



Legislative Assembly Of Manitoba

DEBATES and PROCEEDINGS

Speaker

The Honourable A. W. Harrison



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5th Session, 26th Legislature

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THE LEGISLATIVE ASSEMBLY OF MANITOBA
8:00 o'clock, Thursday, March 8th, 1962.

MR. CHAIRMAN: Department XIV, Resolution 79 -

MR. EVANS: I wonder if my honourable friend would allow me to answer one question -- I'm afraid it's the only answer I've got that I was asked previously. I see that my honourable friend from Rhineland isn't in his seat but in answer to the question, the number of resignations during 1961 were male - 211, female 646. I'll send this to his seat.

MR. MOLGAT: Mr. Chairman, before we pass 79 I really feel that the Minister asked for some information this afternoon and I feel that he should be given that information because it would be a shame that we pass by this item, and his obvious interest in what has been done in the past should be substantiated so I got the figures from the Library, Mr. Chairman, of the operations of the Department over some past years, and while I'm not one -- and I've said this in the House on a number of occasions before -- who likes simply to come back and bring up old material, my honourable friend specifically asked for this. So I think maybe it's proper that something should be said. This is a report for the same department in 1955. The report then states that during 1954, 48 new industries were established in Manitoba and it lists quite a number of them. The most striking one is probably the \$12 million North Star Oil refinery, plus some additions down in Morden, the canning factory there, and one significant factor is some very substantial investments by British firms to the extent of \$7.5 million, and coming along to the next year, 1955, we find that 55 new industries were established in that year and amongst these were a very large expansion at the Manitoba Paper Company Mills at Pine Falls; the Canada Cement undertaking a second expansion; Canada Wire and Cable; Drewery's Limited, and a number of others establishing either expansions or new firms. In 1956, we find that 52 new industries were established in that year, amongst which was further expansion of Canada Cement; Imperial Oil announcing plans for the expansion of their refinery; new plant of Dominion Envelopes and Cartons and so on. Then we go on to 1957 and we find that 50 new industries were established in that year, Mr. Chairman. That was the year when, for example, Campbell Soup decided to come into Manitoba, Griffin Steel Foundries, Moore Business Forms and a few others like that. Now I don't want to bore the committee in going over all the details of each one but I think it points up very much, Mr. Chairman, the comments made by my colleague this afternoon, the Member for Ethelbert Plains, when he said that since the advent of this government one would assume that from the propaganda they put forth, that nothing was going on before they arrived on the scene, that everything happened since they're here, when the actual figures show that less has been happening since they're here than was happening before. In every one of those years that I've quoted, Mr. Chairman, there were more new plants established than there were I think even in this last year that my honourable friend just gave us the figures for today -- 41 were the figures he gave us for 1961. Every single one of those years I've quoted, Mr. Chairman, saw more expansion of new plants in the Province of Manitoba than what my honourable friend was quoting this afternoon. And in every one of those cases it was done with substantially less cost than my honourable friends are now operating on.

Now we wanted those figures this afternoon and I'm very happy to let him have them. I'd be much appreciative of his comments on them.

MR. EVANS: has asked me to comment and I'm glad to. The list of industries noted in the review are industries in which the department was largely instrumental in securing their arrival here in Manitoba, and from the list that my honourable friend has read out, I don't recognize any in the first year as having been largely the responsibility of the department bringing them there -- certainly there was no financial assistance offered in those days. In 1955 there may have been some connection with Canada Wire and Cable. I certainly do not know of any connection with Canada Cement or Drewrys or the Manitoba Paper Company or the second extension with Canada Cement or Imperial Oil or Dominion Envelopes: the Campbell thing, yes, I acknowledged that this afternoon. Griffin Steel, I believe there was a very large part played by the previous administration; the Moore Business Forms, no.

Now with regard to the total number of new industries, I don't believe that the figures

(Mr. Evans, cont'd) my honourable friend has given are larger than-- I mustn't keep the committee longer. I thought I could turn up the figures for recent years but I haven't

MR. D. ORLIKOW (St. John's) Mr. Chairman, I'm surprised at both the arguments advanced by the Leader of the official Opposition tonight, and the Minister this afternoon. To hear representatives of both free enterprise parties argue, or try to suggest that the growth which we had in this province either since this government has been in, or when the other government was in, was a direct result of the work of either government or the departments of Industry and Commerce, I want to suggest, Mr. Chairman, is a good deal of nonsense. It may be true -- I'm not going to argue the figures -- I think that the Honourable Leader of the Opposition is right when he says that more companies came into Manitoba in those years which he mentioned than in the years since this government has been in office. I think the reasons for that are obvious, and I don't think the Leader of the Opposition has any right to take credit for that government. --(Interjection)-- You say you don't but obviously he is, or for the department, because the fact is that in those particular years Canada -- and Manitoba is a part of Canada -- although some people seem to forget it -- Canada was experiencing a rapid rate of economic growth. I'm suggesting that we had that growth -- we can talk about why we had that growth separately -- but what are the figures? Between 1949 and 1956 we have five years of high economic growth.

MR. HRYHORCZUK: Give us the figures for Saskatchewan.

MR. ORLIKOW: Saskatchewan? Faster than Manitoba -- we can do that too. Oh yes. In 1950, Mr. Chairman, the rate of growth was 6.9%, in 1951 it was 6.2%, in 1952 it was 8%, in 1955 1956 we had a growth of 8.6%. Now naturally, Mr. Chairman, when you have this kind of natural growth Manitoba is going to get its share of the growth, and the department, staffed largely I think by the same staff -- certainly at the top level -- I think the Deputy Minister is still the same Deputy Minister as we had under the former government -- did, I suppose, an excellent job with the money with which they were provided.

Now, the point is, Mr. Chairman, that while I'm not defending this government's activities, I want to suggest that the amount of money which they spent is larger and needs to be larger just to hold the line because we have had virtually no economic growth in Canada or in this province since 1957. The fact is, the committee which --(interjection)-- Yes, but I'm not saying that you had anything to do with the other either. The Committee on Manitoba's Economic Future talks about the fact, Mr. Chairman, that by 1970 we are going to require in this province 40,000 new jobs, or an average growth of 5,000 jobs a year. What do we find if we turn to the report -- the annual report of the department, which the Minister discussed this afternoon -- we find that for the last year which the report covered we had a growth of only 1,250 jobs -- just a quarter, Mr. Chairman, a quarter of the rate of growth which the committee says is necessary, and I think, Mr. Chairman, that the committee is under-estimating, if anything, the requirements because I don't think the committee is taking into account the rapid change which we will have when automation and improved technology hits this province as it is hitting Canada as a whole. We have had virtually no economic growth in this country since 1958.

Now the Minister talks about the industries which have been brought into this province and the industries which may be brought into this province. With the exception, Mr. Chairman, of the -- I'm not belittling the industries which have come in or the governments attempt to bring industry in -- but with the exception of the International Nickel Development at Thompson, all of these industries which require relatively large amounts of capital, are responsible actually for very small payrolls. The plant at Sprague, I think the Minister said, cost \$3 million and the total number of employees, if you include both the people working in the plant and the people working outside the plant, is 150 people, so when you look at that and you look at some of the other examples which the Minister listed for us this afternoon, you see the tremendous problems which we face.

Now I want to suggest, Mr. Chairman -- I'm not going to be critical of the job which has been done. I don't believe that in this province that the people who are hired are much more efficient or much less efficient under one government than the other. This may happen in some provinces where they have large -- where they have great lists of patronage and supposedly people who were paid for jobs who never worked -- I don't think this happens in this province, so I have to assume, and I think rightly that the people who are hired are doing a job. All I'm suggesting, Mr. Chairman, is that to me it seemed like the Minister was being relatively

(Mr. Orlikow, cont'd) complacent and I want to suggest -- the Minister shakes his head -- and he's certainly spending more money than was spent in other years -- I want to suggest that the job which we are doing in this province, the job which is being done in Canada as a whole, is really only nibbling at the edges. I'm not suggesting for a moment, Mr. Chairman, that this job of developing basic or secondary industry and therefore creating a situation of full employment can be solved by any provincial government. I know it can't. That's, I think, something which all members of the House, if they can forget their politics -- and it's just as hard for me to forget mine as for any other member -- but if we can forget politics for a moment, Mr. Chairman, we have to realize that this is the number one problem facing the people of Canada, and the fact is that we are not solving the problem. The fact is that there are only two countries in the western world -- I don't want to talk about the countries behind the Iron Curtain because I don't think that their situation is at all analogous to ours -- but there are only two countries in the western world which have large scale pools of unemployment. One is the United States and the other is Canada. Every other country, whether it be Great Britain or the Scandinavian countries, or Belgium or Holland or France or Germany, or even that formerly poor country of Italy-- every other country is expanding at a much more rapid rate than we are. Every one of these countries is expanding at a rate of somewhere between six and ten percent a year of an increase in their gross national product while we are staying virtually at a standstill, and the result of this lack of growth -- and I'm not saying that this provincial government is responsible; I'm not saying it's doing everything which it can -- but this lack of growth is affecting the entire economy of Canada, and we're part of it. I want to suggest, Mr. Chairman, that we have a long way to go before we can feel complacent.

While I'm on my feet I want to say I'm not being critical but I think it's unfortunate that we are discussing the Department of Industry and Commerce and therefore the job we're doing in getting jobs for people before we discuss the Department of Education because all the people who are studying the problem are agreed that one of the biggest problems facing Canadians is the fact that the kind of economy we're moving into requires much more highly-skilled people, much higher-trained people than we have, and in this respect the Province of Manitoba, like all the other provinces of Canada, is really failing. A third of the students that go through our schools quit before they get out of Grade VIII and this is completely impossible Mr. Chairman. And yet we're trying to solve this problem. So I say that's unfortunate, but I want to say just in concluding, Mr. Chairman, that while this department is beginning some surveys which look interesting, that we have a long way to go before we can really feel that we have begun to solve the problem which we face in this province.

MR. EVANS: Mr. Chairman, I'll say this, that I agree with what the honourable gentleman has said. I hope I didn't convey the impression that we were complacent or felt that everything had been done that should be. I think the only evidence I can bring on that point is the fact that we have initiated perhaps the most far-reaching study of the economy that's ever been instituted on the continent. I think it is giving evidence of the fact that we realize that there is a great distance to go and we have many problems to solve.

MR. PAULLEY: Mr. Chairman, I was interested to hear the Leader of the Opposition mention some of the industries that located in Manitoba year by year. He mentioned Griffin Steel for instance, in my now City of Transcona. I was greatly interested in this particular plant, as a matter of fact, took the lead at the time I was Mayor of the Town of Transcona at that time, in negotiations, coupled with the assistance -- and a very major assistance to be fair, Mr. Chairman -- of the Department of Industry and Commerce, but I want to point out to my honourable friend, the Leader of the Opposition, that the Griffin Steel plant was carried in about five yearly reports of the department before it became an actual reality and I think this is true, even of Campbell Soup in Portage la Prairie. Negotiations were conducted; the plant had decided to locate, and it was carried as a captured industry for Manitoba for two or three years at least before actually it went into production, and each year it indicated a new industry for the Province of Manitoba. And this was true, Mr. Chairman, of the former administration, and I suggest it's equally true of the present administration. As far as I'm concerned there's no basic difference between the two of them insofar as this type of propaganda is concerned.

