

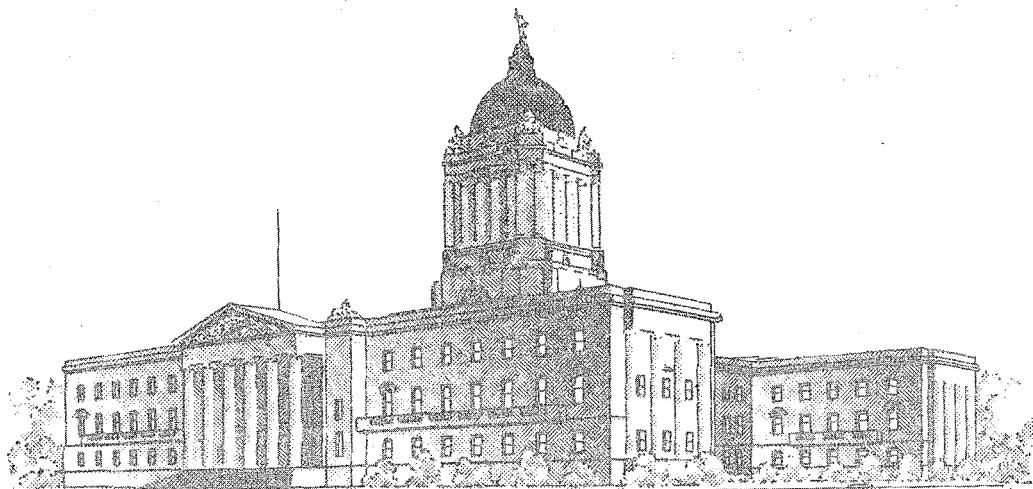


Legislative Assembly Of Manitoba

DEBATES and PROCEEDINGS

Speaker

The Honourable A. W. Harrison



THE LEGISLATIVE ASSEMBLY OF MANITOBA
2:30 o'clock, Thursday, March 8, 1962.

Opening Prayer by Mr. Speaker.

MR. SPEAKER: Presenting Petitions.

MR. NELSON SHOEMAKER (Gladstone): Mr. Speaker, I beg to present the Petition of the Insurance Institute of Winnipeg, Praying for the passing of An Act to amend An Act respecting the Insurance Institute of Winnipeg.

MR. SPEAKER: Reading and Receiving Petitions.

MR. CLERK: The Petition of Glen Carnegie Bruce and Others, Praying for the Passing of An Act to incorporate Russell Golf and Country Club.

MR. SPEAKER: Presenting Reports by Standing and Special Committees.
Notice of Motion.
Introduction of Bills.

The Honourable the First Minister.

HON. DUFF ROBLIN (Premier) (Wolseley) introduced Bill No. 57, An Act to amend The Trustee Act.

MR. JAMES COWAN, Q. C. (Winnipeg Centre) introduced Bill No. 59, An Act to amend The Winnipeg Charter, 1956, and to validate By-law No. 18589.

MR. M. E. MCKELLAR (Souris-Landsdowne) introduced Bill No. 18, An Act to amend An Act to incorporate the Union of Manitoba Municipalities.

MR. SPEAKER: Committee of the Whole House.

MR. ROBLIN: Mr. Speaker, I beg to move, seconded by the Honourable Minister of Education, that Mr. Speaker do now leave the Chair and the House resolve itself into a Committee of the Whole to consider the following proposed resolution: Resolved that it is expedient to bring in a measure to amend The Treasury Act by providing, among other matters, for increasing from \$100,000 to \$200,000 the amount of the accountable advances from the revenue division of the Consolidated Fund that may be outstanding at any one time.

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

MR. ROBLIN: Mr. Chairman, the Administrator of the Province of Manitoba having been informed of the subject matter of the proposed resolution recommends it to the House.

Mr. Chairman read the resolution.

MR. ROBLIN: Mr. Chairman, this amendment suggested in this resolution has to do with Section 44 of The Treasury Act. Under Section 44 of The Treasury Act advances may be made from time to time out of the Consolidated Fund to provide for exigencies in facilitating the public service, such sums as may be required, but the total of all such advances outstanding at any one time shall not exceed the sum of \$100,000.00. Members will recognize that these advances are part of the regular procedure of financing the operations of government by which sums are extended to departments for departmental working funds, for change funds, for travel advances, to finance seasonal expenditures for unemployment insurance stamps, assize witness fees, the movement of livestock to the Royal Winter Fair, teachers' annual tour of the province, and other examples of which members will be familiar. In 1948 the limit in this particular amount was \$50,000 and at that time it was increased by amendment from \$50,000 to \$100,000.00. I now have a report from the Comptroller-General who supervises these funds, in fact no accountable advances may be issued without his certificate as to their necessity. He now advises me that the ceiling of \$100,000 is too low and that just as we had to request an increase in 1948 so we need one today, and he has suggested that we concur that the sum of \$200,000 would be appropriate under the circumstances. I think that gives a fair sketch of the matter.

MR. GILDAS MOLGAT (Leader of the Opposition) (Ste. Rose): Mr. Chairman, we would have no objection to this change as recommended by the Comptroller-General. This, I take it, is simply the working capital that is normal in any business. I just wonder if it's a reflection whether my honourable friends have doubled the size of the staff since they're there that they have to double the size of the working capital.

MR. ROBLIN: Well, I suppose it's just as much a reflection of our having doubled it as our predecessors having doubled it when they doubled the size of the accountable advances.

MR. CHAIRMAN: Shall the resolution be adopted?

MR. D. L. CAMPBELL (Lakeside): Mr. Chairman, I'd just like to ask what are the other matters that are dealt with in this bill.

MR. ROBLIN: This represents the total of the amendments, Sir, that have to do with matters of finance in this bill. Anything that there is in addition to that will appear on second reading.

MR. CHAIRMAN: Shall the resolution be adopted? Committee rise and report. Call in the Speaker.

MR. W. G. MARTIN (St. Matthews): Mr. Speaker, the Committee of the Whole House has adopted a certain resolution and directed me to report the same and asks leave to sit again.

Mr. Speaker, I beg to move, seconded by the Honourable Member for St. Vital, that the report of the committee be received.

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

MR. ROBLIN introduced Bill No. 58, An Act to amend The Treasury Act.

MR. SPEAKER: Orders of the Day.

MR. MORRIS A. GRAY (Inkster): Mr. Speaker, may I respectfully ask the Minister of Education whether his department may expedite the Order for Return asked for about eight or nine days ago in connection with the School for the Deaf.

HON. STEWART E. McLEAN (Minister of Education) (Dauphin): Yes, Mr. Speaker, we will expedite it as quickly as we can.

MR. SPEAKER: Orders of the Day.

HON. JOHN THOMPSON (Acting Minister of Municipal Affairs) (Virden): Mr. Speaker, before the Orders of the Day, I would like to lay on the table the Annual Report of the Municipal Board for the period ending December 31, 1961.

MR. SPEAKER: Orders of the Day.

Orders for Return.

Adjourned debate standing in the name of the Honourable Minister of Welfare.

MR. ROBLIN: The Minister of Welfare is not here, Mr. Speaker. I presume if anyone else wishes to speak they'd be welcome to do so, otherwise perhaps we should let it stand in his name.

MR. SPEAKER: Order stand? Committee of Supply.

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

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

MR. CHAIRMAN: Department IV - Provincial Secretary, Resolution No. 19.

HON. GURNEY EVANS (Provincial Secretary) (Fort Rouge): Mr. Chairman, before proceeding, I would like to make reply to some questions that were asked at our last sitting. The Manitoba regulations are bound yearly for the registration's office for use of the government service. They're not carried in stock by the Queen's Printer because there has never been any request for them. I have obtained copies now of the last two years, and if the page will help me, I'd be glad to present these now to the Leader of the Opposition and the Leader of the New Democratic Party.

The Leader of the Opposition asked me the amount of funds received from the Provincial Treasurer by the Manitoba Development Fund as at March 8, 1962. Loan capital -- that is to say debentures at 5 3/4%, \$2 million; share capital, \$4 million; total \$6 million.

My honourable friend from Gladstone asked for a reconciliation between the amounts of money shown for the Provincial Secretary's Department by the Public Accounts and the amounts that have been asked for in estimates, and the following special warrants account for the difference: special warrant for the Manitoba Gazette, \$3,300; special warrant for the Civil Service for salaries, \$6,300; special warrant for the Civil Service for expenses \$8,000; and a special warrant for the Civil Service Superannuation Fund, \$184,000.00. I could offer the following

(Mr. Evans, cont'd.) additional explanations as the Manitoba Gazette costs that amount beyond what we had estimated, the estimates for the current year are raised by an amount we think is sufficient to cover the cost.

The Civil Service salaries were increased by three personnel to help to conduct a survey of existing positions which had been requested urgently by the Manitoba Government Employees' Association and to speed-up that review of each position, to see that each employee was properly classified and doing work appropriate to the salary level they were being paid. With regard to expenses, it was found necessary for certain categories of professional and higher people to advertise Canada-wide rather than merely in Manitoba, and advertising expenses to secure applications increased by the amount of \$8,000.00.

The amount for the Civil Service Superannuation Fund was required because during that year it became obligatory for all members of the civil service to join the Superannuation Fund. Prior to that it had been optional. So this sudden number of people joining the Superannuation Fund called upon the government to make a matching grant and the special warrants of \$184,000 was to provide funds for that purpose.

My honourable friend from Gladstone referred to over-the-counter sales by the Queen's Printer and I should explain that over-the-counter sales include mail order sales, and I presume my honourable friend would agree with that definition; that sales fluctuate greatly, as the figures which I will give at the end of this illustrate, depending upon the demand for statutes, reports, etc. Sales in any year involve material printed in previous years. For example, we are still selling Revised Statutes of Manitoba, 1954, at \$50.00 per set. A complete statute, that is revised in each of the annual statutes of subsequent years is sold at \$104; annual statutes which are priced at cost vary from \$3.50 in 1954 to \$10.00 in 1956. In 1960 the report of the Royal Commission on Education at \$3.50 per copy was a big seller; approximately 700 copies at a total of over \$2,000 were sold. All material is priced at the even amount nearest to the cost. For example, if the printing cost is \$1.55, the item is sold at \$1.50 -- pricing it 5¢ one way or the other. Sales by the Queen's Printer's office to the general public for the calendar year 1957 - \$6,151.83; for the calendar year 1960 - \$13,045.65; for the calendar year 1961 - \$8,771.03.

My honourable friend from St. John's asked concerning the amount of the 6% contribution of the civil service members to the Superannuation Fund which amounts to approximately \$1,280,000.00. I think that's the balance of the questions outstanding. If I have missed any that honourable members are waiting for I'd be glad to hear about it.

MR. EDMOND PREFONTAINE (Carillon): I wonder if the Minister could give us a report with respect to this last insurance policy -- it's a new policy. I wonder if many of the members are insured under this group life insurance policy?

MR. EVANS: Does my honourable friend refer to the members of the Legislature? Perhaps I have that information. I'm not aware whether I have or not. I'll just look. I'm not able to tell my honourable friend how many members of the Legislature may be members, but I can give him an account of the operation of the fund for the first year. It did no more than break even. There were some rather substantial, and, of course, these are very sad events, losses. One particular one at the very end of the year when it had appeared that we were operating well in hand that there were perhaps surplus funds. There need be no alarm at this when I tell my honourable friend that we did put a sum here of \$2,641 as a so-called increase in reserve. Well, of course, merely the first addition or the first sum placed in a reserve. That would not be regarded as a satisfactory amount to put in on a business so large in one year, but we all recall some large claims -- some of our honourable friends who, one particular who was a Minister on this side of the House and others. I think we can of course mourn the loss of our colleagues, but we can also somewhat rejoice that these civil servants and members of the House and members of the Cabinet who were suddenly called by death, do leave their families in a far better situation than they otherwise would have been. I think it's true to say that only a matter of an hour or two after the fund came into being and became effective, there was a claim. This was, perhaps, a dramatic evidence of the benefit, where an employee's widow is able to be assured that there are some thousand of dollars immediately available instead of coming and pleading a case for some gratuity or gratuitous continuation of a salary for a month or two in order to help them over a tough situation. And I feel that we can rejoice that this is in being.

