial Government or was it a consultant agency?

MR. EVANS: No, this was a study, as you say marshalled, that is undertaken, conceived, laid out, the form of the study decided and the work done, as far as possible, by our own staff, but with very considerable assistance by, I have forgotten his name now, from the Federal Electric Corporation of Paramus. They sent a man here who worked with us steadily for quite a time, and also considerable help from the regional office here of the Canadian National Railways.

MR. J. M. HAWRYLUK (Burrows): Could the Honourable Minister tell us as to what progress we're making as far as the Atomic Plant at Lac du Bonnet is concerned? I don't think we have had anything on that yet, have we?

MR. EVANS: I think if my honourable friend would be good enough to ask me that question under the Manitoba Development Authority, I may be able to give him some information, although it is not our operation.

MR. SHOEMAKER: Mr. Chairman, I would just like to ask, before I get lost here, where do we discuss historical markers, camping grounds, picnic sites, roadside tables, museums and the like, because I was told the other day that I should have discussed them under agriculture, and I was told too, the other day, as regards the first gaol and custom house at Emerson, the museum there, that it was built partly under Industry and Commerce and partly under Public Works and partly under Mines and Natural Resources, or the three combined or something, and I do see an item here under (1) (c), Grants \$8,000 and I am wondering where can we discuss those to our heart's content?

MR. EVANS: I have never been able to figure out what would content the heart of my honourable friend, but I'll see what we can do. I think we had no concern with roadside parks or picnic tables or matters of that kind. With respect to any questions concerning tourist information offices, and I assume that is the item you are speaking about at Emerson, that would come under Travel and Publicity. You find that item in the estimates, and I would be glad to discuss anything in that connection, although perhaps the amount of information I have is limited on that -- there is nothing new. As to museums, that is not a matter for the Department of Industry and Commerce at all. That would come under -- my responsibilities in that connection would be concerned with the Historic Sites Advisory Board. I don't think that that is in these estimates, is it? No, I'm afraid there is little in that that would be appropriate for the Department of Industry and Commerce. I'm afraid my friend is still lost.

MR. ROBLIN: On the question of museums, Mr. Chairman, that comes under the Executive Council Grants that was, and any grants that we give to the museums was related to the committee at that time.

MR. SHOEMAKER: I'm referring now to this bulletin put out by Manitoba Tourist Industry report. I think there were eight or nine published last year, and in this particular issue, November, it outlines Historic Sites Interests -- any visitors -- then it goes on with 15 different reasons why we should have more historic sites, and it's under the Department of Industry and Commerce, and I agree with the whole 15 of them here. I think that there is one place where we are lagging. I did have a very friendly chat the other day with the Historic Sites Advisory Chairman, Mr. Bowsfield I believe his name is, and I am sure in listening to him, that he felt too that there was a great lack of co-ordination perhaps, and a great lack of money towards this kind of thing. But if -- so long as we can discuss it under Travel and Publicity, if I'm free to discuss it there, that suits me fine.

MR. EVANS: With regard to museums or anything else as tourist attractions, I think that's very appropriate, and we can discuss it under Travel and Publicity.

MR. CAMPBELL: This item of Grants. Has the Minister mentioned to the committee, what that is -- under the Administration item? The one to the transportation authority?

MR. EVANS: Not with respect to this. These are funds for industrial exhibitions and expenses related to displays of this type. We've -- I think the word "grant" in that connection is only partially correct. We regard those as advertising expenses and I think the word "grant" is perhaps mistaken.

MR. CHAIRMAN: (c) - passed; (d) - passed; Resolution 80 passed. Item 2 - Industrial Development Branch.

MR. EVANS: Mr. Chairman, I would like to now provide some information which I hope will partly answer some of my honourable friend's questions. With regard to the work of the Industrial Development Branch, I think we could say that studies are being turned into action. In the past two years, just to give us the size of the development that has occurred in the province, we find there has been an investment commitment in the province of \$132 million. One hundred and four new plants have been opened. In 1959 the value of production was up by 10.3 percent, which is ahead of the percentage increase which occurred in the rest of Canada. There were in 1959, \$765 million worth of production in the industrial sector in Manitoba; in 1960 that rose to \$772 million, which of course at this point can only be an estimate. There are 45,000 factory jobs in the province and a payroll of \$160 million. Now I would like to illustrate for my honourable friend some of the developments that have taken place in the province, and here I am able to discuss individual plants, but I shall not reveal the name of the particular company, because I think it is their -- I am able to refer to the ones, of course, that have been announced in public, because the information is public, but we have here some 51 new industries opening up in 1960 in Manitoba, providing a total of 708 jobs and a total investment in building and equipment of -- total of \$6,976,000. "New Industries, 1960" is the heading; I take it it must be the calendar year 1960. Out of these 51 -- I would be glad to read the entire list to my honourable friend, but I am going to mention a few, that for example, the Catelli Food Products have returned to Manitoba. This again was a direct operation by the department, and if I might say so, by myself, because in the department we ran across the fact that Catelli used to be here, and so I wrote to the President of Catelli's and asked him if he would see me if I went to Montreal, and he was good enough to call me at my hotel when I got there. Well it turned out that he was so engaged that he could only come down and see me for breakfast, and I hope that the accounts won't appear exaggerated when I tell my honourable friends that I did entertain the president of Catelli people while I discussed with him the prospects of coming back to Manitoba, and the total cost of his breakfast which was borne out of public funds was 85 cents, and so in Montreal, in the coffee shop of the Queen Elizabeth Hotel, his breakfast cost the public of Manitoba 85 cents. Well the result is that he is now raising a factory, the first stage of which will bring about the investment of \$1 million here -- will create 75 jobs, will manufacture spaghetti, ravioli, jams, pickles and soups, and there was a considerable operation conducted by the department as well as the effort that I referred to, if I may put that into perspective, if I did have some interest in it personally because Mr. Bienvenue was good enough to give me an interview. He said yes, that they would consider coming back to Manitoba, and the department prepared