I also was interested to hear my honourable friend, the Leader of the Opposition, talk about the growth of industries in Manitoba during their regime, but if we take a look at page 44 in the

(Mr. Pauley, cont'd) report of the Department of Industry and Commerce, let's see what actually happened in respect of the statistics of the manufacturing industries here in the Province of Manitoba, and I think this is most interesting. My colleague, the member for St. John's has just mentioned that this was more or less due to a period of boom or a little bit better than it was at the present time. But let's follow through from 1950 when the party of my honourable friend the Leader of the Opposition was in power. From 1950 to 1951 there was an increase of five manufacturing industries: '51 to '52, 19 more; '52-'53, nine more; and then, what happened? According to the statistics that we have before us in this chart on page 44 of the report, low and behold we have 18 less manufacturing industries in the Province of Manitoba --(Interjection)-- and -- is that what it is, a typographical error? I think it was an error of the electorate of the Province of Manitoba. And then between '54 and '55 we had an increase of 27. These are good times. And then between '55 and '56 a decrease of 15 industries; and then between '56 and '57 an increase of 56; '57-'58 an increase of 44; and then between '58 and '59 during the period of transition a decrease of 27; and then between '59 and '60 an increase of 93. The fact of the matter remains from this table in respect of the manufacturing industries of the Province of Manitoba, in the 10-year period between 1950 and 1960 provision has only been made in this field for an increase of 3,415 employees. In other words in the great field of manufacturing industries here in the Province of Manitoba, in a 10-year period there was only an increase of 3,415 employees. In my own area in Transcona we more than tripled our population. We increased our population in my own home town by over 9,000 people, and yet by the combined efforts of the Liberals and the Conservatives -- and both of them are standing here today Mr. Chairman, saying how good their administrations are -- we only increased the number of employees in that 10-year period by 3,415 employees. I suggest Mr. Chairman and members of this Assembly, that neither one of them have anything to brag about.

MR. EVANS: Mr. Chairman, I think the Leader of the NDP would recognize this fact that one direct job in a factory is the basis for other jobs and the service industries connected with it, in transportation which is a field well-known to himself, and that the 3,415 jobs is subject to some multiplier. I've seen multipliers as high as six which does put the figures a little more in to perspective. (Interjection) Well, I think at least three times as much anyway. But I think the honourable leader of the NDP has brought in the two other parties and has brought the question of party politics into this thing, and I feel constrained to draw some comparisons myself, because at least the industries that we have had established here in Manitoba have been sound industries on the whole, both those that were established under the previous regime and our own, because the industries have continued in being and have continued to be prosperous. This is a pretty sharp contrast to some of the experience that has been experienced in the province to the west, where the CCF government -- and it's still the CCF government if I'm right -- has entered into business development in their own particular kind of a way with the most conspicuous record of failure that I've heard of anywhere. As a matter of fact industry developed in that particular philosophy has from the time of the Emperor Diocletian about 301 A. D. and down to and including the pilgrim fathers when they landed in the United States, or what became the United States -- have had consistent records of failure of developing industry under the particular form of organization and development that my honourable friends advocate. Now he believes that his is the right system for developing it, we believe that ours is the right one, and on this particular occasion I find myself now standing shoulder to shoulder with my private enterprise friends, at the right of my honourable friend over here -- (interjection)

MR. ORLIKOW: May I ask a question? I want to know, following your present argument that draws a conclusion, when are you going to dispose of the publicly-owned Hydro, the publicly-owned Telephone System and the other utilities?

MR. EVANS: Let my honourable friend ask those questions of the Minister of Public Utilities when he comes to present his estimates.

Now I would like to draw attention to some of the record of the CCF government in developing industries and see whether we in Manitoba would like to emulate their example. The operations of the CCF government in Saskatchewan in the area of private business are pretty illuminating as far as I can see from the record that I have here. While the CCF government has continued the policy of leaving their earnings with the telephone and power utilities -- and my honourable friend has raised this point himself -- it has included both their net profits and the

(Mr. Evans, cont'd) interest payments in the totals publicized to hide the losses that have been substained by the CCF crown corporations and I'd like to deal with some of these crown corporations, just as examples. I don't have a complete list of them but I do have a list of some of them here. Six of the original crown corporations have been discontinued --(inter-jection)-- I'll deal with these item by item. As you come along you'll be able to take down some illuminating facts about each.

MR. PAULLEY: You will name the actual industries as they were --

MR. EVANS: Yes, I will. And I shall be glad to spend time and give you all the information that I have. Five of these lost large sums of money. Five of the six original corporations. The Fish Board was wound up in 1949 after accumulating operating deficits of \$364,300.00. The Fish Board was replaced by the Fish Marketing Service which at the end of 1954 had accumulated operating deficits of \$179,952.00. The Shoe Factory and the Tannery were both closed down and the workers dismissed just before Christmas in 1948. I think that was neither good economics nor good humanity. My honourable friends are rather prone to plead the cause of the poor, unemployed worker and I just ask them to consider the attitude of mind in which the worders must have looked at their government-of-the-day when they laid them off just before Christmas. The Shoe Factory had operating deficits of \$82,700.00. Its assets were absorbed by the Department of Public Works at a book value of \$59,700.00. The Tannery accumulated operating losses of \$72,000; the Provincial Treasury paid \$25,300 interest on advances to the Tannery. The Department of Public Works absorbed the Tannery for a book value of \$85,900.00.

In 1952, the Tannery was leased to the Continental Leather Limited, which was given an option to buy the property for \$45,000, about half the amount the Department of Public Works had paid for it. To prepare this property for leasing the CCF government spent a further \$40,000 and when the government loaned the Continental Leather \$12,600 from the Provincial Industrial Development Fund and the Provincial Treasurer signed guarantees for further bank loans of \$53,000.00. The CCF government put into the Tannery \$306,800 of public funds, and of this \$41,000 was recovered from insurance so that the Public Treasury is now out of pocket some \$265,000 on the Tannery account.

I have some records here of some others. A bus business was socialized in about 1946 by the government of Saskatchewan, and in 1954 it was returned to private enterprise. This follows the examples of various other projects that were nationalized and then handed back to competitive business, or in the words of the Regina Leader Post, and I am quoting, "It is ironical that after eight years of experimentation with the socialized bus monopoly, the Socialist Government itself has come to the conclusion that private enterprise stands a chance of succeeding where monopoly failed." Now that's the kind of philosophy my honourable friend tries to foist on us.

MR. PAULLEY: As a matter of fact, Mr. Chairman, this is most interesting. I want to thank my honourable friend for drawing these matters to our attention. I would like to ask my honourable friend what is the position of the fishing industry here in the Province of Manitoba? I would like to ask the Honourable the Minister of Mines and Natural Resources what is the situation of the fishing industry here in the Province of Manitoba today because I don't think that there is any industry in the Province of Manitoba that is faced with more difficulties than that particular industry is today in 1962 in the Province of Manitoba. I agree with my honourable friend the Minister of Industry and Commerce when he points out losses in respect of some of these industries in the Province of Saskatchewan, and it is not my purpose, it's not my obligation here in the Legislature of Manitoba to say that all that has been done in the Province of Saskatchewan is correct simply because of the fact that they were a CCF government and are affiliated with us as members of the New Democratic Party, but I want the Minister to also tell us when he's drawing to our attention these losses, and I agree that they were losses, the reasons behind the Province of Saskatchewan entering into these fields. When the Province of Saskatchewan went into the matter of the Fish Marketing Board, they found a depressed industry. They found that the fish producers -- I am not meaning the fish themselves, but rather the individuals concerned in the industry -- were faced with the self-same problem we're faced here in the Province of Manitoba today with, that they are simply not getting a fair return for their investment, and the public treasury in Saskatchewan went in and assisted the industry. Of course they lost money. Nobody disputes the fact, as the Minister has indicated

(Mr. Paulley, cont'd) to us, that over the period that they were in business they lost money.

What was the situation in respect of the shoe business in Saskatchewan? Here again we found an industry, that had been established over the years in the Province of Saskatchewan, faced with difficulties, and they went into the business. Why did they go into the business at that particular time? Because the cattle industry and all the allied industries that goes into the manufacturing of shoes were faced with their problems. They weren't afraid to use their finances in order to try and retain for the benefit of the people of their province these industries. They failed -- yes. Nobody has ever suggested that they expected to make huge profits, but they maintained an industry at least for a time. What has happened here in the Province of Manitoba in respect of an allied industry? What has happened at Brandon in respect of the packers? We have lost a packing plant in the Province of Manitoba. It is true that at the present time, after going through processes of law and bankruptcy and the likes of this, that an organization has bought over the assets. There has been a tremendous loss and, in the meantime, the workers and the economy of that particular area have suffered. True, Mr. Chairman, it was not on the basis of public enterprise; it was private enterprise. The other day in this House, when I was speaking on the Throne Speech, I suggested that the Manitoba Development Fund might have given a loan to the Brandon Packers organization at the time they were in real financial difficulties and the government's answer to me at that particular time was "no". A little while later on in the debate the Provincial Treasurer indicated that if there is a re-organization, which apparently there is going to be and I suggest it's on a lesser scale than it was before, that the Development Fund might take this into consideration.

My honourable friend mentioned the question of the tannery and the losses in the tannery in Saskatchewan. I ask him how many tanneries have we in the Province of Manitoba today. I would suggest that if there is one, there's only one, and this used to be a prime industry here in the Province of Manitoba. I remember as a youngster that there used to be half a dozen or more tanneries in the Province of Manitoba. Sure the Province of Saskatchewan back in the years that my honourable friend is talking about endeavoured, through the use of public funds, to retain within the province industries to the benefit of the people of the Province of Saskatchewan. Has any administration here in the Province of Manitoba ever attempted to do many of the things that they have done in the Province of Saskatchewan?

My honourable friend has pointed out to us today that these industries which have lost money in the Province of Saskatchewan, and they have and I don't make any bones about it, but would my honourable friend tell us how much money that the government enterprise in Saskatchewan in respect of automobile insurance has saved the people of Saskatchewan? Will he tell me that on the books, despite the loss of some \$300,000 last year in respect of automobile insurance, that over the years since they started that they have accumulated overall profits of over \$4 million, and in the meantime -- (interjection)-- At whose expense? I'll tell you in a minute my friend -- and in the meantime has given to the people of Saskatchewan the lowest automobile insurance rates in any jurisdiction in Canada. Now my honourable friend says to me: "At whose expense"? I say that it has been at the expense of somebody -- right. It has been at the expense of the directors and shareholders in our automobile insurance companies across Canada. It has been at the expense of the Law Society of Saskatchewan, because in Saskatchewan it's not necessary to have lawyers arguing from Lloyds of London and Wawanesa Insurance Company as to who is going to pay the claim. The claim is paid on the people's -- (interjection) -- why are you saying "oh"? I am say, Mr. Chairman, that this is true. The benefits have accrued to the people of the Province of Saskatchewan. I know my honourable friend the Attorney-General can shake his head, but I want to ask him -- I know he hasn't the figures, but I'd like him to find out. I'd like him to find out, Mr. Chairman, in respect of automobile insurance, how much money is spent because of litigation of court cases between two individuals that happened to be caught at an intersection and do damage to one or the other? It's tremendous, Mr. Chairman.

Now then my honourable friend says to me of the failure of the entry of the Saskatchewan Government into a shoe factory of \$300,000, or whatever it is. He says to me of the failure of the Fish Marketing Board, which we came and gave to the fishermen during the process and during the time it was accumulating its loss. It gave to the fishermen of the Province of Saskatchewan a fair return for their labour. Can you compare that with the Province of Manitoba -- in

(Mr. Paulley, cont'd) respect of that alone? What is the net average earnings of the fishermen, particularly our Indian and Metis friends, in the Province of Manitoba? I suggest that, by comparison of the time that my honourable friend was talking about the losses that were incurred by the Fish Marketing Board, that we here in the Province of Manitoba should hang our heads in shame.

I'm surprised that my honourable friend didn't mention the woolen factory. Yes, here was an endeavour and they lost money at it. Of course they lost money at it. But what was the purpose behind it? The purpose behind the woolen factory was to attempt to save in the Province of Saskatchewan an industry that they had had for years. -- (Interjection) -- Of course you wouldn't agree with it. I wouldn't expect you to agree with it. How can any free enterpriser agree with statements of fact like I'm making? Of course they've made mistakes, but I am going to tell you this Mr. Chairman, the mistakes were only made because of a desire to do something for people. Misguided it might be in your opinion, and I suggest, Mr. Chairman, that my honourable friend the Attorney-General is perfectly correct in his opinion when he says that is was misguided, because of the fact that I'm sure that he and the people that hold his philosophy are misguided in respect of trying to have benefits accrue to our primary industries here in western Canada. Of course they lost money in the wool industry. They lost money at the Prince Albert Box Factory because they attempted at Prince Albert to hold there an industry that was beneficial to the people in that general area. I agree, Mr. Chairman, that they lost money, but they've made money in so many of their other endeavours where they have encroached on the so-called free enterprise system and society, that their candle can be lit ahigh and maintained. It's a dismal comparison with what we have done here in the Province of Manitoba.