(Mr. Evans, cont'd.)

Now I have some information here concerning the numbers of losses and the departments and the months in which they occurred, but that is all at the moment I have to report.

MR. ELMAN GUTTORMSON (St. George): Mr. Chairman, when this plan went into effect the members of the Legislature were allowed to go into the plan. It is not correct though that any member who didn't take that opportunity when the plan went into effect, cannot do so now? Is this correct?

MR. EVANS: I don't know. I'll see whether that's covered in the rules.

MR. GRAY: Mr. Chairman, while you're looking for that information, is there an age limit? Either on the members or on the employees?

MR. EVANS: The age limit of 65, which, of course, is the same age limit as the regular employment in the civil service for men.

MR. CAMPBELL: Mr. Chairman, I guess the answer to the question is that as for those who are in the position of having passed the age limit that they can't get in again anyway.

MR. EVANS: In some cases. I'll be glad to get the information definitely for my honourable friend. I'm sorry I'm not able to provide it now.

MR. GUTTORMSON: taken out of the indemnities? Is that the procedure? The premiums I mean.

MR. EVANS: The indemnity including the expense allowance is the amount considered for the group insurance plan.

MR. PREFONTAINE: The minute that a member ceases to be a member, is he automatically taken away from the fund for the pension?

MR. EVANS: I think he occupies the same position as an employee who leaves the service. He has the right within a fixed period to convert that insurance to some other form of insurance offered by the Company without medical examination.

MR. CHAIRMAN: Resolution 19 - passed.

MR. CAMPBELL: Mr. Chairman, I have one question. I noticed in the Public Accounts that the premium, of course, takes the balance of this -- the majority of this appropriation something beyond \$45,000 I think, if I remember it rightly. But there's another item of \$300 or \$400 of fees. I was wondering what are the fees in connection with this. I can understand, of course, the premium.

MR. EVANS: I have found the information concerning members, that they can join the plan at any time -- membership in the Group Insurance Plan is open to members of the Legislature at any time. The total amount that I see in the estimates here is \$50,000; the payment required to be made to the Canada Life is \$50,000.00. I see no separate item for fees.

MR. CAMPBELL: It's Public Accounts I was referring to, Mr. Chairman. I just was checking them over and I notice that the premium is \$45,500-odd I think, but then there was another item of fees that was something in the neighbourhood of 340 or thereabouts. I just wondered what the fee was. If my honourable friend hasn't the information now he could just check it at his convenience.

MR. EVANS: I'll be glad to provide that information.

MR. CHAIRMAN: Resolution No. 20, Item 7 - Purchasing Bureau.

MR. GRAY: Mr. Chairman, may I ask the Minister to bring up-to-date the duties, the responsibilities and powers of the purchasing agent. Particularly I'm interested in the buying of millions of dollars of goods for the province -- many of those like stationery and other things are routine and there's no question about that. But in case someone wants to buy a car or a truck or other heavy machinery, does he have to consult anybody or get the approval or get a recommendation, or is anybody sitting on the larger expenditures?

MR. EVANS: Is there no further questions, Mr. Chairman? With respect to the large technical equipment, the department requiring it, such as road building machinery or other machinery of that type, must work closely with the purchasing agent to ensure that the bids that are called for do cover a machine that would be satisfactory. But in all cases of large machinery of that kind bids are called for from at least three firms and the best price is taken. Now there have been from time to time some occasions when the lowest price is not the best price. There have been times when engineering advice has indicated that a machine priced at a lower figure might indeed wear out more quickly and that one of a slightly higher quality would last

(Mr. Evans, cont'd.) longer and cost less in the end. But with respect to buying these pieces of technical equipment the purchasing agent does rely on the department and their technical staffs there for advice to assist him on what machines do fill the specifications.

MR. CHAIRMAN: Resolution passed.

MR. MOLGAT: Mr. Chairman, before we pass this item. The various utilities and commissions presumably do their buying on their own at this stage. Has the government given any consideration to centralizing all the buying for every department and every commission?

MR. EVANS: I would say that we have had a very detailed review and study of this question -- not however with a view to centralizing it. When this responsibility came to me I thought I should learn more about the way purchasing is done by larger organizations and I personally visited one or two organizations, including the Canadian National Railways, which have a very complete purchasing department, have their own testing laboratories, and other facilities of that kind. Then a member of my staff has -- not in the purchasing bureau, but borrowing assistance from the Manitoba Development authority -- we did have reviews made of purchasing practices in one other government and then in some large corporations. I would have to tell my honourable friend that I haven't found yet any new policy that we should adopt, but I'm trying to keep my mind thoroughly open on it because it is a very large piece of business that we do here -- it's up to about \$13 million worth of stock, and I feel sure that it will well repay a good deal of careful study and administration and everlastingly the system should be under review. But at the moment I have no indication of a change of policy at all.

MR. MOLGAT: Mr. Chairman, I'm glad to hear that the Minister is studying this because this is certainly one place where anyone who has been in business knows that savings can be effected. It's so easy to get involved in different purchasing methods at different levels that this is something that could well be considered. I hope that this study will continue. I think the City of Winnipeg, for example, has been investigating this themselves and have, in their own structure, made some changes. And I would recommend that the government continue this.

MR. CHAIRMAN: Resolution 20 - passed. Resolution 21, Item 8, Workmen's Compensation Board - passed.

MR. MOLGAT: a doubling here of the figures. Could the Minister explain?

MR. EVANS: based purely on additional costs for people injured in the government service. I think I mentioned the other day that we do not pay fees in the ordinary way to the Workmen's Compensation Board -- fees that might otherwise be called premiums. The government's employees are covered in the following way -- that if one is injured the case is reported to the Workmen's Compensation Board; they make their investigations and awards and the government provides the money to pay the awards and also some percentage loading to cover the expenses of overhead and so on in the Workmen's Compensation Board. So the increase in the amount of money required here is indirectly related to injuries sustained by members of the service.

MR. PAULLEY: Mr. Chairman, that the government contemplates that the accident ratio will increase for the forthcoming year?

MR. EVANS: No, Mr. Chairman. These are accidents that have happened in the past. These sums are provided to cover those. Some of them are on continuing payments or pensions or whatever you call them, either to the injured person or, I think I'm right in saying, widows' allowances -- I'm not too familiar with the details. But based on the accidents in the past it's anticipated that this will be the requirements including pensions to those who have been injured.

MR. PAULLEY: I wonder, Mr. Chairman, if the Minister I don't know whether this actually would be his or the Department of Labour. I think though it's the present Minister. I wonder if he could give us the information as to the accident ratio with government employees that accounts for this -- whether statistics, or what statistics are kept, as to the nature of the accident within the civil service itself. I think this is an important matter, not only dealing with the particular amount under review at the present time, but I think we should have some information -- or I'd appreciate it at least, Mr. Chairman, if we had the information as to the number of accidents within the civil service, the type of accidents which occur and then from that would pursue the question as to the steps taken in order to prevent a recurrence of the accidents.

MR. M. N. HRYHORCZUK, Q. C. (Ethelbert Plains): Mr. Chairman, before the Honourable Minister answers the question, I would just go a step further than the Honourable Leader of the New Democratic Party. This \$35,000 that we had in estimates for the year ending March 31st, 1962, must have been over-spent. From what you said a moment ago, some of this \$7,000 is going to pay for damages for injuries sustained before now. Could you indicate just how much it was over-spent, and the type of injury or any particulars you can give us as to the necessity for this increase?

MR. J. M. HAWRYLUK (Burrows): Are all employees of the government covered by the same ratio as compared to other employees in industry as far as the Workmen's Compensation -- the same set-up -- anybody working at Canada Packers and anybody working here are covered by the same rules and regulations?

MR. EVANS: I can answer my honourable friend that the case is turned over to be handled by the Workmen's Compensation Board just as an ordinary case and they would deal with it in exactly the same way here as they would in a private concern or anyone else who is a regular member of the Workmen's Compensation Board.

I do not have the information about the frequency of accidents, the cause, the nature, or matters of that kind. I'll be glad to provide it for my honourable friend -- I undertake to provide it. There is no necessity of holding the item unless he wishes to. With respect to the over-payment, I don't have that information with me either -- I'll undertake to see if we can provide that information as well.

MR. CHAIRMAN: Resolution 21 - passed. to Treasury.

MR. ROBLIN: Mr. Chairman, we'll turn to the Department of Industry and Commerce.

MR. PAULLEY: Mr. Chairman, I wonder if I might ask the Provincial Treasurer when we will be completing his estimates.

MR. ROBLIN: We'll do that some time next week, Mr. Chairman. But I think I should tell the honourable members that after Industry and Commerce we expect to have a short interval, probably to finish up the Treasury Department, then we go to Health and, following Health, Municipal Affairs.

MR. CHAIRMAN: Industry and Commerce, Resolution No. 69 - Administration.

MR. EVANS: Mr. Chairman, I wonder if I could suggest a method of procedure which I hope might be found to be agreeable by members of the committee.

I propose to make a statement on my own salary dealing with matters concerning industry and regional development, including all matters concerning existing industry, new industry, regional development, and the Manitoba Development Authority. These are largely integrated operations and I would like to deal with them, if it's agreeable, in one place. I will not, in view of an impending debate on the Manitoba Development Fund and the policies upon which it is based -- I will not refer to that and if it's agreeable then we can have a debate on that subject, which I think might be the most convenient thing to do, when I come to that particular item. Then if this plan meets with approval, I would be glad to make a second statement subsequently about the tourist business -- while it is certainly industry, and we regard it in the same light -- nevertheless, I think it's a slightly different character and I think it might help us to deal with that separately; and a third and separate statement on Civil Defence.

Now I wonder if that procedure is going to be acceptable to the members of the committee. I would be glad to proceed in that way if the Leader of the Opposition and the Leaders of the other parties feel that is a sensible thing to do and it might help the Chairman to know in what way we're going to divide our discussions.

MR. MOLGAT: Mr. Chairman, as far as I'm concerned I'd be prepared to reserve my comments on the Manitoba Development Fund until we come to Resolution No. 87 -- that suits me. Insofar as the other items, I think likely the member of our group who will be speaking on this has general comments to make at the opening on Minister's salary and he may range over more than just the initial statements of the Minister. I trust that would be in order.

MR. EVANS: Now it's usual at this point in introducing the estimates to give a review of the past year's operation and normally this has consisted of a considerable amount of factual material or statistics, and so this year, and in order to bring the information rather more up-to-date than the Annual Report, I have had prepared a review of the past year's operations, and I'm going to ask the Clerk of the House if he will now distribute to members this

(Mr. Evans, cont'd.) review of the past year with respect to the Department of Industry and Commerce, together with a printed brochure dealing with the plans and programs of the Committee on the Economic Future. I shall be dealing a little later on in my remarks with the Committee on Manitoba's Economic Future, but within this publication -- a review of the Department -- you will find evidence that 1961 has been the most productive year of the Department. I don't think there is much doubt about that fact, and I claim little, if any, credit for that, because I would like to reinforce and emphasize the remarks that I made at the time we were discussing the Civil Service Commission's estimates, in bearing testimony to the work of the members of my staff, which is quite remarkable and stands comparison with any staff in any field of endeavour anywhere that I have seen, public or private -- not only in the amount of work they do and the hours and hours and weekends and weekends of overtime and additional work which they have put into it, which can be accounted for only by devotion to the interests of the people of Manitoba; and I might say that not only is there that quality and quantity of work, but that the senior members of the staff have led them in a way that can be described only as brilliant.