(Mr. Evans, cont'd.) considerable information for him. A very deep study of the opportunities that might exist here for a food processing plant again, and the result is now known.

MR. CAMPBELL:

MR. EVANS: Yes, this is right. Perfectly true. They come out near my honourable friend's bailiwick out there.

MR. CAMPBELL: Mr. Chairman, could the Honourable Minister tell us when they had ceased operations here?

MR. EVANS: Not out of my head, I can't. They closed their plant here and moved out, if I'm correct, to Alberta, but I haven't the information here as to when they did stop.

MR. SCHREYER: Mr. Chairman, I wonder if the Minister, as he gives his commentary, could indicate how many of these 51 new concerns are locating outside of the Metro area? Without being too specific.

MR. EVANS: I should be glad to as we go along. I wonder if my honourable friends would be good enough to allow me to complete what might be a statement with regard to this department, and then allow me to search out the information later on.

I come to another example which is partly in answer to my honourable friend from Broken-head. Here we have Circle 10 Enterprises of The Pas, Manitoba. Potato processing; there will be an investment there of \$30,000 in building; \$20,000 in equipment. We made a market and technical study providing data pertaining to northern Manitoba. We have here the one that has been noted before, and that's the Columbia Forest Products Limited at Sprague, Manitoba; will employ 150 people, that is, 75 in the plant and 75 in the woods, an investment in the first instance of \$2 1/2 million. They will make particle board, and that was an example of something else that has been going on in this department, and that is active solicitation of new industries by the members of the staff, and to some extent by myself. This was the result of very persistent salesmanship and calling on the part of senior officials of my department who -- this is the kind of window dressing that my honourable friend undoubtedly is referring to. This all arose out of another study. This is the first study, and as a matter of fact my honourable friend over there started this study. This is the study in southeast Manitoba. The only trouble is that he didn't bother to take any practical steps as the result of the study. It was the start of a very good study on southeast Manitoba when we arrived, but nothing had been done about it, so we took it in hand and did something about it, and one of the things that we found might be done is to use certain forest resources down there to provide new jobs and new production in the area. We found that there was too much spruce and other pulpwood varieties being cut, but there were other woods available, so we took this information and took it down to our research consultants the Arthur Little Company and asked them, "Is there anything can be done with this kind of asset in an area where these changes must be made," and so the very natural conclusion was that you can make things like particle board or flake board out of poplar, and tamarac I believe, and that there were possibilities for that industry down there. Well then, we had a report, and a study that showed the possibilities of how something might be done. Then we took that report and we started -- we received advice also from our consultants as to who were the people in this business who might be interested in locating in Manitoba, and we took the list and started calling on them. We found one, The Columbia Hardboard Corporation I think is the title, at Seattle, and repeatedly called on them. Called on them until we began to wonder whether we weren't barking up the wrong tree. Well eventually they were interested, they moved their plant to southern Manitoba, and as my honourable friends know, there is a \$2 1/2 million investment going in at Sprague, Manitoba, which will have a very considerable influence on the whole economy of that region, which began as a study and then all this window dressing, as my honourable friend talks about, until we dressed the window to such good effect that now some 150 people gone down there are going to be working where they wouldn't otherwise have been working.

Now we come to another, I see here - Customs Abattoir Limited, Marlon and Dawson, St. Boniface, Manitoba. Thirty-five jobs, half-million dollar building, quarter of a million dollars in equipment. They'll produce meats. Our effort in this regard was a study, a study is says here, a study determining the existing facilities, the demands, the raw material sources and the market studies, and we provided them with all this information and they said, "By golly, it looks all right", and so we got three-quarters of a million bucks invested and 35 people are

(Mr. Evans, cont'd.) working who wouldn't otherwise have been working.

Why I see some other names here, the Irish Potato Chips Limited of Winkler, Manitoba, and whoever in that country thought up such an appropriate title as Irish Potato Chips I don't know, but they did, and it shows that they're merchandisers down there.