What have they done in respect of natural gas in the Province of Saskatchewan? They have made available to the whole of the province in Saskatchewan, as a result of the public ownership of gas in Saskatchewan, made it available. What have we got here in Manitoba under private enterprise? -- (Interjection) -- No, we haven't, except what you are getting now. I know, Mr. Chairman, that my friend raised this because he doesn't like the type of gas that he's getting now because it's hitting home -- it's hitting home, Mr. Chairman, and it's hitting true. My honourable colleague the Member for Brokenhead took the time and trouble last year to present to this legislature charts of the distribution of gas in Saskatchewan under public ownership. I ask the Attorney-General, who is also the Minister of Public Utilities, how much expansion has taken place in the last year in respect of the provision of natural gas to outlying communities here in the Province of Manitoba. I think I can answer for him. I say to him that I doubt very much whether one single community in the whole of the Province of Manitoba has been added to the list of those communities getting natural gas under private free enterprise and "the devil take the hindmost" system that we have here in the Province of Manitoba, and yet at the same time in the Province of Saskatchewan there's an every-increasing number of communities, large and small, that are being given the benefit, under public ownership, of the benefit of this great utility.

Mr. Chairman, I apologize for this long oration, by my apology is not because of the happenings in Saskatchewan and the happenings in Manitoba. I feel, and felt, that I should draw these matters to the attention of the House. The only apology I wish to make is because my honourable friend the Minister of Industry and Commerce in evading the responsibilities of the government, present and former, of the Province of Manitoba, attempted to use a few illustrations of the Province of Saskatchewan to indicate their lethargy in the past. One thing I do agree with him though, and I agree with him most sincerely on this, is the statement that he made when he said: "with this I join with my friends of the Liberal Party of the Province of Manitoba", which gives me an opportunity once again to reiterate what has been said on innumerable occasions, there's no difference between either one of them.

MR. EVANS: Well, Mr. Chairman, I just would like to make a comment or two. He has stated his political philosophy, that a good way to provide employment is to start improvident industries and pour money into their profit and loss accounts. It really doesn't matter -- I don't know why these stumped them. If this philosophy is correct, the more the losses the more the employment and the better off the province will be.

MR. PAULLEY: Do you want the answer to that?

MR. EVANS: Yes, I'd like

MR. PAULLEY: Well, all right, I'll give it to you.

MR. EVANS: Give me your answer when I'm through. I'd like to give you a statement of my philosophy in this. We believe firmly that the free enterprise is an essential need to our ultimate objective to gain full employment and economic security. We fully believe that an economic order based on the profit motive is essential to continued progress. I think that is a philosophy that lies pretty well basically at the roots of what we believe in and why we're developing it. I'm going to tell my honourable friend that that's from the submission to the Royal Commission on Canada's Economic Prospect by the Amalgamated Union of Canada and the Canadian Association of Railwaymen, as published in the Canadian Association of Railwaymen's Journal for January-February, 1956.

MR. PAULLEY: Mr. Chairman, I haven't read that. I haven't read that presentation. But I say this, my honourable friend asked me why they got out of it -- why they got out of these endeavours that they went into? I say this to him, and this hasn't happened in Manitoba as yet -- we have hopes. One of the reasons they got out of the fish marketing business that they were in at that particular time was because they, in the process of absorbing these losses, were establishing co-operatives in order to carry on. I want to tell my honourable friend this also, that as far as the New Democratic Party is concerned, we're not opposed to private enterprise where it's going to be for the benefit of the people of Canada. But here was a situation, at the time when I mention these particular industries, that if the government hadn't of stepped in they would have been lost. In the process, even of the losses that they were sustaining, they gave to private enterprise an opportunity to come back into the field. The actual fact of the matter is, Mr. Chairman, that private enterprise was failing in these fields and government intervention was necessary. If you want a good illustration, if you want a real -- my honourable friend mentions the question of railroads -- do you want a real good example of the failure of private enterprise in respect of railways? I suggest to him that he look at the history of the railroad industry here in the Dominion of Canada, where through private enterprise, this glorious free enterprise system of the 19th century -- and I feel sure from some of the interjections and remarks that most of my honourable friends opposite are still living in that day -- as a result of the inefficiency of free enterprise, three-quarters of the railroads in Canada went bankrupt -- and not under a CCF or a New Democratic Party government. It was necessary for governmental intervention, which led to the formation of what we now call the Canadian National Railways System. No, it hasn't made a dime since. It hasn't made a dime since, and the reason it hasn't made a dime since is because of the fact that private enterprise had made such a tremendous mess of the thing, that the government-owned operation that took over from the organizations that you support and because of the fact that they are saddled with the necessity, even today, of paying bondholders and shareholders in token to private enterprise and free enterprise -- that's the reason that they haven't made money.

Let's talk about another governmental agency and how it is being bankrupted today, or conceivably could be bankrupt today as a result of the free enterprise system that you're so proud about. Let's talk about the TCA. The TCA under governmental operation and I'll give my honourable friends to my right at Ottawa credit for this -- setting it up. They set it up under public ownership to render a service to the people of Canada. And what did the people of the political faith of the government of Manitoba do? We've got to have competition. We believe in free enterprise. So they gave to free enterprise, namely the Canadian Pacific Airlines, the right to compete with the TCA. "Hear, hear, hear", says my friend the Honourable the Attorney-General. What's the net result? Both of them are losing money. What are the advocations now? What is being advocated at the present time? Not that the Conservative Government of Canada should do what the Province of Saskatchewan did when they found that they were losing money as a result of their policies; not the CPA to withdraw from the field in the interests of Canada; but that the TCA possibly should withdraw from it for the benefit of the CPA. Mr. Chairman, the Honourable the Minister of Industry and Commerce opened up a broad field with a shoe factory, but if he wants to argue with we of this group over the challenges that are facing Canada today between free enterprise and socialized industry, I think that I can argue with him.

Who is producing here in Canada through a crown corporation all of the rubber that we are using, produced synthetically? Who was it that was responsible for cutting in half the cost of our automobile tires, if it hadn't been the Polymer Corporation set up under public ownership by the Government of Canada. Yes, Mr. Chairman, I frankly confess, governmental interferences

(Mr. Pauley, cont'd) in some respects have cost a few bucks, but I say to you, Mr. Chairman, and to the members of this House, that notwithstanding a loss of a hundred thousand or a few hundred thousand bucks here or there in the Province of Saskatchewan or in the Dominion of Canada, it has been established that the gains over public interference, where necessary, and taking over of corporations, have all been to the well-being of the people of Canada. Look what the people of Manitoba are today paying as a result of the failure of the former Liberal administration in Ottawa from building a pipeline to carry our oil from the oil fields of Alberta and Saskatchewan to eastern Canada; look what happened in respect of the shares in the Trans-Canada pipeline. Mr. Chairman, do I need to say to the members of this Legislature that because of improper action, because of the lack of vision in these fields of public versus private enterprise, that a government was defeated at Ottawa. The Liberal Government lost at Ottawa, I think, because of its policies in respect of the Trans-Canada pipeline; and the Conservative Government of Canada won because of that, because of the debate that took place at Ottawa, because the people of Canada were sold down the river in respect of the pipeline. And I say, Mr. Chairman, to John Diefenbaker, to Dufferin Roblin, and the Conservatives of Canada and of Manitoba, they are likely, too, to lose power because they do not take under consideration

MR. CAMPBELL: Now you're talking.

MR. PAULLEY: They do not take under consideration the requirements and the real necessities of the people of Canada. The pipeline defeated the Liberals, and I say this -- I say this, Mr. Chairman, it sent them into the wilderness, and just as happened to Moses, to be there for 40 years. My friends opposite are doing their utmost to travel in that direction just as quickly as they can, unless they listen to the lesson of we who hold the philosophy that I do.

MR. L. DESJARDINS (St. Boniface) Mr. Chairman, I thought there for awhile it was a private party. It was very difficult to get in. I had a question here and I hesitate to ask it -- maybe I should anyway. I wonder if it is all right to leave Saskatchewan and talk about the affairs of Manitoba for a little while. I have in front of me here the estimate of 1963 -- and it's 9 o'clock. We've been here for an hour and I've heard nothing but Saskatchewan and things of the past -- (interjection). Who started it? Our leader was asked a question, was challenged this afternoon. All he did was answer it, but apparently the answer didn't satisfy these people. The Honourable Member from St. John's made a little sense. He said: "quit talking about the past, talk about the future and never mind this business of I told you so." But every time the Leader of the Opposition --(interjection) -- just a minute I'm not finished -- to the Official Opposition gets up, he tells us: "why didn't you do this or what was wrong with you then"? Well I'm getting good and fed up with this thing. Most of the people here, including you, weren't here when the Liberals were in power. -- (interjection) -- Well that's all right. I know it's all right. In the meantime, we're not going ahead. We're talking about the past; talking about -- we can't talk about you people: the pipeline defeated you -- because you've never been in power and you never will be. Now we're talking about free enterprise mixed up with compulsory insurance for cars. It's the most ridiculous and childish debate I've ever seen. We're not going ahead at all. --(interjection) -- That's right. I can see now why they have a limit on certain speakers -- on the speakers -- I wish they did that on the estimates, too. Maybe we'd go ahead. Now I wonder if we could forget about the past, because if this is thrown at us too often I'm going to dig up some good stuff about the Roblin -- the first Roblin Government -- and I'm going to start this because I'm getting fed up with this business. If we can't talk -- I was elected here in 1959 and I'm fed up with this. Three sessions, and it's the same thing. Why don't we talk -- and there are not too many of these people sitting across that were sitting here or anywhere in this House then, so why don't we talk about the future and forget this childishness? The Honourable Minister today just stood up and challenged everybody and laughed at everybody else, and whenever it was the future: "well I can't tell you anything about the future, that's a secret." Why don't we talk about the future and see what we're doing and try to pitch together? Can you imagine a company, the Chairman of a company get up and say: "well you didn't do this, you didn't do that, but I did it." Can you see how long this would work? Who's suffering? The people of Manitoba. Why don't we find out in this House what happened to Brandon? Did we do anything about Brandon to keep this industry? You said a little while ago -- the Honourable the Minister a little while ago that for every job inside the plant there are a lot of jobs outside. Well have we done anything? Maybe we have -- I don't know. I would like to know. Now there is a new

(Mr. Desjardins, cont'd) owner and I understand that they'll use this plant for slaughtering purposes only. Is that true? I wish we'd stop this childishness for a while. Forget Saskatchewan; let's worry about Manitoba. I know that you won't have a chance to get into power and you've got to blow off steam once in a while, but you made two speeches -- please tonight give the other people a chance.

MR. R.O. LISSAMAN (Brandon) Mr. Chairman, it's unfortunate that the Honourable Leader of the NDP made reference to the Brandon Packers in trying to excuse the shortcomings of the record of the Saskatchewan Government in business ventures. Of course when you've got to cover up the fact that a factory produced 400 left-footed shoes or work boots

MR. PAULLEY: 5,000 left shoes.

MR. LISSAMAN: then you can understand the devious means by which you must try to cover up these facts. Mr. Chairman, I say it's an unfortunate fact that he used Brandon Packers as an example, because I have been indirectly connected with Brandon Packers since the days when it was formed and I would like to, for the edification of my honourable friend, inform him that if we had had at that time a socialist government in the Province of Manitoba, and supposing a representation from Brandon had of come down to the capital here and said: "Gentlemen, we would like you to establish a packinghouse in Brandon." What would have happened? The government could have proved, beyond a question of a doubt, that there was the complete capacity in Winnipeg to serve the Province of Manitoba; that there was no need for a packinghouse in Brandon. This could have been easily proved -- (interjection) -- Oh yes. But what happened? A man had a dream. Brandon was his home town. He wanted to build a packinghouse in Brandon. It started off with very, very meagre means. This man worked long hours and he built a plant. I want to tell you, Mr. Chairman, that it takes three ingredients to make a business. Labour and capital are always available in the community -- labour by the people who live there and capital as represented by the banks. Those two ingredients are always available, but it takes a third ingredient to build a business, and this ingredient is not the general gift of man. It comes to individuals, and this is leadership. Regardless of what you may say about the mass, the gift of leadership belongs to the individual. I think that before you start talking about these wonderful industries in Saskatchewan and how little this government has done, you should go back and look at the record of free enterprise at its best and pin your hopes on free enterprise; because this way lies freedom for all, not control such as you would have when the socialist government that I have pictured would have told us that we would not have a packing plant.