The review which will be distributed in a few moments now, reviews only the key events of the year that has passed -- 1961. It reviews substantial achievements in this province, largely and almost altogether on the part of private enterprise doing the work, taking the risks and putting the effort into it; but it is worth noting that trade, industry and tourism have achieved new levels in the province. Manufacturing in 1961 reached \$765 million, and the tourist business reached a new high of \$37 million. In the coming year we'll continue very largely the same policies that we have been following. Advertising in the industrial and tourist fields; we will help existing industry to expand; and we will do this very largely by relying on research. We will seek new industries, particularly by a method that we have been using and which we regard as the most effective, and that is what I call "face to face" salesmanship. The officials of the department and myself engage in actual negotiations and actual invitation to individual firms to come and locate in Manitoba. We engage in what also might be called "salesmanship", if you like, with regard to existing industries for the increase and diversification of their line of products so that they may do more business and provide more jobs within the province. The outline of the accomplishments that this policy have achieved will be found in the review that will be before you, and I will be glad to answer any questions based on that.

But I'd like to turn attention now to the future and to discuss some special plans that we have before us in the coming months. We propose to give particular attention to assisting the present industries in the province to expand and give close attention to the question of discovering new products that can be made and brought into being within the province. Here are some of the ways in which we propose to put this program forward: In the coming year in co-operation with the National Productivity Council and the federal departments of Trade and Commerce and Labour, we intend to focus attention by every possible means on the question of raising efficiency and lowering cost for industry in Manitoba. Plans are being made in co-operation with the Manitoba industries to conduct a "materials requirement" survey to identify products now being purchased by Manitoban manufacturers that might be produced by companies within the province. In a good many of our manufacturing institutions we find component parts which are being imported from elsewhere which, in our opinion, could very well be made here, and I'm sure that it requires only to be called to the attention of our manufacturers that these opportunities exist, for them to have the ingenuity and the will to get ahead and make them, and so we will draw these opportunities to their attention by means of what I have called a material requirement survey.

In the coming year, high priority and increased emphasis is to be placed on import replacements and manufacturing under license arrangements. We believe that our manufacturers here can fill a gap that exists and will be able to retain at home a good deal of money that is now spent abroad for various items.

In addition to business information and marketing data now provided to the Manitoba business firms, the department intends to help the further development of our manufacturing industries by providing assistance, when requested, in the form of diversification studies, to help Manitoba manufacturers locate new products, particularly new products of distinctive style and quality which can command markets not only here but abroad. Another form of assistance is in

(Mr. Evans, cont'd.) helping Manitoba to sell their products in the midwestern United States market. In conjunction with the Federal Department of Trade and Commerce, our department has already carried out preliminary investigations to determine which products could be sold in this market. It's our opinion that there is an important potential for Manitoba manufactured goods in the United States, particularly in the specialty and luxury light manufacturing classes. Our program will be to identify the products which are suitable for marketing in the United States, bring these to the attention of Manitoba firms and provide them with the guidance on the most efficient methods and procedures for distributing Manitoba manufactured goods in the United States.

I know there are many opportunities for growth and expansion in this export field. We have achieved a quite remarkable list of products that are now exported from Manitoba. I don't think I need to refer to the staples -- such things as work clothing and other things with which we're familiar. I need not refer to the agricultural products such as the grains and butter fats and meat products and so forth, but I have here just a partial list selected to show the variety of items that are, in fact, exported from Manitoba to other countries -- not to other parts of Canada, but to other countries -- and I'll read it through now just as a list, to show variety rather than the entire range of these kinds of goods. Automobile frost shields and accessories, automobile brakes, rakes, hoses, spades, snow shovels, grain augers, harrow draw bars, hydraulic truck hoists, swathers, curling sweaters, bulky knit sweaters, woollen blankets, high fashioned ski slacks and coveralls, sportshirts, women's skirts and sporting clothing, scintillating phosphors having to do with radiation equipment, special technical components used in the United States space program, circuit breakers and electrical switch gear equipment, curling brooms, windows and doors insulation sets, fresh and frozen fish fillets, wild rice, ceramic figures, lamps and wall plaques, lumber and particle board, church vestments and supplies, cedar canoes, carburetors and fuel pumps. I think that covers a very wide spectrum of the kinds of things that are made in this country and are finding export markets abroad.

Well, it's true today that we are facing a new set of circumstances with regard to our export business but this need, by no means, be a discouraging picture if we act with vigor and intelligence. And I won't dwell on this point longer because, as honourable members know, this is set down for debate at another time. At any rate, we have to take the world as it is and to make the best of it, and I suggest that our manufacturing industries must help to develop growth by venturing abroad and capturing new markets for themselves. This means that if Manitoba industry is to sell at home or abroad it must produce goods that people want at a price that they will pay. To achieve this, all groups in the province must work together in making our goods and services competitive. Business, labour and government are all on the same side of this struggle and we must help one another. Business must sell and must sell hard. They must develop new products and new processes faster than their competitors -- and in every single thing that we sell or attempt to sell we have competitors -- and this runs right through the piece and includes the tourist business as well. This means research and development. It means finding new uses for the products that we supply; the creation of new products for the new markets; tapping of the new products for all purposes to which they can be put. And more particularly, it means aggressive selling and realistic pricing. It's realized that our manufacturers must export their manufactured goods in the face of very tough competition from other highly industrialized and industrious nations, but unless our manufacturers continue to make greater efforts to export, they cannot grow. Our home market is just too small. Our future growth depends to a large degree on our success in this field. So in the export field, we are determined to leave, so far as our help can run, to leave no stone unturned, either large or small, likely or unlikely, to discovering new markets.

Our first attention will, of course, be to Canada because that's the most readily accessible market, and unless you have a good market at home, you can hardly hope to develop a good export trade. We will turn our attentions to western Europe. We will turn our attentions perhaps, with renewed hope in these days when we read the newspapers about tariff negotiations, to the United States. Now these are of vital markets for us for without these we cannot hope to grow in the export market or indeed, to continue to sustain the kind of industrial development that we have now. But these are by no means the only markets to which we should pay attention. I think I should mention that in Latin America there are 199 million people -- a very large

(Mr. Evans, cont'd.) market indeed. I suspect that not all our business concerns here, either manufacturing or commercial, have at their finger tips, all of the information that would be useful by way of trade practice, how are the credit arrangements handled and how is trade carried on, that they should have or would like to have, with respect to entering these other markets. There are language barriers, there are custom barriers, there are all sorts of frozen funds that must be negotiated. Then one has only to turn one's thoughts to Africa, at the moment, to see what an enormously expanding picture there is there. Here are people by the tens of millions who are probably learning to read for the first time, and what effect that will have upon such products as newsprints and other forms of paper and as their standards of living increase and grow, what an enormous demand will develop on that continent. The same thoughts occur with respect to Asia.

Well, I say that if Germans and British and French and Americans can succeed in these fields, Manitobans can too, because we have the energy, we have the imagination, we have the initiative, and I suggest that anything that the government can do to help our Manitobans to take up this challenge and to compete, and to compete successfully, with these other peoples, is our clear, plain duty, and we are bending in that direction.

I have emphasized that labour and management are on the same side in this struggle. What we all want is more jobs. That is the slogan that we have before us in the department -- "More jobs." We want more jobs which pay well. We want more real return; real return in the form of goods and other things that we want to provide for our families. In order to do that, I can only summarize what I have just been saying, by mentioning three factors: productivity, new markets, more investments. And those are the objects of our policy.

Well then, so much for existing industry. I would like to turn more particularly now, to the new industries which we may attract to the province. If anyone is viewing this at all hard-headedly, they will have to say this, that new industries will come to our province if it is profitable to do so. They will come here if it is more profitable to do so than to go anywhere else, and they will not come here under any other circumstances. And we must, for all the dreaming that we might do and for all the wishful thinking that we might do, we must admit to ourselves that unless there is money to be made here to attract industries, they won't come. Well in our industrial balance sheet of the province, our balance sheet of advantages and disadvantages we have both assets and liabilities. But after some study on this and after some discussion with people who know a vast deal more about it than I do, I have come to the firm conviction, and I think there is some evidence in that review of activities that I'm right, that Manitoba is one of the brightest spots for the development of new industry in Canada today. It ranks well with any comparable area in the United States and particularly with regard now and for the future, with industries larger than we have been accustomed to attracting here in the past. This is a combination of a number of factors but I think we can look forward hopefully to industries of increasing size, but our program is to dig out specific opportunities for industries to come and establish in Manitoba. Either new independent concerns which means putting together the management element and the financial element in starting a new concern or branches of existing concerns. We believe that any industrial development in Manitoba is a good thing. We are friendly to outsiders; we are particularly friendly to Canadians who will come here and settle down. We are friendly to Americans who will come here and start industry. We are friendly to the British and Germans and Swiss and Italian and any others who will come to Manitoba and help us to provide jobs for our people. We believe this must be done on what we would call the rifle approach rather than the shotgun approach. We think we must try to isolate an existing opportunity for someone to come in here and do business and make money and then take it to those who might come and sell it to them in a face-to-face sales program. This will be based on the keystone of research. Research into new products; research into opportunities for new industry.

Within this field we're going to give special attention to the united efforts of agriculture and industry because I believe very firmly that the next expansion in the food industry in Canada will be in Manitoba. Manitoba can become a great food processing centre in certain particular kinds, I think, of canned and preserved foods; I think a certain specialty kinds of foods, for Canada. We have the land and the location and we can grow good quality raw materials -- two most essential factors. This comes at a time when lands available for this purpose in other

(Mr. Evans, cont'd.) parts of Canada, notably in Ontario, are actually shrinking by reason of expanded areas required for residents and areas required for industries down there. And so at a time when Canadian population is growing, when the demand for food is increasing the lands available for producing them in other parts of this country are, in some cases, shrinking. This process has already started. We have found coming to Manitoba a number of famous names and who have settled here already. My honourable friends across the way will have had the major responsibility for bringing the Campbell Soup Company here -- a famous name. Catelli is returning; the J.R. Simplot Company; Canadian Cannery have been here for some time. These are only the forerunners, I feel, of a very large expansion of industrial enterprise within the province based on a marriage of agriculture and industry. I'm not at liberty to discuss any details, but I will say that there are four large food processing companies at the moment working with the department with a view to coming into Manitoba. Well agriculture and industry pay attention to each other not only because we can further process the foods and export them, but because the farm continues as the great market. The great single market for the products of our industries in the province, and certain specialized things made for the farm market itself. You need only think of fertilizer, insecticides, machinery, building materials that are required especially for the farm and so forth. So the department will continue to concentrate a high proportion of its efforts for industrial expansion on food processing and industries serving the needs of agriculture; we plan to act aggressively to demonstrate Manitoba's suitability for manufacturing these products.

I'd like to say a word about the Regional Development program. The program is working and is having an effect on creating jobs within the province. It promotes industrial growth itself. There is an active program within this Regional Development Department or Regional Development Branch for the actual promotion of industrial development through the Regional Development program, through the community development corporation and matters of that kind. But it does a thing that has sometimes escaped attention, and that is, that it prepares the communities themselves for industrial development, because we find as a matter of day-to-day experience that a larger and larger proportion of industries and companies who might come to the province are paying attention to and stipulating that there shall be community planning in the towns in which they expect to locate. And honourable members will recognize that we have a deliberate policy of drawing to the attention of impending industrial developers the advantages of placing their efforts in rural Manitoba. We do not neglect the City of Winnipeg or Greater Winnipeg, but at the same time we do deliberately call the attention of impending developers to other areas. We have found that they insist there be a good community development plan; that there shall be an atmosphere there which will attract and hold the kind of personnel that they want to have as employees in their plants. They set great store by, for example, the atmosphere of hospitality that may well exist there for the wives and families of people like managers and foremen and others who will move in from the outside and settle down. If there is a well-planned community which is safe and healthy and hospitable to these families, they will remain and remain as good contributing members of the community and will be happy. And if they remain, that's a far less expensive thing for the company than if they were to move out and having to be replaced.

