

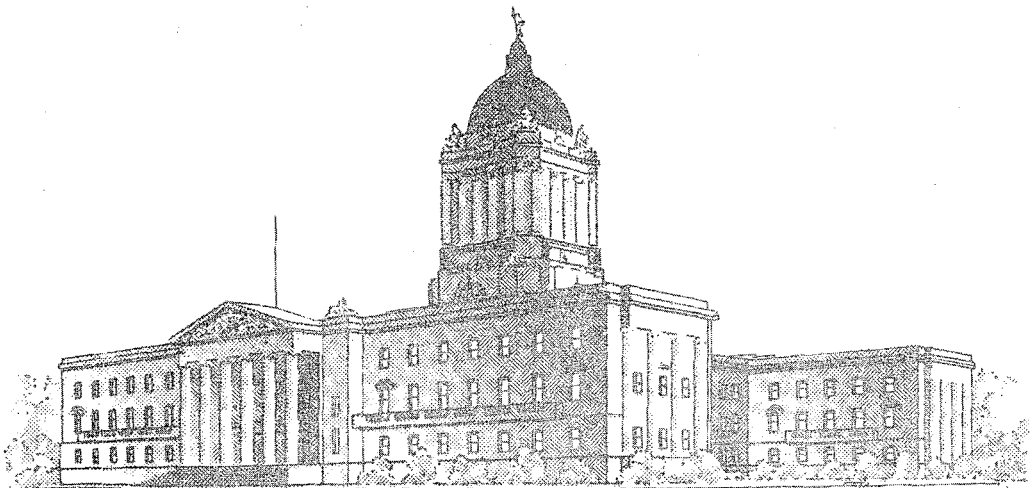


Legislative Assembly Of Manitoba

DEBATES and PROCEEDINGS

Speaker

The Honourable A. W. Harrison



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DAILY INDEX

Monday, March 14, 1960, 8:00 P.M.

<u>Committee of Supply: Industry and Commerce, Administration</u>	1545
Industrial Development	1550
Regional Development	1559
Information Services	1564
Agent General	1569
Travel and Publicity	1570
Civil Defence	1574
Manitoba Development Authority	1578

THE LEGISLATIVE ASSEMBLY OF MANITOBA

8:00 o'clock, Monday, March 14th, 1960.

MR. CHAIRMAN: Department XIV, Administration (a).

HON. GURNEY EVANS (Minister of Industry & Commerce)(Fort Rouge): Mr. Chairman, do I understand it's passed? Well then, I move that the committee rise. Mr. Chairman, I would like to make just a very few remarks on the administration section and then say something on salaries in each of the divisions and in that way I think we can have a full discussion without wandering too far afield on any one subject.

I would like to emphasize on a point and that is that my policy has been to make the department of as much practical use as possible to the people of Manitoba, and I find that it is too little understood and that the Department of Industry and Commerce is concerned with things that are of concern to the ordinary man in his ordinary day's work. It's concerned with payroll in his pockets, but that should be even further broken down to considerations of the comforts that they have in their homes; their opportunities for travel; their opportunities for recreation and culture; and even I would say, to some concern with keeping customers out of the hands of my colleague the Minister of Health and Public Welfare. All these things are bound up in the affairs of my department. I think it could be said in another way to get away from the jargon of the economist. Now the economist must invent himself a sort of shorthand that he uses in his daily discussions of these problems that arise--and we have phrases like development and economic expansion and markets and sources of supply and phrases of that kind. But I like to break it down to even simpler terms and talk about finding something that can be sold; planning how to make it; getting the money to finance the operation; making the goods; selling it and collecting the money for it. The government's part in all this, in my opinion, is to assist anyone who needs assistance and who cannot provide that kind of assistance for himself; and that is the concept within which we are viewing the Department of Industry and Commerce in our plans for its expansion and for the expansion that has taken place.

Before we commence, Mr. Chairman, I would like to read into the record and for the benefit of my friends who are taking them down, the figures of numbers employed and if the honourable gentlemen would care to take them down, I'll try to give them slowly enough. If I may in this case, I'll wander across all the eight divisions and then come back to the first item. Other salaries under 1 (a) are 26 as against 26 last year; 2--is nine this year, compared with ten last year; 3--24 as against 24; 4--13 versus 13; 5--the office of the agent-general, two as against two; 6--there are eight as against ten full-time, and 11 against 11 part-time; 7--12 against ten full-time, and one compared to one part-time; 8--eight the same as last year full time, and two as against two of a shared staff (shared with other people). Those then are the figures of employment. Now if anyone, Mr. Chairman, would care to ask questions concerning the administration I would try to answer those, and then I would ask to be allowed to make a short statement on the Industrial Development Branch.