Now it's unfortunate what happened later. It's unfortunate that two unscrupulous men and the wilful abuse of power of labour leaders could contribute to the wrecking of this plant. It's a great loss to the community and I think that both parties to the wrecking must stand and take the blame. The fact is, as the Honourable Member for St. Boniface intimated, that it would look as though this plant now is only going to be used for the killing of animals. This is unfortunate because it means that in place of upwards to 200 men eventually being put back to work again, likely only 25 will be working. I was present at the meeting. I tried to point out to the people voting that there was a community interest here as well as a dollar and cents interest, but again, I think some of the people who believe in these beautiful co-operative enterprises felt that they should acquire the plant. This was the way the vote went, regardless of the community enterprise, and of course only the future will tell how these beautiful socialistic measures will succeed. But before you start to use Brandon Packers again, may I suggest that you think of how this company was formed. It was not formed by a government. It was built on the dreams of a man. It's a bad example to use for the beautiful flower of socialism.

MR. MOLGAT: Mr. Chairman, it is with some hesitation that I get into this debate, because this has certainly been most interesting. I was rather interested to see my honourable friends on my left, for some sudden and unaccountable reason, this bickering with my friends across the way. I am sure that this is just a temporary "lover's quarrel", one might say. I am sure that it is only a temporary spat and that the coalition will continue again as it has so far in the Session, so there's really no need to worry about it a great, great deal. I was very interested in the comments of my honourable friend the Leader of the NDP because some of us, I suppose, have been wondering whether or not he is a socialist or not. After all, with the transformations that have been going on in his party, we had some rights to question -- but now

(Mr. Molgat, cont'd) it's clear. My honourable friend is a socialist; he's admitted it; and he wants to socialize all the industries. That's a position which I suppose one can hold, and I am delighted to hear him at least stating it in public, so now all of us are in a position that we know where he stands.

Coming back to the specific estimates that we're discussing, and I might say before we leave the Saskatchewan estimates that, if my friends want, I could supply an individual who's very well versed in the subject. The Leader of the Liberal Party in Saskatchewan is an expert in this particular field, and if you would like to have him appear before the committee to give you the information on what's happened to all the socialized friends in Saskatchewan, we would be happy to produce him. He will add a great deal to the information that my friend was giving some time ago. But coming back to the estimates, Mr. Chairman, the honourable the member from Brandon brought up the subject of Brandon Packers. This is away from the other matters we were discussing, but possibly it would be good, while this matter is on the floor, to have a discussion of it. The concern that I have is for the employment in the Brandon area and the final activities of this plant. As my honourable friend from Brandon said, the present indications are that this plant will not continue on the basis that it was. I wonder if the Minister could give us some indication as to exactly what is going on in that regard and what action the Manitoba Government has taken to re-activate this plant and get it into operation.

MR. EVANS: Mr. Chairman, I am not able to give any late information at all as my honourable friend over there knows. As the sale was completed only within a day or so, I don't know what the plans are of the present purchasers.

MR. MOLGAT: Before this sale, Mr. Chairman, surely the government was taking some action through the Manitoba Development Fund or any other departments to see to it that this plant was put back in operation. This is a very important plant to a large section of Manitoba. It's extremely important to the City of Brandon. As the labour report that was given on it indicates, it's the major employer in that locality, and surely the Development Fund took an active part to put this plant back in operation and get it going.

MR. W. B. SCARTH, Q. C. (River Heights): May I ask a question, Mr. Chairman, of the Honourable the Leader of the Opposition? Have you, Sir, read a recent statement of the Brandon Packers affairs? --(Interjection)-- No. I'm just asking the Honourable Leader if he's read a financial statement. They got out a statement about six weeks ago -- an audited statement. Have you seen it?

MR. MOLGAT: No, I must confess I'm in the fortunate position of not having been a shareholder and I haven't been acquainted with the facts of the company, but I would be very happy to get the facts. That's why I'm asking the Minister.

MR. EVANS: I would be very glad to clear up one point for my honourable friend in the opposition. The government does not take action through the Manitoba Development Fund. The Manitoba Development Fund was instructed, as he well knows, to consider every proposition put before them on a business basis and either to accept it or reject it. That is the basis on which the Manitoba Development Fund dealt with the -- I've just forgotten his name now, who did acquire control of the common shares, in a situation which could not be entertained by any banking or financing institution. Now that their affairs have been regularized and the company purchased, it's open to any new owner, though I doubt very much if the present owners will apply for credit or will need to. However, if they do and can present a business-like proposition, the Manitoba Development Fund will always listen to them.

MR. A. J. REID (Kildonan) The Minister's estimates are being scrutinized very widely, broadly and very eloquently, but I want to get back to the estimates to bring a point up if I can. First, I noticed a substantial raise in salaries again. Looking through -- I don't know if it's a matter for all concerned or not, but then I see a new position being created. It's called the Director of Community Recreation. This is likely, Sir, where most of this money has gone to. I don't know what this position is or the purpose of it, but one thing I am sure of, Sir, that I believe there's too many of these fancy-titled positions being created. They're not doing anything for the welfare of the people of Manitoba or the department to which they are attached. Actually, Sir, I don't know if this position is this department or not, but I couldn't find it anywhere else.

I'll give you an example of why I asked whether it was this department, Sir. Last year we had an appropriation of \$20,000 for Recreational Consultive Service to publicize a physical education program in Manitoba. At that time, Sir, I said it was the wrong department, but

(Mr. Reid, cont'd.) nevertheless it stayed there. Now when looking through this year's estimates, Sir, to find out how much was spent and so forth, I find it's been deleted entirely. I can't find no record of it anywhere--how much was spent, if any. Last year, Sir, immediately this program was announced, I contacted the East Kildonan Parks Board and informed them of this project and also that they decide to take advantage of it. Well, Sir, to give an example of how much was done by that department, I'll read you a minute of East Kildonan Parks Board. "Minutes, East Kildonan Parks Board, April 5th, 1961." This was their first step. "Brought to attention of parks board a press release advising of the establishment of Recreational Information and Consultive Service by the Provincial Government. Moved that the secretary write the Department of Industry and Commerce for details of the proposed service for consideration by parks board"--which was done. Next reply: "Letter from Department of Industry and Commerce, Province of Manitoba, acknowledging Enquiry of plan to establish a Recreational Information and Consultive Service. The letter advises that plans are proceeding and that the Board will be advised of development when details have been finalized." Carrying on--they received that on May 2nd, Mr. Chairman. Now, we'll carry on to August 15th, 1961. "Forwarding a circular letter and application forms for attendance of candidate for the community recreational leadership course being held in Gimli, Manitoba, August 21st to 31st, 1961." which included, Sir, a circular letter, which was mailed out by the Department--(interjection)--Pardon? Gimli's north of Winnipeg some place. Now, here's the action the board took on at that time: "that the letter from the Minister of the Department of Industry and Commerce, be acknowledged, advising therein that the communication was received too late for action to be taken by the board and suggesting, in the future, three or four months' notice to be provided."

Well Sir, the reason I brought this up was that they were quite interested and they contacted the department immediately, but they couldn't take any action because the personnel at the Parks Board and otherwise had either taken their holidays or it was too late. If that's the effort of their endeavours, Mr. Chairman, in that field, well I figure that just sending out a letter like that, and I don't know how many took part in it and there's no record of it here, that \$20,000 should be surplused; and I can't find any record of it.

Now carrying on further in the department, Mr. Chairman, I notice we have Development--industrial, regional and Manitoba development. True, the Minister briefly elaborated on them this afternoon and also later on, as has been mentioned we always keep a copy of his book, but glancing through it, it's just of a very general nature and doesn't pin-point anything. I am of the honest opinion, Sir, that it's a duplication in this development. Three development boards--and I am sure that one or two of them could easily handle what the three are handling. Actually, before we get to the Manitoba Development Board, Mr. Chairman, the Manitoba Development Board and Authority, I would like from the Minister a list of paid personnel. I think he'll have time because I don't think he'll finish his estimates tonight. I'd like a list of paid personnel before we get there.

MR. EVANS: ask my honourable friend, paid personnel of what--

MR. REID: The Manitoba Development Authority and Manitoba Development Fund.

MR. EVANS: I would have the information for the Manitoba Development Authority which is a branch of my department, but not for the Manitoba Development Fund, which is a separate board.

MR. REID: We have two departments and we're budgeting for both, so I'd just like to know the paid personnel of both of them.

MR. EVANS: Mr. Chairman, the estimates have been transferred this year from my department to the Department of Welfare. If my honourable friend will look at the end of those estimates in that department, he will find an amount there under a slightly different title--I think it's the Physical Fitness and Amateur Sport--but it's a substantially larger amount and my honourable friend the Minister of that department will discuss it when he comes to it. I very much regret that there was delay in preparing the course and announcing it and giving notice to those who might take advantage. I think my honourable friend has drawn attention to something that might very well be a handicap to his municipality in not being able to take part. This is brought about by the fact that we had the greatest difficulty in securing a qualified instructor to conduct this course at Gimli. Eventually we were able to conduct the course only because the Air Force made available a trained officer in this recreation work to conduct the course. We

(Mr. Evans, cont'd.) recognize that that was a handicap on those concerned. Nevertheless, the course was a good one. The course given was both interesting and instructive. It broke new ground, as far as we're concerned, and I hope the experience we gained in that way last year will be of some service to my colleague in developing this course properly.

We have had, I think my honourable friend the member for Lakeside and others have raised the question as to whether or not the Manitoba Development Authority duplicates the work of any other agency, and of course it doesn't. It's function is completely separate, being an inter-departmental co-ordinating agency. There was no duplication between the work it did, for example, on preparing Manitoba's case for the Royal Commission on Transportation or some of the other major studies it's engaged in. Certainly, at the present time, it's main task is to look after the Committee on Manitoba's Economic Future, and that is not a duplication between it and any other branch of my department.

Now with regard to the paid personnel, I shall be very glad to give my honourable friend the information he asked for. Does my honourable friend wish to have the names of the individuals concerned or just the salaries for the positions?—(interjection)—the names--the Executive Director, and of course there is no separate salary charged for him, Mr. R. E. Grose; the Executive Assistant, Mr. R. Rothberg; the Executive Secretary, Mr. S. Trachtenberg, and he is also the Economist; the Industrial Development Engineer, Mr. R. Drysdale; and a Freight Rate Economist--the position is not filled at the moment. This is brought about by the fact that the former director, Mr. Stechishin has left the government service. That position was somewhat altered in status and we have not been able to fill the new position since that time. There are four stenographers for use of that staff.

MR. E. I. DOW (Turtle Mountain): Some mention was made this afternoon in regard to the printing of this annual report, and I for one have to have much more powerful glasses to read it. I am wondering if the Queen's Printer had anything to do with this printing or was this some other firm, because the print and everything else is so small it's hard to pick it out. One of the charts that I can read on page--I think it's page 6--page 8 I believe, is the Gross Value of Production in Manitoba. That chart to me is interesting in that the manufacturing value of production over the past-- well 1950, and then again using 1960, as being almost even. As a matter of fact, I think there is 1% lower in '60 than it is in 1950. The chart shows to me certain things that should show us some concern within the province, of which the Department of Industry and Commerce should take maybe a stronger look at. Natural resources were identical within 1%; construction increased about 11%; but construction took the place of agriculture; and to a province like we have in Manitoba, it definitely points out one factor, that the value of farm production has certainly been decreasing in the past 10 years. I think it's worthy of this House and the Department of Industry and Commerce taking a good look to try and supplement that and get it up into some shape where it affects the national economy of the Province of Manitoba.