At the moment the Regional Development branch is advising 38 communities on their town planning in comparison with 13 of three years ago. One of the main objects of the Regional Development work is to provide a good mix of employment in the country areas. The time is long past when everyone in the rural areas is concerned with farming or wants to be concerned with farming. We want to provide to the rising generations a variety of opportunities to work at the kind of work that they like, at which they will be happy and in which they will be able to earn satisfactory living. In these rural areas we want to see a good mixture of opportunities in agriculture, industry, commercial, professional work.

One of the great advantages of this is that it will help us to keep at home, in Manitoba, the best assets that we have -- and that is our people. We have been in the business of exporting people from Manitoba for far too long. The figures that have already been published, and I think I mentioned them in the House last year, indicates that unless some change occurs in job opportunities in Manitoba in the next ten years, we will likely export from the province something in the order of 40,000 people. We are now spending -- my honourable friend the Minister

(Mr. Evans, cont'd.) of Education is spending far more on each child now that comes up through the educational system than previously, and we propose -- the prospect until now has been that we will make these very large expenditures and then give away the products. That seems to us to be a very sad waste. And so one of the main objects of this regional development program will be, we hope and expect confidently, to improve the opportunities and the prospect of retaining these young people at home where they can contribute to their province and where they will be able to grow up and have happy and satisfying lives.

In this regional development program I would like to mention a number of items which constitute our program for the coming months. 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 opportunity. Consultative services will be provided to community development corporations and agencies in rural Manitoba in the process of their investigations and the promotion of industries, business and tourist projects. It's intended to initiate a public planning education program by means of holding planning workshops in various localities of the province. Procedures concerning the preparation of town planning schemes and plans of subdivision will be simplified by the introduction of new regulations under The Town Planning Act.

Now acting through this whole piece is the Manitoba Development Authority. Honourable members will recall that this is a machinery for co-ordinating the work of various departments as required particularly in the fields of natural resource development and industrial development throughout the province. It has its own staff and it has been occupied -- I was going to say preoccupied -- by a number of pretty important events recently, and I need only recall the Royal Commission on Transportation and the effort that was put into that through the Manitoba Development Authority. But for the future its biggest job is to act as the secretariat for the committee on Manitoba's economic future. It will provide technical and administrative and advisory services to the various committees that are operating in that connection. I shall refer to the work of this committee in a few minutes. The Manitoba Development Authority will continue its search for resource based industries. It will endeavour to search out groups in two fields -- one is the management field and the other is the financial field -- to come in and develop the opportunities in this province for developing our natural resources, and more particularly with regard to forest products. We have given constant attention to this question of securing a pulp mill for northern Manitoba and to endeavour to interest groups to come here. We have been discussing, over the years now, two or three years, with various management groups their future programs and the opportunities that might exist to come in here. Each one of them have their long distance future before them; most of them have various opportunities they are considering; some of them even have projects under way. But we will continue to concentrate on the task of finding a management group which will say that it sees the profitable opportunity to come to Manitoba and interest them in undertaking a proper development here in the province. I think it's true to say that if a qualified management group can be found, that it will not be too difficult a matter to find the funds that would be required to finance the operation.

We will continue the battle of the freight rate costs, and this has been a program that the Manitoba Government, for many years, has concentrated on and one in which Manitoba, I think, has achieved a leading position in calling to attention the penalties that are imposed on the long haul freight shipper. The report of the Royal Commission on Transportation has been submitted -- the first two volumes have -- there is a third volume to come; but now the question of what action is to be taken on the basis of the report is before us. This action will be taken, presumably, through the Parliament of Canada and we are prepared to consider what action Manitoba should take -- what representations Manitoba should make -- before the Railway Committee will be considering the question of what action should be taken.

The Manitoba Development Authority will co-ordinate programs under the ARDA program which is being developed by the federal authorities. This is an inter-departmental matter in most cases, as honourable members will remember, and the Development Authority will have its part to play there. The Development Authority will be responsible for what we might almost call the "Resources for Today" program. We had the Resources for Tomorrow conference -- and a great and significant conference it was -- in Montreal -- and a very great deal of information was developed, and these papers are available. But in order to take a Resources for

(Mr. Evans, cont'd.) Tomorrow conference and turn it into jobs, we've got to make it into a Resources for Today program, and we will follow very closely the opportunities for developing our own resources based on the information and the connections that were developed at the time of the conference.

The Development Authority has continued on with its program of area development, and I should mention to my honourable friends, the development of southeast Manitoba, and the fact that the factory that was developed at Sprague, making hardboard, was the result of the study that was undertaken in that area, was the advice of consultants, and has resulted in at least one industry down there and other plans which are under way. The Development Authority has under study other areas, including the Inter-Lake area in Manitoba, and the Birch River area, hoping that by co-ordinating the efforts of the various departments we may be able to bring new economic strength to those areas. The Development Authority has its own industrial engineering services with one engineer whose contribution to the development of Manitoba has been significant indeed. These engineering services have been effective tools in our Natural Resources Development program; they have been at the disposal of the Manitoba Development Fund, to investigate the soundness of the propositions that are brought to the Fund for consideration and in the regional and industrial programs.

I'd like to call the honourable members' attention to the brochure which has been passed out concerning the committee on Manitoba's economic future. This is a searching scrutiny of the economy of the Province of Manitoba, which we are informed has not been duplicated for completeness or practical effect, certainly not in any other part of Canada and, so far as I am aware, not on this continent. This committee on the future will combine government, labour, management and citizens in general in a series of committees -- I said it will combine, it has combined -- these elements in a complete study of the assets that we have, any liabilities that we have and how to turn our liabilities into assets. Engaged actively in this program now there are 300 individuals now acting on these committees and sub-committees, giving freely of their time -- and I pay tribute to those who are not in what you might call the management or the "middle class" -- I pay particular tribute to certain elements of labor, certain members of the labor movement, who have, not only given their time, but who, through their unions, have made it possible for their members to take part in this joint and co-operative study of how to make more and better jobs in Manitoba. In addition to the work of these individuals, we have had letters and submissions from people with some advice to offer, by a good many dozen -- I was going to say hundreds -- it may well be hundreds of letters that have been received with practical suggestions of things to be looked into, and we care not whether the particular suggestion is one that can be adopted or not. We want to examine every possible opportunity for expanding our strength.

This committee of 300 individuals can't, of course, be expected to do the kind of economic work and study that is required, and I report to you now that the committees have retained 43 consulting firms from Manitoba, other provinces of Canada and some from the USA, to carry out the details and technical studies that are required to bring into being this searching scrutiny of the economy and the evaluation of assets and liabilities. The budget of the committee is some \$575,000.00. The provincial government is providing of that amount \$200,000 -- \$75,000 was provided last year and you'll find an item in the estimates for \$125,000 this year. The balance of the fund is being raised by the committee itself and I am informed, although I am not in touch with the details, that they are within sight of raising the balance of the fund to bring it up to \$575,000.00. Well this is certainly the first time in Canada in which there has been a combination of the leaders, and I emphasize that word "leaders" -- of the leaders of management and labour and government and university and the general community. It's notable that the firms and corporations and organizations taking part in this have not sent people from say, the second level of management or second level of responsibility -- in most cases they have sent their most responsible officials, the heads of the organizations or the corporations, and I cannot over-emphasize my appreciation and the appreciation of the government for the work and concern that is being given to this great cause by the leaders of the organizations that I have mentioned, and I must say a special word about Mr. Reg McMillan, who has accepted the chairmanship of this committee, because a great effort of this kind -- and I think my honourable friends will have seen some of the details which lead me to say that it is a great effort, by

(Mr. Evans, cont'd.) the number of people engaged and the amount of money that is being spent -- this is a great responsibility, it is a great effort and an extended operation, and Mr. Reg McMillan has indeed performed a public service for the Province of Manitoba in accepting the chairmanship and giving to it the diligence and hard work that he has put into this operation.

I'd like to say a word about the question of transportation, and make some very sketchy comments on the report of the McPherson Royal Commission on Transportation. As the honourable members know, Volume 1 was received last April and Volume 2 was received at the end of last January. There is no indication yet as to what, if any, legislation may be based on the report. But I may say that Manitoba is very gratified at the number of suggestions put forward by Manitoba, a number of proposals put forward by Manitoba, that have been accepted. Out of 12 proposals by the province, six have been accepted entirely, three have been accepted in part and so far three have had no action recommended on the part of the Royal Commission.

With regard to the inequities in the freight rate structure the commission recommended a maximum rate at 250% of variable costs based on a 30,000 pound car minimum. The commission believes that the implementation of this recommendation will see the end of horizontal percentage rates increases, this great incubus that has hung over Manitoba and the rest of western Canada for so long and has been such a handicap, and while this partly meets our recommendation, its impact on Manitoba shippers requires technical examination. Our recommendation on unduly depressed rates in relation to minimum rates, has been adopted. The commission did not deal with our recommendation that the rates of the water carriers on the Great Lakes be regulated on a basis of cost. We believe this is completely inconsistent with the commission's positive statement that carriers be required to establish rates based on costs. We protested discrimination against Manitoba's intermediate location. We maintained that the rate from Winnipeg to Vancouver should be lower than the rate from Toronto to Vancouver, on the same commodity, and while the commission made no recommendation it's significant that the Canadian National Railway agreed with our proposal -- they accepted the proposal in principle. Our recommendation that inter-line rates be based on the shortest through mileage was adopted.

With respect to burdens imposed by law or public policy, the commission adopted in total our proposal for having the nation as a whole lift from the freight shippers the burdens created by uneconomic and deficit passenger services. The commission adopted completely Manitoba's proposal of having the national treasury lift from the shippers the burden of uneconomic and unprofitable branch line operations. The commission also agreed that the problems created by line abandonment must be alleviated. It suggested that commercial and industrial companies with investments tied to rail facilities, might be offered concessions by the federal government. This would refer to country line elevators which might be affected by the removal of the rail line, who might consolidate existing elevators and be given some advantage with regard to increased depreciation rates to overcome at least a part of the handicap imposed on them.

Now we come to the subject of the Crow's Nest rates -- the statutory rates on export grain. The commission only partly adopted Manitoba's recommendations. The commission agreed with us that the present rates on the movement of grain and grain products to export positions should remain at their present level and under the control of Parliament -- so far, so good. The Commission did not agree with our recommendation that there be no compensation or subsidy to the railways for the movement of export grain. The railways alleged a revenue shortfall of \$17 million for the CPR and \$17.1 million for the CNR. The provinces of Manitoba and Alberta gave evidence to show that there was no shortfall and I might say here that we matched computer versus computer with them, because the railways brought into play the latest, these fantastic calculating machines, and brought in certain calculations upon which they based their alleged shortfall. Well we, at very considerable expense I might say, went out and we hired computers on our side and experts on our side, and we presented at least as well-considered a case and as well-founded and as well-established a case as they did to show that there was indeed no shortfall and that, in fact, the grain traffic did contribute something towards the overhead of the company. The commission, however, did find a shortfall of only \$2 million for the CPR and \$4 million for the CNR and recommended a subsidy in this amount. In addition the commission recommended an annual contribution for overhead related to export grain of \$9 million for the CPR and \$7.3 million for the CNR. We will continue to oppose any subsidy

(Mr. Evans, cont'd.) attached to the grain movement, especially when in our view it is not required to pay the costs of the railway because if aid is to be given to our farmers we want it to be given to the farmers and not, in our opinion, to a railway for conducting the kind of traffic on which we contend that they make their full costs and, indeed, contribute something to the overhead operation. The commission refused to consider the substantial benefits received by the CPR as a part of the Crow's Nest Pass agreement. the non-rail assets and earnings, the commission did not recommend that assets and earnings of the railway companies in businesses and investments other than railways be taken into account in setting freight rates. We disagree with this recommendation. The effect will be that the railways are permitted all the advantages of public assistance as railway companies but none of the obligations of operating the railway companies with that assistance.

The question of cost studies is pretty fundamental, this whole question of transportation rates. Manitoba's recommendation was adopted in total. The commission recommended an adequate costing section in the Board of Transport Commissioners. This is important in order to enable shippers to determine whether their rates are in fact equitable. Manitoba's recommendation for a national transportation advisory council to recommend broad policies was adopted in its entirety.