MR. PAULLEY: Mr. Chairman, the other day I raised one or two questions in connection with the reports of the Arthur D. Little Company, and as you know possibly or remember possibly, Mr. Chairman, I asked for a Return to an Order of the House in connection with this, and I remember at that time the Minister I believe mentioned in the House that he would give us a general review of the whole situation. Now whether he would do that at this particular stage, or where else I don't know--but I just call that to his attention.

MR. M. N. HRYHORCZUK, Q. C. (Ethelbert Plains): Mr. Chairman, as is well known to this committee the department is comparatively new. I think it's one of the last established in the government--and for obvious reasons. Industry was not of major importance in the province until after the second war, and it wasn't 'till the late '40s and early '50s that we began to realize that there was a possibility of industrial expansion in the province and that we should have a department to look after it. The present government, aside from the development authority, has pretty well followed the program of the former government. In fact, the expansion is, I would say, normal. I notice from the estimates of 1959 that the increase there was approximately a little better than \$100,000 over the '58 estimates; and if we look at this year's estimates we'll note that the increase for the past 18 months is just over 200,000 or that there is a

(Mr. Hryhorczuk, cont'd.) . . normal progress in this regard. I think that the department is doing a very valuable piece of work, a necessary piece of work, and I do hope that it meets with the success that's envisaged by the Minister and the rest of us.

There are a few things here I would like some explanation on, Mr. Chairman. Either I fail to emend the last estimates to conform with what we have before us in the present estimates, or I'll have to admit that there seems to be considerable error in it. I could take these individually, Mr. Chairman, but I'd just as soon point out what I mean throughout the whole of the estimates and we can get the answers for them.

In this year's estimates, for example, under (a), other salaries, it is shown that last year's appropriations amounted to 71,950, and yet when I look at my last year's estimates, I find that the appropriation was only 57,760. Then when you go down to 3, these are all the same so we can get the answers for them instead of me raising them individually.

MR. EVANS: Mr. Chairman, I wonder if the honourable member would mind telling me what that figure was of 57,000?

MR. HRYHORCZUK: 57,760.

MR. EVANS: I am looking at 1 (a), other salaries; my figure says 71,950 last year and this year 81,770.

MR. HRYHORCZUK: Are you looking at this year's estimates? I am looking at last year's estimates.

MR. EVANS: Oh, I see, last year's estimates book. I understand.

MR. HRYHORCZUK: And then again in Item 3, in this year's estimates under the column year ending March 31st, 1960, you find the figure 97,650, and if you look at last year's estimates that item is shown as 29,100. Item 3 (c), this year is shown as 83,860 and if you look at last year's estimates it's 25,000.

MR. EVANS: What was that last one?

MR. HRYHORCZUK: 25,000. That's 3 (c). Then you go down to 6, Travel and Publicity Branch and you have in this year's estimates 53,700, whereas in last year it's shown as 59,850. And the same thing appears in 4 (a). There is a discrepancy there. And I was just wondering whether the wrong figures were given last year, because if these figures that we have before us here are correct, then it will explain the numbers employed; but if last year's figures are the ones that should be in here then there is a discrepancy between the amount of salaries to be paid and the numbers employed in the various categories.

MR. EVANS: I think, Mr. Chairman, if the honourable member would bear with me as we go along section by section, I think I can reconcile all the figures for him. I think if that's acceptable, then we will proceed that way. Were there any other questions on administration?

MR. CHAIRMAN: Minister take each one.

MR. CAMPBELL: Mr. Chairman, I don't know where I should raise the couple of questions that I have. I think perhaps Administration is the right one, and the Honourable the Minister will be quite expecting me to raise this one, I'm sure. I tried to take down his words as he pronounced them a little while ago about the assistance given. I thought he closed with the words "that our policy is to assist anyone who needs assistance and who cannot"--was it "finance himself."

MR. EVANS: Well, I don't recall the exact words but the sense I intended to convey was this, that if he can't procure that assistance for himself in other ways, assistance either by way of technical advice or information or as my honourable friend is aware, through the Manitoba Development Fund.

MR. CAMPBELL: Well, now I come back to the point that I have frequently raised, Mr. Chairman, and that is how do you separate the one group from the other? How do you tell the man who really cannot find, or the corporation or organization, who cannot find for himself, the sinews of war, from the one who is just willing to let the government do something for him?

And then the other point that I have continually made; that how do we justify taking the taxes which are paid in by one man in order to set up a competitor against him? Those are the things that to an old fashioned fellow like me, seem to present some problems in a program of this kind. I know that the Honourable the Minister and I had some discussion about

(Mr. Campbell, cont'd.) . . . that at the time of the introduction of the Bill, and I would simply like to raise the question again and ask him if he has found that my prescience in that regard has turned out to be at all accurate, and whether he has any difficulties, and if he finds that he too sometimes has some misgivings about using the general taxpayers' money in order to start up in business in competition.