Over the past number of years, and possibly several years back, various Chambers of Commerce on No. 10 highway made representation to the establishment of a tourist bureau at the Customs Port on the southern end of No. 10 Highway. Up until a few years ago we couldn't get it established, but it was eventually established. The information that has been imparted to us today, both in the annual report and in the report of Department of Industry and Commerce Review of Activities, brings out a very interesting set of figures, that the American Tourist Information Bureau at Emerson produced and contacted and talked to 10,777 US citizens. I think the report says that approximately 2,000 Canadian citizens were there and then again at the Port south of Boissevain, there was 11,819 US citizens contacted at the Tourist Information Bureau. Now, Sir, this leads up to one thing. It's a concern of mine and very close to my thinking, and it happens to be in my constituency, that I think the reason can be given that the Tourist Information Bureau at Boissevain exceeds the people at Emerson, as far as asking for information--I don't say there was more people came through the port at Boissevain than what did at Emerson, but the traffic at Boissevain is second to Emerson in total traffic in Manitoba--but the interest of the Americans is shown by their desire for information from these two information bureaus.

It points out to me, Sir, that when a particular project is established that will attract tourists, it's worthy of support from the Provincial Government of Manitoba, of which we are

(Mr. Dow, cont'd.) part of. The International Peace Gardens, which most of the members of this House attended last summer, know that it is a free--yes, I will say a free enterprise group. It's dependent on the free-will offering of all groups of people for its continuation and building, and I think it has proved that the money that has been given by people of Manitoba and United States and other countries has been well spent. I realize, Sir, that this may not be in your department and may not be where it's the right place to bring it up, but on the basis of tourist industry, I think this department of Industry and Commerce could easily put support in the proper channels, that more money was available by the Provincial Government to possibly bring this project to nearer completion. In addition to the number of United States citizens that did ask for information, the attendance at the port, or at the Peace Garden last year, was the highest it has been in many years. If the value of dollars, somebody mentioned \$30 as the figure that it's multiplied by as tourists come in to Manitoba, it's not hard to see even the amount of money that was spent by tourists in Manitoba that even called at the Information Bureau at the port south of Boissevain.

So I say, Sir, this is one project that is not mixed up with the Manitoba Development Fund; it's not mixed up with any of the departments of where they're going to take a mortgage on; it's a place that we're asking and hoping that this government, on the basis of the facts that have been established, is worthy of the support of this government; and that their increase in grants could be substantially increased, because I'm sure the Peace Garden Corporation would be very grateful for a much larger grant than we have had.

MR. EVANS: Mr. Chairman, I think the honourable member has done well to draw to the attention of the House the Peace Garden and the great credit it is to the whole of Manitoba, not only the southwest corner. I don't believe that that grant comes through my estimates, but I have noted what the honourable member has said and I agree with him that it is a very great tourist attraction. We will all remember the very pleasant occasion indeed in which we met down there with the officials of the Legislature of the State of North Dakota to celebrate their 100th anniversary last year--a very significant and very pleasant occasion. I'm sure warm memories of that linger in the minds of all of us who were there, and I hope that a like warm and friendly feeling, and as a matter of fact we have evidence to show, that a similar friendly feeling was engendered in our neighbours to the south that can do nothing but good. I'm sorry that I am not able to give him further information with respect to his grant. Nevertheless, his plea for them has been registered.

I have noted his remarks with respect to the continuing flat level of the gross value of production in the regards that he spoke about, and certainly emphasis has been added from all quarters of the House to the necessity to get on with this job and to turn our efforts into actual jobs. The results of all the studies must indeed result in jobs if they are to be worthwhile.

.....Continued on next page.

MR. E. R. SCHREYER (Brokenhead): I would like to make a few remarks on the general opening statement of the Minister. I couldn't help but get the impression, as he was giving us the outline of what has been accomplished by way of organization in the past several months, I couldn't help but feel that insofar as industrial expansion in this province was concerned, it seemed that it was in capable hands. On the other hand, there is the danger that what can be voiced with such glowing optimism, and what looks so good on organizational charts on paper, need not necessarily in fact be coming to fruition in actual practice.

Now, the Minister spoke about what has been done, but it seems to me that there wasn't very much tangible suggestion as to what is to be done; what the plans for the immediate next twelve month period are. True, of course, that he spoke about the work of the committee for Manitoba's Economic Future, but this is in a sense still very much in theoretical phase as far as what practical advantages can come out of it. I of course don't want to be too critical because no one, at least I hope no one realizes more than I, the difficulties that a provincial Minister has in trying to cope with economic problems that are caused by a policy or lack of policy in another jurisdiction, namely, the federal. In many ways the Honourable Minister's work is much the same as him racing to beat sixty on a treadmill. He's not getting very far but he doesn't stop running. In fact, he shouldn't stop running because even though it would appear that the immediate results of all his wonderful committees and plans are not very great, if it weren't for the efforts, then I think that the economic climate in Canada would be very much worse. Even though we are in the midst, or at the tail-end of a recession, and we're not sure yet, if we did not have the kind of promotional activity that is being done, we would be outstepped by other provinces who aren't asleep. So we must run fast in order to keep our place. We must run in order to stand still--but it's better than going backwards. I was wondering if in the implication of the words of the Honourable Member for Ethelbert whether he intimated that the Province of Manitoba should spend less on many of these activities. Even if they aren't bearing fruit or not too much success, I think we would be going backwards if it weren't for some of these promotional activities, as I said.

Now, I have a few minor concrete suggestions to make to the Minister--he invited suggestions, and for what they're worth I make them to him. It seems to me it might not be such a bad idea if the Minister, by way of inter-departmental co-operation with the Department of Education, were to set up a man-power training advisory council. I'm not sure that we have such a committee in this province as yet. While we do have an advisory committee on education generally, we don't have one to advise the Minister of Education and the Minister of Industry and Commerce on the immediate needs of this province insofar as man-power training and re-training are concerned. Now, it's true of course that we have spent a good deal of money, and are spending money, in conjunction with the Federal Government on the construction of an Institute of Technology. This is all fine, but an advisory council composed of men who have public interests at heart, and who will render services conscientiously, could not help but do good. Because; let's face it, the matter of technical training and technological training is, in so many ways, still in a very nebulous situation. We have technical training at the high school level; we have technical training through apprenticeship programs in industry; we have post-secondary technical training. I suppose that's what the Institute of Technology will be. But is the path along which we are going the right one? I think this program could be of some merit.

It's not very comforting, Mr. Chairman, to note the remarks of certain leaders of the business world in this province and in this country with regard to what they think will be the general level of capital investment in the next year or two. Some people have maintained that we are now entering into a phase of much greater economic growth, recession is over, and things are going to be a little more rosy. But if you analyze carefully what the opinions are of business leaders as to their own particular business you will find that most of them, if I'm not mistaken the survey showed over 60%, felt that there would be no increase in capital investment in their own particular field of business and industry. This isn't a very healthy sign. As a matter of fact, that coupled with the fact that we are in the next ten years going to have to absorb much of the post-war baby boom into the labour market, poses a dilemma indeed. Much as I approve, with my limited knowledge of economics, much as I approve of the concept of the work of a committee, as we have the Committee for Manitoba's Economic Future, I feel that we are deluding ourselves if we think that they are going to come up with anything near what the problem requires.

(Mr. Schreyer, cont'd.) We see on Page 44 on the report of the department, we see that in the eight-year period from 1952 to 1960, that employment in Manitoba in manufacturing increased by 1,100--by 1,100. Now if you apply the multiplier, and that's something that the Minister spoke about earlier, if you apply the multiplier it would mean that, in the service industries and allied work, the increase in employment in the last eight years has been perhaps an aggregate of around 4,400. This would not include mining, of course, but I think that the figure would pretty well tell the story. And what does that show? That despite the fact that in the last eight years--part of these eight years were among the most booming economy that Canada has ever experienced--we were only able to absorb so many new people into the labour market. How can we expect at this stage of the economy, at this stage of the business cycle and under a free enterprise system allegedly speaking, how can we expect to absorb 5,000 a year? A fantastic job the committee has been given, and though it be composed of the most capable people, I feel that what is expected of them is beyond human capability under a system that refuses to take on some of the policies that the New Democratic Party proposes, which I could mention, but I don't want to get into too much of a political digression.--(interjection)-- Later perhaps. I promised to give some concrete suggestions so I want to get along with that.

Another suggestion which I have to offer to the Minister, he might feel is more in the nature of Municipal Affairs, but if it's his department that's interested in creating jobs, and I know it is, I would suggest that a hard look be given at the idea as recommended by, I believe the Association of Mayors and Reeves, Federal Association, that thought be given to the establishment of a Municipal Development Bank Fund. Now what's the advantage here, you might ask? It seems to me that there is one big advantage. Municipal development of a capital nature is perhaps not taking place as quickly as demand would like it to be, or would demand that it be. One of the reasons could be because of the fact that municipalities have to borrow on the money market at a rate substantially higher than that paid by senior governments. Wouldn't it be logical to assume that if municipalities generally could borrow at a rate, say 1-1/2 to 1-3/4 percent lower, that the saving derived therefrom might prompt a good many of them to initiate more capital expenditure than they are at the present; and this would create more jobs. One of the reasons why I feel that municipal capital expansion is going to be one of the keys in creating employment in the next few years is the fact that we are experiencing a move in larger and larger numbers from rural to urban living. I don't think it would stretch members' imagination to think about the problems involved when you have rapidly growing urban complexes, with all its demands on more and better streets and roads, etcetera, and I feel that here is an idea which could be given some serious thought. I don't know how much of their time the committee is going to give to the problem, if it is a problem, of the increase in the number of women working; but any economists that I have read something about feel that, in the present context, not enough consideration or thought is being given to this particular aspect of the present unemployment problem; and it is a very vague sort of thought that I have put forward here, I admit.

Another thing that I would like to point out to the Minister, if he is not already aware of it, is the possibilities for employment in the construction industry. Now of course what will prompt expansion in construction and so on is another matter, but it is estimated that at the present time there is in Canada a surplus capacity in the construction industry of about \$3 billion. Now if you relate that to the Manitoba economy it would seem that here is a substantial capacity, an already existing capacity, that is not at the moment being utilized. No answers were given in the context where I found this information, but it's an idea that is well worth pointing out, I feel.

I would now like to switch to something much more specific, and I feel just a little more argumentative. At least I have felt riled up about it a little, and that has to do with the situation last summer where a local group, a number of farmers, potato growers in East Selkirk and Selkirk district, I think it was mainly East Selkirk, made overtures to the Manitoba Development Fund and to the Department of Industry and Commerce on the one hand for loans and, on the other hand, for information, which I know the department is so capable of giving out--technical information, market information service, etcetera. The end result was this firm--not firm but group of potato growers wanted from the Department of Industry and Commerce some particular technical information as to the suitability of potatoes grown in their area to a

(Mr. Schreyer, cont'd.) particular technique of processing; and I understand that this was not available to them. They had full intentions to acquire a patent for this particular type of processing, then to make an approach to the Development Fund and set up a processing plant, I suppose much along the same lines as at Carberry only on a smaller scale. The end result was they couldn't get the patent information; they couldn't and didn't get any information as to the suitability to their locally grown potatoes to a particular technique of processing; and they lost out on the deal. Now Simplex came in, and that's to the good of the province, but I can't help but feel that it would have been even better if these people had been successful in their particular endeavour. If the Honourable Minister is interested in more details, I believe I could furnish it to him on request. What surprised me there, is the multiplicity of services offered by the Information Service and by the service that deals with new industry, and yet in this particular request they seemed to meet up with a dead end.

I would also like to commend, if that's the right word, the Minister for his interest and the interest of his department in ARDA, and the implication of his statement that the Department of Industry and Commerce would co-operate fully with this particular agency in trying to further the economic interests of the province. I would like to point out to the Minister that in Eastern Manitoba it would seem that request for a community pasture has been made to the Minister of Agriculture and I suppose to the rest of the Cabinet, and I hope it gets serious consideration. I just hope that in the next few years eastern Manitoba shall see effort of this department going into that area at the same rate as it seems to be going into other parts of the province. Now that isn't exactly sour grapes. There might be a number of reasons for it, but I can't help but feel that there are potentials for economic development in industry in eastern Manitoba that have not yet received the kind of consideration that they seem to warrant.

I think that, and harking back here to matters of a more general nature, I think that there is certainly no room for complacency; there isn't even much room for optimism with regard to the amount of employment that can be generated by the level of economic or industrial investment that has taken place in the last two years. Now the Honourable Minister read us today huge amounts of investment, at least relatively huge, \$3 million at Carberry--or at Sprague; \$2.5 million at Carberry; and then giving the employment creation information that goes with it. Three million dollars seems to provide employment for 75; \$2.5 million seems to provide employment for 100 to 125. What I am trying to get at here is that we are now entering into a phase of economy in Canada where capital intensity is so great, you literally really need millions of dollars of investment to provide relatively small number of job opportunities--even when you apply the multiplier. Of course it's the service industry which holds a great deal of prospect for more and more jobs. I think this is nothing new. I think everyone is aware of that.