Northern development freight rates: the commission agreed with Manitoba's position on the importance of transportation at reasonable rates for development of the north. Well, the report of the commission is very satisfactory in certain important aspects. But action must follow. Legislation will be no doubt considered by those responsible. There may be required amendments to The Railway Act, The Transport Act and perhaps others. Our study is continuing and we're looking to action to assist the railway committee with any information or views that we may have to bring into actual existence some of the advantages that should be ours and which are noted in the report itself. In this we will continue to seek the active co-operation of the Manitoba Transportation Commission, which as the honourable members will know, coordinates the representations on behalf of business, agriculture and government and presents a united front when matters of this kind are up for consideration.

Well, I have ranged rather far and rather wide -- there's a number of quite different subjects that do come into these fundamentals required for industrial development within the province. In summary, may I say that quite often the real objects of industrial development are obscured by the language of economists and certain writers. We so often hear and we so often use a kind of shorthand about potential and economic development and wealth and income and all those other technical phrases which are so divorced from the flesh and blood and the actual real needs of people. In Manitoba we're trying to develop a partnership with business to develop and utilize our local resources both human, natural, agricultural and social, in a manner to provide an adequate and well-rounded living for all. We want any Manitoba boy or girl to have the opportunity to settle down in his own home, in his own home town, to seek not only a way of living which will provide adequate means for him but satisfying work so that he can make his or her best contribution to the economy. We look upon the government as the junior partner because the main burden must be assumed by the senior partner -- business. I think there is some tendency, perhaps, from time to time in my own thinking -- and I hope I correct myself whenever it does come -- to think that we in government are doing this; that we are responsible for or should have credit for the development of these great factories and the list of developments which you will find before you. I think we must stop and say to ourselves pretty firmly that business is the senior partner in this and we seek only to find in what ways we can be helpful, in what ways we can perform services that they cannot or have not yet been able to perform for themselves. Business must be responsible for the planning and the decisions. Business must, to the greatest possible extent, assume the risk; they must assume the risk of loss and in that case they are entitled to the profits. They must provide the initiative and drive. Government cannot compete against its own citizens or shouldn't. As I've indicated we're trying to help business to grow by discovery of capacity to produce within the province, through our regional studies, our raw material studies, our development and discovery of skills. We are discovering opportunities to put this capacity to work through what we call our feasibility studies and our market studies. And then we are putting capacity and opportunity together and we are increasing the chances of success by providing financial and technical assistance. And

(Mr. Evans, cont'd.) we're doing all this to help to provide the opportunity to work for all who are able and willing to work. We believe it will help to maintain family ties, community pride, if jobs are available in the cities and towns where people grow up and where they were educated. And this applies to urban centres such as Winnipeg as well as to our rural areas. We've a long way to go and the task is a difficult one, but I believe it is the kind of a program that will have the support of this Legislature.

MR. HRYHORCZUK: Mr. Chairman, that certainly was a very well prepared treatment of the department, and I was going to start my little contribution by referring to the annual report to just recall to the members of the House the importance of the department and what its objectives were. I think the Honourable Minister has done a much better job in setting out the objectives and what they are doing to attain them than I could have by referring to the said report and quoting from it. His talk is very convincing. In fact for a while there I wondered whether I should be getting up and whether my figures and my little bit of research has been accurate or not. I was basing what I had to say on the annual report which only covers information to the end of March 31st, 1961, but the Minister was kind enough to bring us up to date with some additional information and I think there's some additional information in these pamphlets that have been distributed to us this afternoon.

Now briefly, Mr. Chairman, as I understand, the responsibility of this department is an endeavour to establish more industries in the province, thereby create more jobs and on the whole improve the economy of the province. In addition to that there is the objective of increasing the number of tourists that visit Manitoba. Well, Mr. Chairman, in spite of what I've heard this afternoon and in spite of the hundreds of news items and material mailed from this department to me, which I have followed pretty carefully, I am satisfied and I think that I can satisfy the members of this House, that this government has not done the work in this department that the previous government did in the last two years of its administration. Now I see that some of the backbenchers on the government side feel kind of skeptical about this remark but I think they will agree with me when I get through with what I have to say.

Now to me, Mr. Chairman, what is actually being done here is just a lot of brainwashing by export propagandists and publicity agents. And that's all it is. Are the achievements equal to the propaganda and publicity that is given this department? And the answer is a flat "No", Mr. Chairman. Is the department doing the efficient and beneficial work that has led us and everybody else to believe that it is? The answer is "No" again, Mr. Chairman. Will the department stand up under what is commonly known as the cost-benefit analysis? Again the answer is "No", Mr. Chairman. Now my conclusions are based on the following two factors: the high cost of operating this department in relation to the amount of work that is actually produced -- the result of that produced; and the results achieved by this government as compared with those of the former government. Now let us take a look at the cost of administration of this department. Under the first item, the costs of administration amount to \$147,000 in round figures. Let's take a look at some of the other departments. Welfare - \$149,000 -- just about equivalent to what the cost of administration of this department is; Public Utilities - \$32,000; Agriculture - \$81,000, just a little better than half of what it costs to administer this department.

Now let us see how it compares with the cost of administration of this department under the former government. This government - \$147,000; the former government in estimates ending March 31st, 1958 - \$74,000 or approximately one-half the cost. Now the over-all appropriations that are in this department, this year's \$1,498,422.00. Now for purposes of comparison, we have to deduct the appropriation for civil defence which amounts of \$67,037, which leaves a balance of \$1,431,385, as compared with the former government's appropriation as of March 31, 1958, with \$688,655.00. Which means an increase in the total appropriations of \$742,000.00. More than double. What about the personnel in this department? As of March 31, 1958, there were 47 establishments. Now there are 91. The personnel has tripled. Salaries under the former government as of the date which I gave was \$157,000.00. What are the salaries in these estimates? \$480,000 -- more than tripled. Now that is well and good, Mr. Chairman, if we can show results for the spending of that money, but I'm sorry to say, Mr. Chairman, that we cannot. And I'm going to go to the information that has been supplied to this House by the annual report of the Department of Industry and Commerce and Manitoba

(Mr. Hryhorczuk, cont'd.) Development Authority, for period ending March 31, 1961 and I will also use some of the information which the Minister has given us this afternoon.

Now let us -- because I have this in that order and the Minister hasn't dealt with the tourist trade, but I'm going to go into the tourist trade in Manitoba first, and when he gets up to speak on it he can rebut anything that I have said. -- (Interjection) -- Well, I'm afraid the Honourable Minister is in for quite a disappointment if he looks at his work factually and practically and gets out of orbit and gets back to earth. We want practical results. All these high-sounding phrases, these continuous studies for four years, the surveys, that have cost hundreds of thousands of dollars, if they are producing results, well and good. But they are not producing results. Let us look at page 30 of the report, the annual report. And I'm going to quote this because the Honourable Minister didn't speak on tourism so I'm going to quote from here as to why this particular branch of the department exists and what is

MR. EVANS: honourable member would mind if I did raise a point, but I asked whether the committee would consider it acceptable if I dealt with industry and then made a separate statement on tourism later on, and I heard no disagreement. In fact I think his Leader nodded and the Leader of this party nodded the other gentleman wasn't there, and I think the honourable member might be willing to concede me that request that I made that we deal with that separately.

MR. HRYHORCZUK: Mr. Chairman, the Honourable Minister has got either a very short or a very convenient memory. The Honourable Leader of the Opposition got up and said that the member of the party was going to speak and he was going to cover tourism and he asked whether the Honourable Minister was agreeable to that and the answer was "yes".

MR. EVANS: I have no way of stopping the honourable member if he doesn't want to grant me my request.

MR. HRYHORCZUK: No, I don't. I don't want to break up the trend of my speech any more than the Honourable Minister would have liked to have his interfered with.

Well, on page 30 of this annual report we read as follows, and I quote: "The number of Canadian tourists visiting Manitoba has shown a steady increase in recent years. Several factors have influenced this trend, such as the high level of the Canadian economy and the resultant ability of individuals to allocate more disposable dollars for travel and vacation." And then it goes on to say: "The increased population of Saskatchewan, Alberta and British Columbia is creating a major tourist market in western Canada which promises to sustain the high level of Manitoba's tourist trade. The diversification of industry in the prairie provinces in the past decade, the production of new wealth from varied natural resources and consequently higher level of personnel and corporate income have combined to produce a growing tourist potential at Manitoba's western doorstep."

It would appear from this that the climate for this particular type of trade is excellent. The economy is good, the will to go places is there and the money to spend is there. You would think, under those circumstances, the government would show considerable improvement for what was done by the former government. Well, let's take a look at the facts, Mr. Chairman. If you look at page 31 of the annual report, you will find that in 1956 the total number of tourists is given as 990,730. Now let's see how this increases from year to year, and then we will see whether this government, in spite of all its studies, plans, surveys, committees and everything else, whether it is doing better work than the former government did for far less money, less personnel. All right. In 1957, the number of tourists were increased that year by 69,000. In 1958, they were increased by 75,000. All right, here is where the government takes over and let's see what happens with the numbers of tourists that come into Manitoba from then on. What is the increase in numbers every year? In '57, it was 69,000; in '58, it was 75,000. And when we come to '59 what do we find? The increase has dropped from 75,000 to 67,000. We go to 1960, what do we find there? The annual increase has dropped from the 67,000 of '59, to 54,000. And in 1961, the annual increase is 58,000. In other words the annual increase in tourist traffic into Manitoba is lower right now than it was in the year 1957 or the year 1958. There is a constant drop in the result of the efforts of this government.

What about the tourist expenditures? Because after all, we don't only want the individuals, we want the money they spend here. And let's see what's happened to them. Well in 1956 the total amount spent here in Manitoba by tourists amounted to \$28,900,000.00. In 1957 we see an

(Mr. Hryhorczuk, cont'd.) increase of \$1,900,000.00. In '58 we see an increase of \$1,800,000.00. What happens in '59? The size of the increase is down to \$1,700,000.00. It stays at that in 1960 at \$1,700,000, and in '61, according to the figures tabled here this afternoon, it's dropped down to \$700,000.00. Not even half of the increase that we realized last year. Where is all this wonderful work and planning and cost? What is it bringing us? Are we not spending money which is not giving value to the taxpayers of this province? And I'd like to point out, and I'd like to point out, Mr. Chairman, an additional factor that we must not overlook. We have a second tourist agency in the province of Manitoba now which we didn't have in 1958, and that is the Manitoba Travel and Convention Association to which this government is contributing in the following year \$15,000.00. Now I think it's quite fair to say that probably it is this agency that is responsible for the increases that have occurred and then if we do that, then this government gets no credit whatsoever. Whichever way you take it the results are not there.

Now let's take a look at the industrial picture that we hear so much about, and this doesn't fare any better. In fact the picture is worse. From all propaganda and publicity that we've been getting, and we had an exceptionally good sample of it here this afternoon, anybody sitting back and listening to the Honourable Minister would think, "Well, isn't this a wonderful department? Just look what it's doing." All this wishful thinking and imagination they have, but outside of that, I don't see too much anywheres. Well the proof of the pudding, honourable Sir, is in the eating. And when I took a look at this pudding that you have kept in the show window before the public of Manitoba for four years, and took it out of there and opened it, I found that it was made of the poorest grade of flour that could be manufactured here in western Canada and instead of being tasteful and delicious and nutritious, it was flat.