A MEMBER: They certainly are.

MR. EVANS: There's 35 people working making Irish Potato Chips down at Winkler, Manitoba. They've got \$45,000 in a building; \$65,000 worth of equipment that makes potato chips. We've provided them with an industry report, assisted them with information pertaining to equipment; we've helped to provide publicity, market and technical data. Well, I mustn't take too long, Mr. Chairman. Here we have the Custom Plastics of Manitoba. Lake Winnipeg Boat Works -- commercial fishing boats. Come on down here to Manitoba Industries of Minnedosa. Twenty-five jobs. Here was an opportunity to move something in to the roundhouse there when it was being vacated, and so on. Neepawa Canvas Works Limited of Neepawa, Manitoba, and so on, and so it goes. The Stramit Corporation Ltd. of Carberry, Manitoba, a considerable investment making straw building products. The Tallcrete Limited of Fort Garry, Manitoba, a million dollar plant, making concrete blocks; The Winkler Clothing Manufacturing Company Limited of Winkler, Manitoba -- Winkler is certainly spurting ahead under this program -- a hundred thousand dollar investment; they're making men's and boys' sportswear. We made a locational study based on rural centres. We make studies for people indicating all of the centres that we think are suitable for a given industry. We try to avoid, in fact do avoid, the responsibility of saying to which town the industry will go. We will make studies and say, "Of all the towns in Manitoba we think the following can provide the kind of labour, materials, freight rates and so on, that would be suitable for your enterprise" but we do leave it as a matter of principle to the individual company to make their own choice. Well, there are 51 odd of these -- they're substantial, definite advances, and the numbers of people that I've indicated are now working where they would not otherwise have been working. Now, Mr. Chairman, there is another -- I've turned now from this discussion of the general amount of investment that has been placed in Manitoba in secondary industry in the year, and turn to the amount of work that has been performed by the staff

MR. PAULLEY: Mr. Chairman, I wonder if the Minister would permit a question before he just leaves the last -- your last statement -- just before he went in to start telling us about the staff, I believe, Mr. Minister was, that here we have these jobs which have men working that wouldn't be working if it hadn't been for these. I'd like to ask from the Minister precisely, of the 708 jobs which have been created the result of these 51 industries, how many are actually at work. He mentioned the Catel'l products, which incidentally is being located, I pass it every day -- I'm sure that the only ones who are working there is the construction industry itself. I don't know when the plant will be in production. It seems to me as though it may be four to six months away, and I would presume that this might be the similar situation insofar as the chip board plant at Sprague. Now in view of the fact that the Minister, I believe, Mr. Chairman, did make the statement that these are jobs and people are working who otherwise wouldn't be working, I'd like to know if he can give us the information as to actually how many of these are in production now and people are actually working in the industries. One reason that I raise this question is because another plant was built in Transcona, namely Griffin Steel; it took two or three years for it to be built before it went into production and yet each of those two or three years we had a report that this was for so many jobs, and there weren't jobs for a considerable period of time. Now, I'm not suggesting that there was a deliberate attempt at misinformation, but I would like to know from the Minister in respect of these, as I say, these 51 industries, which I think eventually will be giving jobs to 708, but the last sentence or two of my honourable friend said that these are jobs that people are now working at them. It'd like to know exactly how many are working in these jobs.

MR. EVANS: I think my honourable friend has done me a service to let me clear up The list of industries is those that had been launched or started this year, and the number of jobs are the ones that are now provided or will be provided. I'm not sure just at which points I said these people are working. -- (Interjection) -- Yes, now was that after -- they were referring to one particular plant. It's quite obvious that all of these plants are not completed and the people are not working inside them. However, at the same time, I didn't take

(Mr. Evans, cont'd.) any credit for the fact that people are now engaged in building them, nor did we take credit in this statement for the number of people who began to work this year in plants which were actually put up in similar circumstances last year and the year before. I don't think this is a matter of any great importance between my honourable friend and me, it's just that he has cleared up the understanding that the result of this salesmanship on the department's part has resulted in the commitment to invest in lots of money indicated and to provide the numbers of jobs also indicated, some of which jobs are already there — they're already working.

MR. PAULLEY: I would like, Mr. Chairman, I'd like to know those who are already working on these jobs, because the Minister's report in connection with these 51 industries were for the year 1960. He started out his remarks by saying, if I recall correctly, there were 51 new industries established in 1960. I asked whether that was for the fiscal year or the calendar; he told me he thought it was for the calendar because that was the information he had before us. He went on to tell us that there were 708 jobs. My question now, of course, and I repeat it, is: Of these 51 industries that the department is listing for the 1960, how many jobs have been created with the industries that are now in production. Now he may be able to get that, Mr. Chairman. between now and the time for resuming this evening and if he doesn't have the time to get it in that period, I'm prepared to wait. But I want the record clear so that there's no misunderstanding.

MR. CHAIRMAN: I call it 5:30 and shall leave the Chair until 8:00 o'clock.