Now I mentioned about the fact that the department seems to be on a treadmill; more and more money is being spent in order to hold the line, not to make such progress. I would like at this time, and before I conclude, to touch just briefly on the--I don't know whether it was acrimonious--but on the pretty lively debate that took place here with regard to the merits of more or less public ownership, because I think it is of some bearing in the general matter of industrial development. It is true, as has been said already, that some of the projects that the government of Saskatchewan entered into turned out to lose money; but, on the other hand, it is true that a much larger percentage, a ratio of about 12 to 1, have made profits. For the enlightenment of members opposite and to my right, I would like to point out that, in 1958 through '60 of 12 publicly-owned crown corporations in that province, only one accrued a deficit in those years.

It is also a matter of importance, I think, to note that in Saskatchewan where all utilities are publicly owned, the province there has 91 centres served with natural gas, which I think is a pretty important requisite if you're trying to interest a firm in establishing in some smaller community. I think it's logical, Mr. Speaker, to think that a firm would be interested in low cost power. In Manitoba, I think we have 10 centres served with natural gas. I think it's also worthy that, in Saskatchewan, they have natural gas transmission lines which could cross Manitoba four times, and in spite of all this heavy capital investment in order to provide this service, the cost to the consumer in that province is about 18¢ per mcf lower than here in Winnipeg--(Interjection)--But the cost of transmission isn't that high. The cost of transmission is not really a determining factor in the full sense, and I think the Attorney-General knows that.

(Mr. Schreyer, cont'd.) He just asked that question out of pique or whatever it was.

Now there are socialists and there are socialists. There are some who believe in massive public ownership and there are others who don't. I, for one, think that public ownership of utilities is almost mandatory in the public interest, but I do not believe in public ownership per se, nor do I believe in public ownership in secondary industries. But I do believe that when you get into--and it's not the small business, the \$50,000 or \$100,000 or \$200,000 business that must be publicly owned or even regulated, it is the massive corporations in this country which pose a threat to the free enterprise system. Everybody talks about a free enterprise system, yet today, the system we live under is not free nor private; it is rather, as most economists--Harvard, McGill refer to it in the recent publications as an administered enterprise. As I understand it, free enterprise presupposes that the law of supply and demand obtain. If you look at the annual report of the department you will find information on Page 5 regarding inventories, to show that inventories have been increasing. Manufacturing industry inventories have been increasing, and yet--it means the amount of supply has been growing--have you seen prices go down? No. Implement companies have thousands of pieces of equipment on hand at the factory. Do you see prices go down? The law of supply and demand does not obtain; does not apply. It is really an administered enterprise that we live under, but it is not administered by the public. It seems to be administered by relatively few, a small clique at the top, and this is one of the basic economic injustices that we labour under today. It is this type of situation that I, as a socialist, am opposed to and against which we advocate public regulation rather than public ownership--public regulation rather than ownership. I only bore members of the House with this because of the few insidious remarks that have been cast about to the effect that we here advocate public ownership of everything--or mostly everything--(Interjection)--Oh, no, he never said that.

We don't need more public ownership perhaps, except in utilities, but we do need more public regulation of our large-size business endeavours in this country. This is not such scary and frightening prospects, Mr. Chairman, because in the words of Galbraith, if you are not satisfied with seeing price levels increase year by year and if you do want to prevent the accumulation of too much authority in the hands of the government, then you must try to keep privately-owned enterprise from being monopolized and rationalized to the point where they administer prices. He suggested, as I think any intelligent economist today would support, that what we probably should be doing is implementing policies which would require regulation of the prices of the pattern-setting industry. You don't have to go into a massive amount of red tape; you don't have to incur a fantastic bureaucracy. All you have to do, I suggest, is to regulate the prices of the pattern-setting industries, which might be seven or eight, or nine or ten in number.

One word about Saskatchewan, other than what I've just said about crown corporations. I think we all, to be reasonable and fair, have to look at an economy of a nation or a province in the context of the type of climate and predominant occupation that is found in that particular jurisdiction. In Saskatchewan, you will find that it's predominantly rural and predominantly dependent upon the vagaries of agriculture or agricultural prices. Just think what it means to Manitoba this year, Mr. Chairman, when, because of one relatively bad year, purchasing power on the farm has dropped by \$1,417 per farm average. This is a tremendous blow. No one would deny it's going to hurt our provincial economy. The same thing applies there, but more consistently, so they have had to put up with that sort of a thing, that sort of a situation. I think it's unfair to expect, although it has been keeping pace with Manitoba and even forging ahead, it's unfair to expect it to do so. They've been doing more than what was I suppose normally expected of them. So with these few remarks, Mr. Chairman, not all of which I am afraid were helpful, but which two or three were helpful, I would conclude.

MR. EVANS: I want to thank my honourable friend for what has been a very thoughtful address. He suggests that there isn't much very tangible in the plans that were announced for carrying on our work into the next year as I understand. I am sorry my honourable friend missed the import of a good deal of what I said in my remarks, because I think that the programs which were put forward this afternoon were indeed very practical for the development of new industries; for expanding present industries; and for attracting new ones to the province. I can't attempt to run over my remarks of this afternoon but I think he will, if he takes the

(Mr. Evans, cont'd.) trouble to reread them or to think over what was said this afternoon, see that in a number of the things they were intensely practical; such, for example, as the review of the survey of materials, industrial materials and component parts used in the province in the manufacture of other things; helping industries to secure export markets in the United States--a preliminary survey has already been made of the nearby United States market to assist in export--and a number of other very practical things that I mentioned.

But here I am up against a little difficulty. I could refer him to the list of new industries which were in some degree assisted by the department to come and settle here in the year 1961, and I think it can be said that it's a substantial and even an impressive list. I can tell him this, that for every industry that did come in 1961, we have a good many active prospects now in negotiation. Now I cannot and will not discuss any of the details concerning any particular prospect, but I do assure the House that we are in touch with an ever-widening number of active prospects who may, and we are sure that a fair percentage of them will, in due course, come and settle in the province. It's not possible for me to give him details now. I did mention at one point of my address that we are in touch now with four major food processing firms and we have every hope that, if not all of them, at least the major part of them will come and settle in the province, if not within the next year then within the next year or two. So I think that's the only comment I can make on that remark.

With regard to a man-power training council, I would refer him to Page 20 of the brochure touching on the Committee on Manitoba's Economic Future, where we have Item (b) near the top of the page which refers to Study of Labour Skills. A study is being undertaken which will assist the changing requirements for the various labour skills in the trades, technical, professional and managerial occupations: an assessment of existing skills and training of labour in Manitoba; a forecast of anticipated labour skills required in Manitoba; an assessment of the present technical, vocational and professional training facilities and recommended program for expansion of such facilities. I wonder if that isn't much the field that my honourable friend was dealing with in this suggestion. I would suggest that if he has advice that he can offer, or suggestions, and I mean this very sincerely, as to how that work can be carried on, I do direct him to the Committee on Manitoba's Future. I would invite him also to submit to that committee any practical suggestions that he has, as I have suggested to the Honourable the Leader of the NDP this afternoon--to refer any of those suggestions. I am sure that it might be preferable to refer practical suggestions based on your economic philosophy, but they should be practical suggestions, and the committee will entertain them without regard to any particular economic theory that they may have. Anything that's good for Manitoba, they're interested in.

With regard to a municipal development bank or fund, I would understand my honourable friend to say that this should provide money for the use of the municipalities in increasing their own capital Well this is not my subject, but from this side of the House the Treasurer, the First Minister, has indicated time and again that we recognize the need for further capital in the municipal field at cheap rates. I think I'll not deal with this further because it's not my subject, but we do recognize it as a limiting factor and one that we would like to help to alleviate.

I would think that within the ambit of this study on the labour force, would also be the study with regard to the number of women in the labour force, the numbers that will be seeking jobs during the next 10-year period and, therefore, adding to the labour supply. The construction industry, with its surplus capacity in Canada, has certainly been reflected in Manitoba in the past year or two by extremely low prices that have been obtained. Now this isn't always a good thing. It has to strike a mid-point I think. The excess capacity has enabled some of our construction projects, both public and private in Manitoba, to be done at cheaper prices than otherwise would have been the case. Nevertheless, there are indications that some of the prices have been so low that the contractors themselves are having a difficult time. That's a bad thing I think, as everyone would agree.

I will enquire into all I don't know about this instance at Selkirk where someone has asked for information concerning the suitability of potatoes grown in that area for some particular process. I'm sorry I didn't follow exactly what was meant by the reference to patent. I'll ask my department for a report on the matter. If it's not clear, I'll ask my friend for further

(Mr. Evans, cont'd.) explanation. I'm afraid this will have to be done privately afterwards because I'm afraid I won't have it in time, but I'll be glad to look into that matter and discuss it with him further.

My honourable friend from Agriculture would deal with the matter of a community pasture in eastern Manitoba, but I do feel that I should pause for a moment and say something about eastern Manitoba and the share of attention that it has been receiving. In southeastern Manitoba, particularly, we think is the jewel in our crown. Perhaps the very best piece of evidence of that is the plant at Sprague which was brought there by, I can say, the initiative of the department. It's responsible for the plant itself being there. When we first came to office, I happened to be the Minister of Mines and Natural Resources at that time and I took a trip to southeastern Manitoba and became aware of the fact that the supplies of pulpwood were too small to support the rate of cutting that was even then allowed--and goodness knows the people were on sufficient of a marginal existence even at that--and it appeared necessary to restrict the quantities of pulpwood being taken, further reducing their income. So after this trip the Cabinet agreed to an announcement that we would make a special area study, an official project of trying to do something to stimulate the economy down there and bring a greater buying power to the area. Well we had a study made by our consultant, the Arthur G. Little people, who looked at the area and came out with a comparatively simple answer after all. They said: "Well if you haven't got enough of the pulpwood varieties, you've got plenty of poplar. Why don't you use the poplar?" Well that's a good idea, and we said: "Well how do you do that?" They came back after a very intensive study of the matter and said: "Well you've got lots of poplar for a flakeboard plant; you've got markets; and you can sell the product at a profit from that location." So we said: "That's just dandy, where do we find somebody like that?" They gave us the names of people with whom we could negotiate and the senior officers of the department spent a great deal of time and effort and considerable money in direct negotiation with and face-to-face salesmanship with the firm that eventually came there, the Columbia Hardboard people from Washington, the State of Washington in western United States. Well this has been a very considerable stimulus to the areas down there, as I think my honourable friend must know if he's been down, or he can imagine, because the particulars are quite impressive when you see them. The amount of buying power down there, which will provide the employment and cash income amounting to \$500,000 annually from this new forest product industry, will provide a decided stimulus to the economic activity in the region. I think that's a fair statement to say that.

Well we have taken other and different steps down there in addition to that. The Manitoba Development Authority, with the advice of a committee of the Deputy Ministers of Mines and Natural Resources, Agriculture and Conservation and Industry and Commerce, is co-ordinating the overall planning and implementation of the departmental development program in southeast Manitoba. We have appointed a committee consisting of local residents of the Marchand-Piney-Sprague area and representatives of the interested government departments. We will be consulting the committee on the forest management program instituted last fall by the forest service on a forest conservation educational program and on the development of agriculture, forestry and industry. Based on the soil and forest inventory surveys of the region, we're studying required changes in the forest agricultural boundaries in the three designated areas to make more effective use of the agricultural and forest land. In the case of the agricultural lands, our aim is to enlarge present holdings and establish more economic farm units.