Now let's go back to the annual report again. And I'd turn the members' attention to page 44, and what do we find there? Well in Table 1, we have gross value of production in Manitoba, and this is very, very interesting, Mr. Chairman, because after all the flowery language and you get down to brass tacks you find out the two don't jibe at all. Well first we have agriculture, and of course this government can't take too much credit or blame for production in agriculture because that depends on the weather more than anything else and the weather is not any more predictable than what the Honourable Minister is. But we'll notice that the production year is pretty constant and we look back to 1956, it was \$311 million; in 1960, it was \$315 million. I haven't got the figure for '61, it wasn't given to us today. So we'll just discount that one as being on its own. Now let's take natural resources, and if you look at the note there it says: "this includes fish, fur, forestry, mining, electric power," and, Mr. Chairman, that insofar as this particular branch is concerned, I'd like to remind you that we have heard continuously about the improvements in commercial fishing by use of traps and so forth and so on; we've heard that our game and fish branches, the services in there have been streamlined supposedly for efficiency; we hear brags about what is going on in the far north, and what is being done in mining and electrical power; well let's look at the facts, and what do we find? Gross value of production in 1960 is the same as it was in 1956 -- \$122 million. Just the same as it was in 1956. It hasn't improved any. Then what's all this talk about? What's all this talk about?

Then we go into manufacturing. Let's see what manufacturing looks like and we heard quite a bit about manufacturing and the plans that this government has and the \$200,000 they're spending on some more studies with some big committee. Well I hope that that one proves out because the others sure didn't. Now we just read reams and reams of literature that comes out from this propaganda department as to what is supposed to be happening. Well let's see what is happening. If you look at this table you will notice that in the last two years of Liberal administration production increased by 47 million, that is, from '56 to '58. Now what's happened since this government took over? Under this government's administration the production increased in two years by 33 million -- far less than what it increased under the former administration, without all that personnel, without all that extra cost, without all the study, these committees, these plans, these trips to Europe to see how the European market is going to work and all this stuff. Is it necessary? Is it producing results? You see from that that it is a loss in the increase in the two year period of 14 million as compared from what this government and what the former government did in its last two years of operation, and if you look at

(Mr. Hryhorczuk, cont'd.) this closely you'll see that the annual increase between 1959 and 1960 actually dropped by 14 million. There was no improvement. It went the other way.

Well then we have construction. Well I don't think that this government can take any blame or credit in this regard either, because this construction depends to a great deal on our building of the homes as financed by the federal government and so forth. But let's take a look at the combined total. No improvement whatsoever over the efforts of the last administration. Oh, construction is up, but surely the Honourable Minister -- (Interjection) -- Well, you've got them right in front of you. Well, when you get up to rebut me you can give those figures. If you can get any out of that, more power to you.

Now let's look at the combined total. During the last two years of the former government's operation the grand total of value of factory shipments increased by 103 million. During the two-year period from '59 to the end of '60 -- that's '59 and '60 -- the increase under this administration was only 100 million, less than it was under the former administration, and again I want to say, Mr. Chairman, without all that hullabaloo and all that money spent, and all the personnel and everything else.

Now let's take a look at Table 2 which appears at the bottom of the same page. Let's look at establishments. Now what have we got under the number of establishments? You will see, Mr. Chairman, that the number of establishments in the last two years, the increase in the number of establishments in the last two years of the former government's administration, the number went up by 100 establishments. Now what happened when these people took over the government of this province? It dropped in 1959, it came up in 1960, but the sum total of these two years is only 66 as compared with 100 of the former administration, and you have to add this year's increase of 41, which means three years' administration to equal the performance of the former government in two years.

Now, Mr. Chairman, that same thing is true right across the board, no matter where you look. I don't want to take up any more time. My only purpose of getting up was to point out that practical results are not there, and I said this on the Throne Speech in connection with other departments, and Mr. Chairman, with one or two exceptions, the same is true of every department of the government. In order to maintain the pace of growth set by the former government -- not to improve but merely to keep it -- this government employs three times as many persons at three times the cost and, in addition, is pouring millions in public funds into private industry at a cost to the taxpayers of a quarter of a million dollars, and I don't think we should overlook that factor, that under our Development Fund we are pouring public funds into private industry which wasn't done before, at a cost -- if you look at your estimates you'll find that that's being done at a cost of \$250,000 to the people of this province. Is that expenditure justified?

Now what is the fair and just conclusion after we see the facts as they actually are? That this government is not matching the performance and efficiency shown by the former government in this department, and I say, Mr. Chairman, that they'll have to do a little more than plan and survey and plan and study and survey over and over and over again. They've been doing it for four years. I think the people of the Province of Manitoba are entitled to some practical results.

The government front benchers have the habit of always turning to us and saying: "Well, if you think we're spending too much, where can we save?" Well, Mr. Chairman, if they're looking for a place to pare the overhead this is as good a place to start as any.

. Continued on next page

MR. EVANS: Mr. Chairman, my honourable and learned and genial friend over there does remind me of Brer Fox so often. He looks up with that genial smile of his, and there's something about his general bearing and appearance does remind me of Brer Fox. I hope he doesn't mind this comparison but I never saw a better example of sour grapes in my life. While my honourable friend has displayed very considerable talent as a special leader and taken hold of some extremely meagre facts and made quite a good deal of sound and fury out of it, I must admit, fortunately it doesn't have any basis for the remarks that he has made and I would like to touch on some of his comments.

Now the industrial development program is not producing results. That's undoubtedly a fair interpretation of what he said under that heading.

MR. HRYHORCZUK: Mr. Chairman, providing that he says "compared with the results obtained by the former government!" - yes.

MR. EVANS: Compared with the results obtained under the former administration. I wouldn't want to misquote my friend for a minute because I don't have to.

Now I wonder if my honourable friend will take out his list of accomplishments during the period and point out to me an item to compare with page 3 of the summary of operations that I provided him with. At Carberry, where J. R. Simplot -- he asked me for results and, Mr. Chairman, I'm going to have to take some time. I point out to the honourable member, for his education, the facts of the case and ask him to match the items that we're drawing to his attention. The people of Carberry would find it hard to believe that there's anything to match the operations of the J. R. Simplot Company of Canada, which is opening up a potato processing plant to make instant potatoes, french fries, frozen potato patties, hashed browns, dehydrated diced and sliced potatoes, etc. The investment at that plant will be \$3 1/2 million. The building is 175,000 square feet. It will employ 300 people at Carberry at the commencement of operations. This will grow rapidly to 500 people and the eventual employment there will be 700 people. Well, I just invite my honourable friend to comment on that as to whether that is an accomplishment comparable with some unknown accomplishments that he is talking about under his administration. -- (Interjection) -- It's a good plant. The employment will open on April 1, 1962. That isn't all we did for Carberry -- not the only opportunity that came to Carberry partly through our operations. The Stramit Corporation came there, and they picked up a new process. They're going to take wheat straw, that in the former days was simply destroyed and was of no account at all, and they're going to buy it from the farmers -- I think at \$12.00 a ton if I recall -- and make it into strawboard. In fact they're doing it now. The investment is \$175,000, the building is 72,000 square feet and it's employing 40 people and it did open on June 1, 1961.

Now we come to an item at Sprague -- the Columbia Forest Products Limited. I wonder if my honourable friend would point to something down in southeast Manitoba that will compare with -- (Interjection) -- Mr. Chairman, I ask the same privilege from my honourable friend.

MR. HRYHORCZUK: You asked me a question, I want to answer.

MR. EVANS: I didn't rise in my place and my honourable friend

MR. CHAIRMAN: Order! Order!

MR. EVANS: So in southeast Manitoba we have the Columbia Forest Products. That was quite a shouting match. When you can't depend on logic just shout is apparently the best thing. Now what do you want?

MR. JOHN P. TANCHAK (Emerson): Will you permit just one question please?

MR. EVANS: I would prefer my honourable friend to wait until I'm finished.

MR. TANCHAK: That's fine. Thank you.

MR. EVANS: This is just a private show between the Honourable Member for Ethelbert Plains and myself at the moment. -- (Interjection) --

This is a process known as wood flakes bonded together with a resin binder. The product is particle board and there's an investment down there at Sprague of \$3 million. The building is 50,000 square feet, it employs 75 people in the plant and is giving employment to 75 others in woods operation.

In Transcona there's the Western Archrib (Manitoba) Limited with laminated wood beams, investment \$100,000. I'm not going to make this too painful but I'm going to invite the honour-

(Mr. Evans, cont'd.) . . . able members to follow down this list, item after item, and these are all factories that were assisted to come to Manitoba directly by the operations of my department, and as you glance through these, I ask the honourable member to put opposite each one a comparable achievement in any single year under his administration.

Now we turn to the question of tourism, and he pointed to the boom years of 1956, '57 and '58 and he indicated increases in the tourist business in those years and then he took the years in which a recession hit us -- though my honourable friend may not have known this up in Ethelbert Plains -- but there was a decline in economic conditions from those earlier years until now. He points with great pride -- or great glee -- to the fact that in 1959 there was a falling off in the tourist business from 75 down to 67 in the volume of tourists attracted to the province by the operations of his government before they were thrown out, and so the decline surely, in the succeeding years, is the responsibility of my honourable friend. The amounts of money held up relatively well, I think he'll admit, although he quoted them for some reason that I don't know. Well, the Manitoba Travel Convention Association apparently deserve all the credit for this but we deserve the credit for the Manitoba Travelling Convention Association. My honourable friend will remember I outlined this plan to him when he sat on this side of the House and I was over there. I indicated to him that it was time someone got together and tried to enlist into the tourist business, into the attraction of tourists and the development of tourist attractions here, some of the business interests and then, he not having taken action, we took action ourselves and brought the Travel Convention Association into being, and on this occasion I would like to pay tribute to them, because they have performed a most remarkable service for Manitoba and I would like to direct attention to the amount and kind of work that has been done by particularly Mr. Maitland Steinkopf and now Mr. Jack McMullen as president of that Association, and not only those two but by the very large board that has been assembled to try to enlist together all of those interested in the tourist development in Manitoba and the very effective and devoted and hard work that they have done in this cause. I am glad that the honourable member did draw attention to this, and I make only this limited comment at this point because I propose to say something further about the tourist business at a later date.

My honourable friend ran over some of the statistics of production in the agriculture and natural resources field. The figures were quoted in the annual report of the Department of Industry and Commerce, very largely as economic statistics, although perhaps he will recognize that responsibility in these regards is in with other ministers and they're quite able to look after themselves. I don't need to defend them. So those are the comments that I would offer at this time on the speech of my friend

MR. HRYHORCZUK: Mr. Chairman, I'm not going to get into a debating match here, but I haven't the list of all the establishments in the Province of Manitoba; there are over 1,600 of them, in fact 1,700 now, I understand, and the honourable minister can take credit for whichever of them he wants to out of the 1,700, but I would like to just remind him of several that would match anything they have done and probably match all of what they have done, and that is the Campbell Soup, the Manitoba Paper Company, the International Nickel at Thompson, the Winkler plant and there are many others. Now he blames the recession for the falling down in the tourist traffic and so forth. No doubt there is. No doubt that has some effect, but this is the first time I've heard about a recession from that side of the House. Every time I've picked up anything that they had to say about the conditions in the Speech from the Throne, the economy was buoyant, the prospects were good, and even in today's speech, why everything was glowing. I didn't hear anything about a recession until you have to find an excuse for not having done anything.

MR. TANCHAK: Mr. Chairman, I was going to ask a question of the honourable minister but I notice that he's paid me back for refusing to answer a question when I spoke previously. I just wonder which of the two figures is right out of this propaganda sheet that he refers to constantly. We've been told that 2 1/2 million was the investment in that Sprague plant and now we've heard three. I'd like to know which one is right. Is it \$3 million or is it \$2 1/2 million? And then the honourable minister just mentioned that the plant in Sprague -- and I agree with him that it was quite an accomplishment; it's one of the wonderful things for southeastern Manitoba; I've been out there with him -- but when he stands up and he says that presently the plant is employing 75 men inside and 75 outside, that is, as far as 75 inside, it may be correct

(Mr. Tanchak, cont'd.) . . . if you take all the different shifts, but as far as 75 outside, it's absolutely incorrect. They are not employing any outside. The reason for that is this, that a year ago -- last winter, not this winter -- the plant purchased enough raw material to do them a full season, but they were not in operation last year, therefore they are processing the raw material, the poplar that was bought last winter. This winter they're not purchasing any poplar, therefore there are none employed as a direct result of this plant outside. So that figure is incorrect. There are no men employed outside the plant, and who is to blame for that? I'm not prepared to say, but the thing is that the plant did not start operation according to plan. The operation is just beginning and they have to use up the raw material, therefore it is not employing 75 men outside.

MR. EVANS: I didn't intend to say, if I did say, that they are employing 75 outside, but they will provide employment for 75 outside when in operation. My honourable friend indicates that they're only just starting to operate and this is correct. They have been tuning up the plant and I don't think it can be said that it's in operation yet. Now as a way of showing their interest in my honourable friend's area, this company went ahead and bought poplar far in advance of their requirements. The opening is just about on schedule. This is the time in which the plant was scheduled to begin operation, but in order to show their willingness to co-operate with the people who live in that area, they went ahead and invested in raw material piles, those great huge piles that we've all seen down at the plant who have been there, and they invested in those in order to show their willingness to co-operate with and to provide buying power for the people in my honourable friend's area. Having piled as much material there as they possibly could, it's perhaps to be understood that they wouldn't buy any more or provide any more employment in the woods until they've used up some of it. I think they have gone at least as far as one could expect them to go, and farther, in a really generous gesture to the people of my honourable friend's area in buying this raw material as far in advance as they did, and this was a deliberate act on their part. As far as I'm aware, the correct figure for investment in that plant is \$3 million.

MR. TANCHAK: . . . the fact that intention was good there, but it seems to me -- I may be wrong, and if I am wrong I'll apologize to the Minister -- but it seems to me that the Minister did state that it employed 75 men inside and 75 men out, and that's the only one I took objection to because I don't want the House to be misled that presently employing 75. As far as the good intentions of the company, I agree with the Honourable Minister that they did purchase the raw material last year, but I don't think it's helping the people this year because they can't sell any. So it's either last year or this year. I mean it isn't helping the wood cutter at present because they're not purchasing any. Next year it will.

MR. J. M. FROESE (Rhineland): Mr. Chairman, in connection with that plant, I've been told that that firm is unable to export their product to the United States. Is that correct?

MR. EVANS: Yes, Mr. Chairman, the original product that was designed to be exported has encountered some tariff difficulty. They, however, are altering the product and will be able to export it into the United States market in its altered form.

MR. RUSSELL PAULLEY (Leader of the New Democratic Party)(Radisson): Mr. Chairman, I feel I should make a comment or two on this very important department because of the responsibilities of this department to attempt to achieve in the Province of Manitoba, I almost was going to say "continued growth industrially" but I'll just amend that by saying growth industrial-wise, in the province. I was somewhat amused to hear the interchange between the Honourable the Minister of Industry and Commerce and the Honourable Member for Ethelbert Plains because of the fact that, to me, it was the pot calling the kettle black. I have in my possession, I would suggest, at least 20 well-bound documents of surveys dating back to 1953, '54 and '55, that were prepared at the request of the former government, and I wonder whether or not all of those reports are still gathering the same dust as they did for the years that the former administration reigned here in the Province of Manitoba. It does seem to me that the present administration is continuing in the same manner. I don't think there's very much difference between them. Those that were in the House a few years ago will recall the favourite expression of my honourable friend at that time from Winnipeg North, I believe it was, prior to redistribution, Donovan Swales, when he used to refer to the department and their propaganda as gobbledygook, or something of that particular nature. I think that it is still continuing.

(Mr. Paulley, cont'd.)

First of all, may I say, Mr. Chairman, to the Minister that I agree most heartily with him when he says that it's going to require the co-operation of government, management and labour to advance. I suggest, Sir, that, to a considerable degree, that this has been so, but it needs even more close co-operation between these various segments in our economy. But I think, Mr. Chairman, that the approach of the Minister is not too realistic. I don't think that it's really possible for us here in Manitoba to be in a position to leap further ahead in the exportation of our manufactured articles until such times as we make as a requisite, those who are using our natural resources to come here into the Province of Manitoba the secondary industries to produce the product that we have here in the province. I was very interested to see, the other day, a report on the matter of International Nickel where their business had increased, where here, in the Province of Manitoba, due to the coming in on a larger scale the mines at Thompson, that the net value of mining produced here in the Province of Manitoba had increased to a considerable degree. It's true the Minister could tell me that they have a smelting plant starting at Thompson -- I think I'm right in that -- but this really is only a small lump in what is required in the whole of the Province of Manitoba. We appreciate and we realize that because of the development at Thompson a considerable number of additional people are employed in the Province of Manitoba. There is no gainsaying that matter at all. But it's equally true that Manitoba, as well as the whole of the Dominion of Canada, has not kept pace with many other nations in progress in the field of providing employment and increasing our national provincial productivity.

I would like to just draw to the attention of the House what I think is a far more valid approach to this problem. In the very flowery oration that we heard from our Minister as to where we're going he mentioned the fact of the National Productivity Council and it's headed, as we all know, by Mr. H. G. DeYong, one of the imports from the United States of America who has become a Canadian. I would suggest, Mr. Chairman, if more of the individuals that we import or emigrate from the United States to here became Canadians, and particularly their dollars and cents that come from the United States would become Canadian, we'd all be better off in Canada. Because, Sir, while American capital is undoubtedly assisting in the developing of our natural products here in the Province of Manitoba, it is equally true that the manufacture of the products is being done mainly outside of the province. Mr. De Yong made a few very pertinent remarks and I would suggest that the members of the committee should get a copy of the Merit News published by the Industrial Acceptance Corporation, the September '61 edition, wherein Mr. DeYong mentions that we have to work smarter. He has, I think a valid criticism, -- (Interjection) -- smarter. He has a very valid criticism, I think, of Canada and its people and its attitudes and I think this also is true here in the Province of Manitoba at the present time, when he says that we have no unity of purpose, no national goal. Now when I say to my honourable friend that we have no national goals, no provincial goals, I know that he will say to me that I am wrong -- I am quoting DeYong, of course -- and the Minister will point to the fact that we have now set up this committee on Manitoba's Economic Future. And I say, and I join in the tribute that he paid to the members of this committee, that they have a tremendous task and we wish them every success. But as Mr. DeYong points out that we've had these types of set-ups before and he, in effect, says that not too much has come of them. We hope certainly in respect of this one it -- that it will, because he says of the Productivity Council, and I'm going to quote directly from him, he says, "I wish I could say that our own Productivity Council was already making a major contribution towards Canadian economy resurgence, but it is not." And throughout his article he points out that whereas other countries have taken such studies as this and made something of them that we here in Canada have yet not developed a national or provincial desire on the type of basis that is required to advance economically. The Honourable Minister mentioned the fact that we have to set up industries here in the Province of Manitoba. He mentioned the fact that it should be done to make it more profitable to locate here in the Province of Manitoba. I ask him directly what does he mean when he states that -- to work more profitably here in the Province of Manitoba -- because there are so many connotations which can be placed on a statement of that nature that I would like to have a fuller explanation.

Now, Mr. Chairman, I'm not going to be overly critical of the Minister. I wasn't overly critical of the former administration so I'll treat him the same as I did the former administra-

(Mr. Paulley, cont'd.) . . . tion in saying that we're not yet hitting at the base reason, we here in Canada as a whole have slipped, that our whole economy has slipped. We're not making the progress either nationally or provincially that we should. I would like to ask the Honourable Minister another question dealing with the pamphlet that he has placed before us -- The Objective Method Program of the Committee on Manitoba's Economic Future. The very first page that we looked at in the book deals with the prime objective of 40,000 additional jobs by 1970, and I'd like to refer him for explanation to page 4 of the annual report of the Department of Industry and Commerce and ask him whether he can reconcile the figures that are used on the first page of the Manitoba Economic booklet and those on page 4 of his annual report. Because on page 4 of the annual report, Mr. Chairman, it mentions that during August 1960, the labour force in Manitoba was estimated to be 348,000, 97.4% of this force was employed compared to 94.7 in the Canadian labour force. That would indicate to me that during the month of August in the year 1960 -- and incidentally Mr. Chairman, August generally is a month of high employment -- that our total force at work at that time was 338,952, using the percentage figure, giving us 9,048 unemployed. And yet when we read the report or the booklet in connection with Manitoba's Economic Future we have the figure there of total jobs by 1970 as being 335,000 at our present rate. I would like to ask the Minister whether he can reconcile the figures or whether actually they were prophesying that by 1970 without the Economic Council we would go down even from 1960 because the figure there is mentioned as 335,000. So I would say that we would have to have found in the period between now, 1962 and 1970 a far greater number of jobs than the 40,000. And if the percentage increase over the last number of years of our labour force in Manitoba is taken into consideration, the rate of growth of the province is taken into consideration, you'll find that we're going to have to really go to work to achieve the goal of 375,000 jobs by 1970. Our rate of growth has been very slow. So I say that at the present time it doesn't seem to me that the rate of growth is sufficient and must be trebled within the next seven years to even approach the goal. By that I don't mean, Mr. Chairman, that we shouldn't have goals to approach, but I think that they should be really realistic goals. But quite frankly, Sir, I say this as a Socialist, that I don't expect that by the methods that are being used, by the methods that are being suggested, that we are going to achieve the desire. I think we have to take a full and complete look at the whole of the economy and direct the use of our wealth for use and for the benefit of all.

MR. EVANS: Would my honourable friend let me comment on the remarks of the Leader Well, I do thank my honourable friend for some thoughtful comments and I shall do my best to provide him with information on the questions that he has asked and points that he has discussed. With regard to the 20 or 30 reports and whether or not they are gathering dust, I can tell my honourable friend they are not, such as those that had to be brought up-to-date, they have been reviewed, and they are among the opportunities that we are trying to call attention to people in the management of financial groups to come here and start. We believe that the studies were good studies and we believe that a good many of the opportunities that were disclosed by those studies are still open for development and we're trying our best to see that that development occurs. I welcome the attitude and tone of voice with which he has joined in the discussion on the question of co-operation of all the people of the province to increase the productivity of our industry here. We will have to insure as our plans go along that if we can grow a bigger melon that everybody gets their fair share. And if we can get together on that proposition and make sure that we develop the very best methods possible of growing the biggest melon possible, I think everybody's going to be better off. And I thank him for the attitude that he has displayed toward that element of what I had to say.

Now our approach, if he feels it is not too realistic, to the problem of trying to increase the amount of production and the amount of productivity in the province, the last person who would say that we have a plan in hand or know what to do, is myself. This is behind the thoughts that we had to call into being such a thing as the Committee on Manitoba's Economic Future. That's the very reason for calling it into being, because we don't think that we have the answer. Now my honourable friend may feel that this study may not be the answer, although I think, in general, he seemed to agree that the study itself is a good thing -- it certainly won't do any harm and might, indeed, turn up the answer. I invite my honourable friend and his colleagues, and anyone else that he may be associated with, to give his ideas and their ideas to this

(Mr. Evans, cont'd.) . . . Committee. They will be studied on their merits with the active hope that in any submission that comes before us we may find some further germ of an idea to help accomplish the ends that both he and I have in view. And so I do most earnestly invite him to give us any suggestion -- no matter whether it may be considered far-fetched or not -- no matter whether it may arise from his particular philosophy of being a socialist and a state manager as contrasted with mine. I give him my assurance that it will receive consideration on its merits and will be either accepted or rejected according to whether it's good for the people of Manitoba or not.

Now we should certainly go as far as we possibly can to attract industry to come here and further process our raw materials. On that we are completely agreed. I don't feel it would be right to say, "You cannot have our raw materials unless you come here," because we are in competition with other areas not only in this country but in foreign countries and other continents and other parts of the world, and we can be "dog in the manger" only to a very limited degree and I don't think with permanent success. He and I would have a difference of view on that, but this is an honest difference of view and I do give consideration, and will continue to give consideration to what could be done by saying to people, "We have what you want. You come here; we're not going to send it to you any further." This is valid -- this is good.