Another project under examination is the feasibility of establishing cram high school courses to enable young persons and adults to complete their high school education in accelerated courses. The work of the government alone, however, will not assure rehabilitation of the economy of southeast Manitoba. The residents of the area themselves must participate fully in the program and we have established a committee of government and local representatives to provide the liaison necessary to give the program full effect. I think my honourable friend will recognize, also, that in eastern Manitoba the Federal Government has established the townsite for the Atomic Energy Plant, and that that will be contributing to the economy as well. In eastern Manitoba my honourable friends, the late administration over here, did initiate the Falcon Beach Development; and that Falcon Beach Development and the further developments in the Whiteshell are a showpiece. They're an example. They are talked about in

(Mr. Evans, cont'd.) other parts of Canada and the United States as good examples of recreation and summer resort developments. Through the initiative of this government and my honourable friend from Mines and Resources over here, skiing has been established. We are trying to encourage the winter use of the Falcon area and the Whiteshell as well as La Riviere and now, with the Federal Government up at Riding Mountain, to develop winter recreation here so that the investments of the people who have put up the motels in the resorts can pay off over a longer period. I think if my honourable friend will run over these facts he may recognize that perhaps eastern Manitoba has had its full share of attention. It's our endeavour to certainly be fair in all these matters, and I would think that, in proportion to population, he would find that eastern Manitoba has had its full share.

With regard to the factor of capital intensity, as we refer to it, or the large amount of capital now required to establish a single job in a factory, this is a fact. This is something we have to contend with. I think it can be said, however, that more jobs for example are created at Carberry than just the people inside the factory. If you were to divide the workers inside the factory into the capital investment, it might yield a certain figure. Nevertheless, the farmers round about who will be growing the potatoes and earning money in that way should also be considered in the amount of employment, or the amount of income that will result for them, because the figures of the factory employment shown for Simplex include only the factory workers and not the additional revenue provided for the farmers. I think those touched on the main points that my friend mentioned.

MR. SPEAKER: Item 9--passed?

MR. MOLGAT: Coming back to the Brandon Packers plant again, we started a discussion on that but I don't think we finished it. Was the government approached by any groups at all for assistance in putting Brandon Packers plant back in operation?

MR. EVANS: What does my honourable friend mean about put the Brandon Packers back into operation?

MR. MOLGAT: Well, assistance of some kind or other to get the plant back operating as a meat packing.

MR. EVANS: Yes--Mr. Cleveland--yes. Mr. Cleveland, who at one point had control of the common shares of the company came to the government. We said from the government that matters of capital assistance are handled by the Development Fund; they will examine the project. They did; the fund declined to participate in the operation at that time; and that's where the matter ended as far as the government was concerned.

MR. GUTTORMSON: Mr. Chairman, how is this \$8,000 being spent? This grant of \$8,000. What is that being spent on?

MR. EVANS: Will my honourable friend tell me under which item that is.

MR. GUTTORMSON: (c)--Resolution No. 79.

MR. EVANS: (c) Grants--under Administration. Yes, certainly. Well now, this then provides the information that my honourable friend from Turtle Mountain asked me for, and I'm sorry I wasn't able to locate it at the time. I wonder if perhaps someone would be good enough to inform him. The grants are made up of: the grants to the International Peace Garden, \$7,500; the Hudson's Bay Route Association, \$500; for a total of \$8,000.

MR. GUTTORMSON: Mr. Chairman, could the Minister tell us what the grants are in No. (d)--Government Hospitality and Presentation. I see there's an allocation of \$10,000.

MR. EVANS: Yes. This is entertaining that is done on behalf of the government when people come here. It includes grants to organizations that are holding conventions here or important meetings, and perhaps assistance is furnished by way of providing a banquet. Examples of the type of organizations given hospitality during the fiscal year 1961/62 are: the Session Opening Reception in the Legislative Building; the National Council of Boy Scouts of Canada; the Manitoba Tourist Association; the Chinese Trade Delegation; Associated Superintendents of Insurance; Reception re the President of Iceland; the North Dakota Centennial Celebration at the International Peace Garden; the RCAF Association Luncheon; Manitoba Chamber of Commerce; the Wrens Reserve Convention; the Canadian Chiropractic Association; the Society for Crippled Children and Adults' Convention; and incidental expenses in connection with the Buffalo Hunt awards. Hospitality was extended to most of these organizations on the grounds that they were playing host to a national convention in Manitoba.

MR. SHOEMAKER: Mr. Chairman, I think perhaps that I should clear up a false impression that I might have left in the minds of some people immediately before the dinner hour. I used the right figures but not quite in the right place. You will recall that I was trying to point out the fact that Manitoba's economy was not any more buoyant than the national average of 4%. I said and conceded that the growth last year was 4% and I said that as of the year before it was 2%. Now I'm not surprised that the Honourable Minister didn't check me up because the figures are even worse than I thought they were. I was quoting then you will recall from, what I said before, the propaganda sheet dated January 5th, 1962, which we must recognize as being true statistics and even more up-to-date than the annual report because it was dated nearly a year after. I now find that the total value, and these are the figures I was quoting before, the total value of Manitoba's manufactured products for 1959, \$742.7 million; for 1960, \$728.2 million; for 1961, \$750 million. So that while it is true that there is an increase in 1961 of 4% over 1960, that is only true by reason of the fact that the year before there was a two percent decrease, so that, in effect, if you take the two years together it would appear that the increase is only two percent. It was two percent down in 1960 and four percent up in 1961, but it did drop. According to the figures here, it dropped \$14 million in 1960 over 1959, so I thought I should clear up that point. I would like to also mention the fact that in the same bulletin I did point out that retail sales were down \$16 million. I said that capital investment was down \$53 million--that's so, according to this sheet. I neglected to say that life insurance sales were down by \$12.3 million.

MR. CHAIRMAN: Resolution 79--passed?

MR. FROESE: Mr. Chairman, before we leave the item. The Minister has drawn to our attention, I think several times this afternoon, that there were four companies interested in coming to Manitoba regarding vegetables. I just wonder what kind of a service is the department giving these industries and also the people who produce the raw product? Is it just a matter of trying to locate industry in Manitoba at the expense of the farmer; at the expense of the producer; so that he won't be exploited? Because in any new industry farmers have to gain experience in growing a crop before they can grow it satisfactorily and at a price whereby they will be making a profit. We have that experience in our area because we have had a cannery now for several years and we know what happened in earlier years when it first came in. Now there are a number of ways in which the farmer can be robbed, for failing of a better word, of a fair return. It can be through hard grading and also the price factor. Will the farmer get a fair return for his product that he produces? I just heard this afternoon that the people at Sprague were unable to export their products. Will that mean that those people will be getting a lower return for their product? Will they have to accept lower prices? Does that mean lower wages to the people who were employed? I was informed this afternoon about the Carberry Plant, that apparently they too are in difficulty in getting the acreage because of low prices that are being offered for the product. I think the department should see to it that the farmers' side, or the producers' side is also looked after.

MR. EVANS: Well, Mr. Chairman, if experience with these and other companies operating in other parts of the country and the continent is repeated, and there's every reason to believe that it will, it will be to the great benefit to the farmers who will be treated fairly and will be glad the industries came.

MR. CHAIRMAN: Resolution 79 -- passed?

MR. MOLGAT: Mr. Chairman, before 79 goes on. I would like to go back again to the Brandon Packers matter. I don't want to overdo this thing, but this is an important industry to a large section of Manitoba. Did the government, through one of its agencies, actively go out and do something about getting the plant in operation? It's all well and fine to bring new industries to the province and all of us are certainly anxious to see that done, but in particular, once an industry is established, surely we have an added responsibility to see to it that anything that can be done to keep it going, is done. Now during the course of the difficulties that the Packers had, what action did this government take to get this plant operating again on a full scale? Now that the sale apparently has gone through, what action can the government take to see to it that it becomes once again a full-scale operating plant? From the comments made by the Member for Brandon, it appears that the present indications are that this will not be a packing plant in the same way that it was previously, but simply a local slaughtering house, and that the employment in Brandon will decrease very substantially as a result. Surely

(Mr. Molgat, cont'd.) the government has a responsibility here, even greater than that of bringing in new plants.

MR. EVANS: I don't believe in interfering with the management of a privately-owned plant. Everyone who comes to us comes to us of their own motion, and asks for some form of assistance that we're in a position to render. As far as I am aware, the only approach that was made to us by Brandon Packers was for capital assistance, which request was dealt with in the way that I outlined. With respect to assisting the new plant to now diversify and increase the number of their operations, we stand ready to offer them advice and assistance in the same way -- if they come to us. Is my honourable friend suggesting that the government should reach out into the management of a private concern and start to try and influence their policies and what they want to do with the plant that they've just bought? Does my honourable friend suggest that we should take the initiative to go to the full organization who have purchased this plant, have invested their money into it and they're going to operate it, and try to bring government influence to bear on the policies that they will follow; the kind of business they will carry on; the operations they will do? My honourable friend is getting into the same class as our friends the socialists over here.

MR. LISSAMAN: Sir, if the Minister would permit me to add a few words on this topic. I think members here will agree that I am an ardent enough enthusiast for Brandon that I would have been the first to criticize the government had it been shortcoming in what I considered its efforts on behalf of our troubles at Brandon Packers. I, for a considerable time last fall and this early winter, with members of the Chamber of Commerce and other interested groups, studied this subject. We had several discussions with Mr. Cleveland, who was the new owner, the major shareholder following Cox and Paton, and for many weeks, I can assure the House, that the more I learned about the state of affairs the less I felt I actually knew. It was such a complicated involved thing and there were the threats of so much future litigation against the company, as it stood, that I can assure the Honourable Leader of the Opposition that at no point would I feel that the government could have done anything except quite illegally interfere with, as the Minister said, with the operations of a private company. I think that it would have been unwise at the stage when the Manitoba Development Fund was approached for assistance, it would have been unwise for public money to have been ventured, much as I would like to have seen help given the Brandon Packers, because you have to consider the broader interests of the people of Manitoba. The whole thing is an unfortunate happening. As I said before, it was due in part to a case of two corrupt individuals and the operations of union leaders that led to the downfall of the plant. I suppose this could happen in any locality, but I want to, feel that I must rise here and take any suggestion or claim that the government was shortcoming in its duties and discount that, because there is nothing to base an accusation of this kind on, Mr. Chairman.

MR. MOLGAT: Mr. Chairman, I don't believe there was any accusation in what I said. I was trying to seek information about what had been done and just about 10 days ago in this very House, the Premier indicated that the government would not stand idly by and see 200 people in Brandon unemployed. What I'm trying to find out is exactly what the Premier meant at that time and what action the Province of Manitoba took; what action the Province of Manitoba intended to take, because this was his statement, not ours. This is only what I want to find out because this is exactly the statement he made to the House, and either he intended then to interfere in private matters or he didn't. The Minister needn't accuse me of recommending that they should interfere in private matters. There was a statement made by the Premier of this province.

MR. PAULLEY: Mr. Chairman, I'm very interested to hear the Honourable Leader of the Liberal Party taking an interest in this, because when I was delivering my reply to the Speech from the Throne, I mentioned at that time, or directed a criticism towards the government because of the fact that I thought, in my opinion, rightly or wrongly, that possibly financial assistance as the result of the happenings at Brandon may have saved the industry in Brandon. As has been pointed out, Mr. Cleveland, who was one of the principals insofar as Brandon Packers was concerned, did make an application to the Manitoba Development Fund for a loan, and that Development Fund -- organization -- rejected the application -- that was public knowledge. But as the Leader of the Opposition states now, in reply to my criticism, the First Minister, if I recall correctly, and I am sorry that I haven't got Hansard before me to

(Mr. Paulley, cont'd.) substantiate this completely, did say that once a re-organization was accomplished, I understood him to say, "then we will be in a position to render assistance to them." Now if that is the case then it would be an indication to me that the government, of its own initiation, would be prepared to come to the assistance of the corporation. Now this situation may have changed since that time or since the time that he even spoke in this House, due to the fact of the firm going through the process of bankruptcy and the new owners; but I do say, Mr. Chairman, that as I recall the remarks of the Honourable the First Minister, it was something along the line as raised by my honourable friend, the Leader of the Opposition, and again I say, I'm glad, even at this late date, that the Leader of the Opposition is taking an interest in the Brandon Packers and an interest in the workers at Brandon.

MR. EVANS: to clear up the situation here, the position the First Minister took was this: That as soon as they got their affairs in order and the new owners were known and they had a proposition to bring to the Manitoba Development Fund, they would reconsider it as a new application and use their best endeavours, on a business basis only, to consider the capital requirements of whoever the new owners might be, and if the Pool in this connection has some proposal to put to the Manitoba Development Fund it will be considered on its merits and dealt with the same way that the -- not in the same way, not as the first application -- but will be dealt with on the same basis, that if they have a bankable proposition they can take it to the Development Fund in the assurance it will be given every consideration.