Mr. DeYong's views with regard to the Productivity Council on the unity of purpose and national goal -- I think I see the partial effect of this. How much steam have we got in the boiler? How much drive have we got? How much pride have we got? How much confidence in ourselves? I think in all these things we can very well improve our attitudes and our energies, if you will. Canada's national consciousness has been emerging only a short time -- I think it has come long strides. I think our confidence in ourselves to produce, our confidence in ourselves to manufacture and to get out into the world and compete, is comparatively new, and as we get out and find that we can succeed -- and we have some pretty outstanding examples, like the International Nickel Company and our paper companies and a great many others -- that as we find we can succeed in competition our confidence will grow and I think we will have a further sense of provincial or national unity and purpose and a national goal, which would be -- well I won't develop that further at the moment.

What do I mean by profitable? I mean I think just the straight proposition as follows: -- that one can bring his capital to Manitoba and invest it, place it in plants and equipment, hire labour at proper rates, buy materials, and come out with more money than he spent; and if the opportunity turns out to be so rich that he is earning too much, I think the natural processes will bring him competition which will certainly have the tendency to cut down that margin and, in any event, the corporation tax is something over 50% plus personal income taxes on what he might take out of it himself, ranging from 50, 60 or 70 percent on the highest amounts, would have the effect, I think, of bringing benefit to the people of Canada, and to some extent now to the people of Manitoba direct. Now we may not yet be hitting at the base reason for the fact that other areas recently -- notably Germany and some of the other countries, countries of the Common Market -- have made more spectacular advances in recent years than we have. I agree -- I agree.

Again we come back to the Committee on Manitoba's Economic Future. I don't think we're slipping. I don't agree with that diagnosis, but I do think we are not getting ahead as fast as we would like. Again, this is the reason for the committee. Now as to the calculation by which we arrived at this total of 40,000 jobs, I find that I didn't have the calculation here that I thought I had. The 40,000 jobs is arrived at very largely by calculating the number of people who would be available for work opportunities at that time, which included certain numbers which would probably be further released from agriculture because the units are getting bigger and more and more farm workers are seeking jobs in the cities and in factories. It did take account of those. It took account of natural increases but not immigration into the province from either elsewhere in Canada or other countries, and made certain projections into the future of the trend at which jobs had been increasing. Now, I'll get the calculation and provide it to my honourable friend because then he will know the same figures that I used. They may be wrong -- undoubtedly they are -- nevertheless it was a scale against which we should measure the size of the task that confronts the Committee on the Economic Future.

I wonder if those are the main points that my honourable friend mentioned.

MR. PAULLEY: Mr. Chairman, there was one further question that I wanted an answer from him on, and if he hasn't got the information available I'd gladly await his obtaining it. He mentioned the fact that there were some 43 consulting firms acting for the committee, Mr. Chairman. He mentioned, I believe, Manitobans, Canadians and some from the United States, and this has always been a point as far as I'm concerned, that it seems to me that we are not developing or making use of -- one or the other or a combination of both -- the talents that we have here within the Province of Manitoba. I had that criticism before when we used to -- and I believe we still do to some degree -- use the facilities of the Arthur D. Little Co. of Boston, Massachusetts and such firms. So I would like the Minister, if he would, give me a breakdown of the location of the firms who are consulting, and also I understand there is some staff at the present time -- technical research staff I presume that is working for the committee at the present time -- I would like to know whether they are products of Manitoba because I'm a firm believer in the products of Manitoba and it's for that reason in this field that I feel with some justification -- possibly not wholly so -- that we haven't been using the products of our university here in Manitoba and others to obtain the information and data that we require for our own products. I saw a report the other day where we're losing thousands of the graduates from our universities going across the line, and I think that if we can use the personnel and the individuals who graduate from our university for studies such as this it would be to our advantage, but I think the Minister knows my viewpoints on this from the past, but I think it would be of interest to the committee if we knew the locale of the firms that are consulting now.

MR. EVANS: Could I just answer this one further question? I agree with the proposal to use, first, Manitoba consultants; second, Canadian; third, those from other countries, subject only to this, that we must get the best possible advice and there are certain services and certain capacities, particularly with the Arthur D. Little Co., that are not to be found in Manitoba -- as far as I am aware they are not to be found elsewhere in Canada. Now the Department, quite apart from the Committee on Manitoba's economic future, we do use a number of other consultants besides the Arthur D. Little people. We have used Canadian Research Associates of Toronto on freight rate investigations; the Ebasco Services of New York on regional developments; the Economic Research Corporation of Montreal on regional developments; Payne and Ross of Vancouver on iron and steel markets; Project Planning Associates of Toronto, recreational development; R. L. Banks and Associates on the transportation research in connection with the Royal Commission; Underwood and McLellan of Winnipeg on Churchill engineering; Sandwell International Ltd. of Vancouver, pulp and paper study; J. H. Price and Associates of Montreal, moulded paper products; Peat Marwick and Mitchell on transportation research. Those are the consultants that we have used in the ordinary work. Now perhaps my honourable friend wouldn't want me to read off 43 names with respect to the consultants who are employed in connection with the Committee on Manitoba Economic Future, but we do try to find . . .

MR. PAULLEY: Mr. Chairman, if I may answer the Minister now on that point. I wouldn't want him to read them all off, but I would appreciate receiving from him a list of these 43 firms and also a list of the technical advisors to the committee, and as to whether or not they are local or otherwise.

MR. EVANS: I take it that the people referred to now, the technical advisors to the committee, would be the staff of the Manitoba Development Authority?

MR. PAULLEY: No, Mr. Chairman, I presume that the Committee on Manitoba's Economic Future has a staff. They have not?

MR. EVANS: in this connection is being provided by the Manitoba Development Authority, and the people in this connection are the civil servants employed by the Manitoba Development Authority, namely, part of my Department.

MR. PAULLEY: Oh.

MR. EVANS: my honourable friend from Gladstone has been kind enough to allow me to continue with . . .

MR. PAULLEY: One further question I don't think the Minister has answered. He promised to give me the data how he arrived at the 40,000 jobs, but I did raise the point of the difference between the reference to the total jobs of 1970 on the second page -- actually the first actual page in the booklet he presented -- of 335,000 total jobs by 1970, with page 4 of the report, which dealt with the labour force of 348,000 as of August, 1960.

MR. SHOEMAKER: Mr. Chairman, I was just thinking that you and I had two things in common -- we both entered this House I think at the same time, and we're both backbenchers, so it is kind of unfair for anybody to suggest or say to us, "Why didn't you do it when?" And it is not my intention to compare what this government is doing with any former administration. I would like to point out a couple of things. Number 1, is that Manitoba is not ahead of the national average when it comes to economy. I have before me the report that has been used fairly extensively this afternoon -- the Annual Report of the Department of Industry and Commerce and Manitoba Development Authority -- and in addition to that I have last year's, the one that was laid on our desk a year ago this month. If the size of the two books is any indication of where we are going, I would suggest to you that we're going backwards because last year's is not only twice the size and much more readable but it contains 94 pages; this year's edition I can't really read it with these glasses of mine, and it only contains 51 pages. It is true it may contain as many words but it's only half the size. Now I also have before me a little booklet, and I'm not certain that every member received it but I did, issued by the Imperial Oil Company, "Trends in the Canadian Economy," and I just want to quote one short paragraph from it to point up what's happened in the Canadian economy, and I quote: "One final generalization about the Canadian economy is encompassed in figure 3 following a very rapid growth in the post-war decade. The Canadian GNP for the past four or five years has been moving at approximately half its earlier rate of growth. This slow rate of growth has emphasized the problem of over-capacity in many industries." The graph in the book on page 4 shows that the gross national product rose by an average of 10% for the years 1947 to 1957 and then in 1957 to the present time the annual rate of growth was only 4% or less than half of what it was for the 10-year period prior to that.

Now to suggest to you that Manitoba is not increasing beyond that figure, I have before me what is referred to by many as the propaganda sheet, and this one is dated January 5, 1962, and comes from the Department of Industry and Commerce and edited by the Honourable the Minister who has just taken his seat. I would like to quote from it: "Up until mid-December it had appeared that the 1961 shipping value of Manitoba factory production would reach \$750 million" -- and I think that is the figure that he quoted to us this afternoon. Now to continue, "New information received early in the New Year from the Dominion Bureau of Statistics indicates this figure will rise to an estimated \$758.8 million -- a strong \$30 million over the DBS revised 1960 figures of \$728.2 million. This is a 4% increase." That's the words of the Minister. Now that's good, but it isn't one bit better than the national average. To quote again, "The latest 1961 estimate is based on an actual third quarter figure from the Industry and Merchandising Division of DBS with a careful projection to cover the remaining quarter of 1961. The latest DBS figures place the 1960 and '59 figures of manufacturing production at \$728.2 million and \$742.7 million, respectively."

That, in my calculation, is only a 2% increase, and that would be below the national average. The propaganda sheet does suggest that even in some industries it is down, and I'm not going to refer to those now. I want to quote just two more short ones: "In reviewing the latest 1961 figures, Mr. Evans noted that retail sales were expected to be \$810.6 million, down from \$826.7 million of 1960," so it's down -- retail sales are down or were down in 1961 by \$16 millions. I quote again: "Capital and repair investments would be \$53 million below the \$681 million mark set in 1960." Capital investment is down, according to this propaganda sheet, by \$53 millions. Now I note in the report that we have before us that, by and large, capital expenditures have been rising fairly sharply over the years, but it is rather disturbing to see -- and I think the honourable the Leader of the NDP pointed this out to some extent -- on page 44 of the report before us, shown as table No. 2, principal statistics of the manufacturing industries in Manitoba, we find that in 1953 we had 1,540 establishments; we had 43,740 employees; in 1960 we had 1,700 establishments, up considerably, up by 160; the number of employees 44,400. So the number of employees is only up 660 and we have 160 new establishments. It's rather disturbing to see that.

As regards the number of tourists entering Manitoba, if these reports are correct, Mr. Chairman, the very last page of both reports, that is the last page in the 1960 report, the last page in the '61 report, both refer to the travel from United States broken down by state of origin and the vehicles that entered Manitoba from United States. The 1960 report shows that

(Mr. Shoemaker, cont'd.) . . . there were 52,120 vehicles entered Manitoba from the United States. The '61 report says 42,552. Now I don't know what the reason is but there's 10,000 down last year over that of 1960. I would like to have an answer to that one. I would like to know, too, how this government and the former government, as far as that's concerned, estimate the value of the tourist industry, because you can go back as far as you like in here and you find that if you take \$30.00 times the number of tourists in Manitoba, you arrive at the estimated amount of money that they spent. That is, if you go back to 1950 you just take \$30.00 times the number of tourists and you have the estimated amount of dollars the tourists spent. Now you can do the same thing today. It might be \$29.00 and some odd cents but it's \$30.00. Well, surely, the tourist today is spending a lot more per person than he did ten years ago and yet the tables in both of the reports that I have before me suggest that that's one simple way of calculating the amount of money they spend, take \$30.00 times the number of tourists and you get it. And I would like to have an answer to that one.

Now I would suggest to the Minister, in view of two facts, that capital investment is going up, is rising, with the exception of last year, it dropped \$53 million according to his own figures, but it is going up a bit, but even when you consider that, the number of people required to man these industries is going down and that in looking for, or attempting to attract new industries to Manitoba, we must take into consideration the number of employees that are required. That is we should be looking around for firms and establishments that do require a lot of employees. In looking over the number of industries on page 45, broken down by industrial groups, it would seem to me, too, Mr. Chairman, that one place that we are slipping is in the food and beverage industries. The tables show that there has only been a 2.2% rise in 10 years in this one. Some of the others show a decline, but by and large, they're up. Food and beverage seems to be down. I think that's all the comments I wish to make at this time. My time is nearly expired anyway.

MR. EVANS: Mr. Chairman, I would just say that I thank the honourable gentleman for his comments. I will try to provide answers to the specific questions that he asked. With respect to our comparison with the rest of Canada, I'd say, "Brother, you ain't seen nothing yet."

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