MR. CHAIRMAN: Resolution 80, Industrial Development Branch -- passed.

MR. SHOEMAKER: Mr. Chairman, I would like to commend the government for any efforts that they made in attracting Simplot industries to Carberry. It does affect Neepawa, there are farmers within 10 miles of Neepawa now growing potatoes, and true the crop wasn't good last year, but next year -- there's always a next year in agriculture; if there wasn't the farmers would all be broke -- I do want to commend him for any efforts that they took in this regard. But I am wondering, and the Honourable Member for Brokenhead, I see he isn't in his seat now, he has raised a point.

I understand that about two years ago, a group of farmers or businessmen, or both, started a potato growing operation and storage operation at Souris, and my question is -- what effect will the plant at Carberry have on the operations at Souris -- that would be No. 1. And when the Honourable Member for Brokenhead was speaking a few minutes ago, he mentioned the fact or inferred that the department were perhaps not as co-operative as they might have been to a group of farmers or businessmen, or both, at Selkirk, when they were approaching the department in an effort to establish a potato processing plant out there. Now, I can understand the Department of Industry and Commerce not being very enthusiastic about setting up potato plants all over the province. The bulletin that I referred to earlier this afternoon put out by the Imperial Oil refers to what they call "over-capacity" in many industries. I'm wondering, does the department -- is this one of the reasons that the department were not too enthusiastic about seeing this group of farmers or businessmen at Selkirk? Can we have over-production in the potato industry or any other industry as far as that goes? Is it good business for the Manitoba Development Fund to lend money out to firms in competition to other firms who they have lent money to? My guess is that these are some of the things that we'll have to consider.

MR. EVANS: Mr. Chairman, my honourable friend is not justified in saying that there was any lack of enthusiasm or co-operation on the part of the department. I am not aware of this one incidence or the circumstances, and I think my honourable friend may recognize that the description of this particular case was not very full. I have asked for, if necessary, and my honourable friend for Brokenhead will give us, further particulars in this regard. I promise to look into it, and on the basis of so flimsy a thing as this, my honourable friend alleges that we were not co-operative or not enthusiastic. He is not justified in saying that and I think he should not make such a statement as that.

With respect to any company or any group of individuals going into business, they will have to present to the Manitoba Development Fund their prospects for success. If the opportunity exists for any number of plants in any particular line of business to go in and make a profit that is the only consideration that the fund has as any other banker would have -- the prospects for success. The government certainly would not be the arbiter as to whether a certain number of plants come into being or not; it would simply be that if they have an economic

(Mr. Evans, cont'd.) proposition and the market exists for two or three or ten plants, we would be glad to help on the straight business basis to any or all of them.

MR. DOW: This coming year there is a world's fair at Seattle. Has this department any notion or plans to have any exhibits placed in regards to Manitoba at this fair?

MR. EVANS: Not as far as I am aware.

MR. CHAIRMAN: Resolution 80 - Passed. Resolution 81 - Regional Development Branch - passed -

MR. MOLGAT: Mr. Chairman, I believe that under this department there were two surveys completed, one for southeastern and one for southwestern. Now the whole province has been divided into a number of regions; are the studies on the other regions in process now; when may we expect the balance?

MR. EVANS: I announced during my address this afternoon that the regional surveys, if that's the right term for it, for western Manitoba would be completed during the coming year. I think I said, I drew attention to the fact that this year the Western Development Region Economic Survey will be published and advisory assistance provided to local development agencies who seek to implement the recommended opportunities. The Western Survey will be completed and so far as opportunities are shown, we'll endeavour to help the local people take advantage of it.

MR. SCHREYER: Is there anything of a concrete nature to report about survey for eastern Manitoba?

MR. EVANS: I'll see whether I can get some information with respect to that particular survey if my honourable friend will just bear with me for a moment.

No, the complete survey in the sense that my honourable friend is referring to is not scheduled at the moment, beyond the work that I outlined in southeast Manitoba. A rather complete and in a good many ways more complete survey and program that has been initiated in southeast Manitoba. At the moment the full eastern survey is not scheduled.

MR. ORLIKOW: some detailed information about Item (c) which is listed as Town Planning, Regional Development and Urban Renewal Study. I'm thinking particularly, I'm wondering if, although we haven't had the legislation, I wonder if the government has established a policy about participation in slum clearance and urban re-development and in public housing. If they have, are they involved in what seems to be either by design or accident, some system whereby Winnipeg will be the last city in Canada which will ever get a public housing scheme started? I'm referring to the announcement today that somehow between, I don't know whether it's the City of Winnipeg or CMHC or whether it's in this department, that somehow the plans which have been worked on for about a year or more, are so deficient that it looks like we're going to have another six months delay in that urban renewal project. I'm wondering if we can get some information, whether this is the item, or whether it's somewhere else, as to what the government is doing, if anything, so far.

MR. EVANS: As my honourable friend knows there is an item in the Speech from the Throne which indicates that government policy will be announced later and at that time the details of that will be undertaken.

My understanding is that the present discussion is between CMHC and the City of Winnipeg with respect to the plan. I think I am correct in saying that this is not a matter of concern to the Manitoba Government but between the municipality and the CMHC.

MR. ORLIKOW: The province is not yet involved in that project or any other project, and this is something which will only happen sometimes later when the government's policy is decided upon?

MR. EVANS: When my honourable friend says that or any other project you mean the, any other project of urban renewal or slum clearance. I think that is correct to say it. We're not involved in any other, and that this plan will be much better discussed when I think the government policy is brought forward. I would not want to engage in a policy discussion now with respect to urban renewal because as my honourable friend knows it was already given notice for debate at a later time.

MR. ORLIKOW: Mr. Chairman, I think we had a misconception here. I'm not asking about plans for urban renewal, but you do list this as Urban Renewal Studies. Now I would like to know what, after all there's \$119,000, and that's less than last year -- and maybe we should

(Mr. Orlikow, cont'd.) get an explanation of why it's less than last year -- but I would also like to know what the \$119,000 is for.

MR. EVANS: Yes, Mr. Chairman, I can give information on that subject. That's Item (c). Oh yes, here we are. The information that I'm able to turn up here at the moment concerns the Urban Renewal Studies that have been made, and my honourable friend is asking about the studies for the following year, the ensuing year, and I think I will ask him if he will allow me to bring in that information and tell him possibly, if he agrees, at the time that we debate the whole matter of policy with regard to Urban Renewal. It seems to me that that is one good time; otherwise I'd be glad to get it and bring it to my honourable friend later on in the Estimates.

MR. PAULLEY: Mr. Chairman, on that point I think my colleague would agree with the proposition of the Minister providing the resolution that comes in deals with the over-all picture, but if the resolution that comes in pertains say, to the City of Winnipeg, I'm sure that Mr. Speaker, the minute we started talking about general urban renewal plans, would rule us out of order. Now we appreciate the fact that the Minister may not be able to put his fingers on it this evening. I would suggest -- it's now ten minutes to eleven, we're not going to finish with his department this evening in any case -- that this particular item (c) on Resolution 81 just stand and then possibly tomorrow the Minister would be able to get the full information.

MR. EVANS: I would be glad to allow the item to stand or to undertake to furnish the information anyway.

MR. DOW: Mr. Chairman, item, Item (c), could the Minister give us the cost of town planning which is included in that \$119,000. I imagine the recoveries are from the municipalities, and if they're not, my question is: the town planning cost to the Province of Manitoba?

MR. EVANS: Town planning expenses are travelling expenses \$5,000, a model room workshop report, printing, etc., \$5,000, drafting room and office room expenses and equipment \$12,000, for a total of \$22,000.00. That, however, does not include the cost of salaries. The total staff concerned with town -- there's a community development section and a town and rural planning section, 24 staff members, \$125,085.00.

MR. REID: In this department under Town Planning 81 (c), I see the Minister overspent \$80,000 compared in the budget to what we allowed him last year, \$57,000.00. Then further on I see he recovered \$100,000 from the municipalities. This gave him a surplus of \$20,000, which I see he subtracted from his total estimates. But on questioning the First Minister on Treasury Estimates he explained that surpluses on amounts spent by departments reverted back to Consolidated Fund. Well then, Sir, in my opinion \$40,000 should have reverted back to their Consolidated Fund, not just \$20,000, because last year that \$20,000 that was budgeted for Recreational Consultive Services, and I mentioned previously had not been satisfactorily explained by the Minister when I questioned him about it earlier in the evening.

MR. DOW: if I may, I was just following Town Planning. Do I take it \$147,000 was the cost of Town Planning, and what is the recovery from municipalities? They are charged a per capita fee I believe for the services to the various town and communities.

MR. EVANS: I wonder if it would be satisfactory in holding the same item if I brought in that information; I don't seem to have it under my hand. I know it's here somewhere, but I don't want to take too long just shuffling papers and if my honourable friend will agree, I'll bring it in later.

MR. CHAIRMAN: Resolution 82 -- passed.

MR. CAMPBELL: Mr. Chairman, if you're letting it stand with regard to (c) it would be better to let the whole item stand because I have a couple of questions that I would like to ask. No. 1 with (c), I notice that last year \$137,000 were appropriated, and as I read the Public Accounts just under \$49,000 was spent. Is that correct that out of this vote only \$49,000 was spent, because this seems to be a comparatively small percentage of the amount appropriated. If the Minister is checking up on that item anyway, he might get that information as well.

But the one that I really wanted to speak on was the one that was mentioned by the Honourable Member for Kildonan earlier in the evening. He had pointed out that (d), Item (d) of last year's estimates, is not shown here and the Minister informed us that it was transferred to the Department of Welfare. I would like to know, because I'm interested in this development, if we

(Mr. Campbell, cont'd.) could have a report on just what took place on this in this regard last year. This is a program I have noticed is being considerably expanded as far as the federal government is concerned. Apparently we're going to go along with it; it's going to be in the

MR. EVANS: ask my honourable friend whether he wanted to report on the program last year since he has now taken it over, or whether he would prefer that I do.

MR. CAMPBELL: I just wondered which one would and it's of no consequence to me.

MR. EVANS: I would suggest that since it's now under his administration that he might provide the information and I'll be glad to add whatever I can to see if we can get a complete picture.

MR. CAMPBELL: This apparently, from the point of view of both the federal government and the provincial government, is going to be a major development. I can't think of any better place to put a program with regard to either physical or mental development than the capable hands of somebody from the Portage la Prairie district, they're both physically and mentally equipped to deal with such matters. So, if the Honourable the Minister of Welfare is going to deal with it -- (Interjection) -- yes. Is that going to be done at this time or on the Honourable the Minister of Welfare's estimates?

MR. EVANS: On his estimates I would think.

MR. CHAIRMAN: Resolution 81 - stands. Resolution

MR. MOLGAT: Mr. Chairman, I'll have some questions about the Town Planning. Do you want to proceed with those now or leave it.

MR. CHAIRMAN: Well, how'd it be if we call it

MR. MOLGAT: Well, it's immaterial to me.

MR. PAULLEY: Mr. Chairman, just before the committee rises, I wonder if possibly between now and the time we next sit if the Minister might be able to reconcile those figures that I asked him to between the two reports for tomorrow.

MR. EVANS: May I get again -- I think we have it, but would you mind telling me the reconciliation that is requested.

MR. PAULLEY: that in August of 1960 we had employed approximately 339,000 employees, whereas in the report or the booklet on the Manitoba economic studies they were anticipating that with the way we're going at the present time we would only have 335,000.

MR. EVANS: Yes, we'll undertake to do that.

MR. CHAIRMAN: Mr. Speaker, the committee of supply has adopted certain resolutions and directed me to report the same and ask leave to sit again.

MR. MARTIN: I beg to move, seconded by the Honourable Member for Swan River, the report of the Committee be received.

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

MR. EVANS: Mr. Speaker, I beg to move, seconded by the Honourable the Attorney-General that the House do now adjourn.

Mr. Speaker presented the motion and after a voice vote declared the motion carried and the House adjourned until 2:30 Friday afternoon.