However, the main point that I was going to raise, Mr. Chairman, was also one that I have mentioned in this House on many occasions and that is that I think that in the statistics that we get presented to us, not only from this department but from others, where the comparison is given between the financial or economic contribution that is made by agriculture and by other industries, that we usually--not sometimes--but usually do less than justice to agriculture, because we quote agriculture as supplying so much gross or net production in the Province of Manitoba, and then we quote industry as such, producing so much economically. Well now, my point, Mr. Chairman, is that a great deal of that industrial production should be related directly to agriculture, and I take the statistics that are furnished on page 26 of the annual report, appendix D, the manufacturing industries in the Province of Manitoba, principle statistics of the individual industries, and whether you would take this from the point of view of salaries paid which is the fourth column or whether you will move over to the last column of selling value of factory shipments or the third last column from the right--I presume my honourable friend has the report before him.

MR. EVANS: I know the figures. I know the report.

MR. CAMPBELL: The cost at plant of materials used is the third last column, and if we go along here for all of these products which are listed as manufacturing, we start with foods and beverages, the general heading, and then bakery products. The first one is biscuits. Well now, biscuits get their main component part from flour, from the farm. I think the farm should get some credit for this, rather than so-called industry getting it all. The next one is bread and bakery products, \$7,405,000; the next one is beverages and I don't know just--and the first one of the beverages is breweries--I don't know just what the proportion is of barley that goes in there but at least there's some of it. I won't claim any credit for the carbonated beverages; I don't suppose that we can claim much credit there. But the very next one is fruits and vegetable preparations. I'm sure that some of it at least comes directly from the farm. And then dairy products. This is one that is pretty important when we have margarine before us--almost \$23 million and so on down the line. And then when you come, after three or four or five more, you come to meat products and there of course is the biggest one of all in the Province of Manitoba. In the manufacturing line, or when you take the total of those, almost all of which are directly from the farm, as far as their cost at the plant is concerned, we have a total there of more than \$170 million that I think really should get more consideration so far as the farm contribution to the industry of the province is concerned.

Now when we get down to some of the others there are probably a few more as well, and I'm not complaining against the fact of statistics being kept in this way. I am complaining over the fact that even when we get into a discussion of margarine that a lot of people, in fact the report of the commission suggests that agriculture now is not the dominant force that it used to be because of manufacturing having grown so greatly in proportion to agriculture, but manufacturing made products in this province are those that are directly related to agriculture and are just one step removed from it, and I haven't had the time or taken the trouble to try and add up exactly what proportion that is, but it's a very big one. Now I simply make that--it's not a complaint, Mr. Chairman, I'm not blaming the Minister for showing the statistics in this manner, but I do suggest that when relative figures are being given as to the contribution of what is termed industry and what is termed agriculture that we at least make the qualification that agriculture supplies directly and very closely a huge part of that industry that we're talking about.

MR. EVANS: Mr. Chairman, under Information Services I think would be the best place to answer questions regarding the Arthur D. Little Reports and I'm prepared to give an extensive report on that. I'm sorry that the return wasn't ready in time to table today. I had hoped it would be but I have it and there's considerable detail in it. The Honourable Member for Ethelbert Plains I think will probably ask me about his individual figures to be reconciled as we go past each item or each line. With regard to Administration, Salaries, there were increases

(Mr. Evans, cont'd.) . . this year--in the Minister's salary of \$2,000; the Deputy Minister's full-time salary instead of being shared as in the votes of last year increased \$7,000; the annual increments to people presently on the staff are \$2,080; and the general increase of April 1st of last year was \$5,280. Then decreases as follows: reductions in assistance, that is outside or additional assistance from time to time, \$2,800; and changes of incumbents a reduction of \$1,740; or a net increase under Administration, Salaries of \$11,820.

With regard to the remarks of the Leader of the Opposition, I take it the honourable member was referring mostly to knowing how a man needs assistance with his finances rather than with the information and the other assistance that the department is able to offer. If a man is in need of information and comes to the department and asks for it, we're quite glad to supply the need and we assume that he needs it, and we know, as a matter of fact, that he cannot obtain that same assistance elsewhere, at least in the province.

With regard to finance, it may be recalled that within the Business Development Act which is the one that governs the Manitoba Development Fund it's a requirement laid on the Board of the Manitoba Development Fund that they shall satisfy themselves that the borrower cannot secure his requirements of finances elsewhere at reasonable rates. They are charged with that responsibility and, in practice, they do take an intending borrower and consult other sources of capital with him. How far will the bank go--his ordinary chartered bank? How far, if at all, will the Industrial Development Bank of the federal authorities go? Is mortgage money available at rates? And they do consult the other sources of capital to see whether any can be secured there at reasonable rates, or how far they will go. And in many cases of loans that have been made I am told that it is a combination of all three that eventually supplies his requirements with the Manitoba Development Fund filling the gap--filling that last gap that cannot be filled otherwise to enable these sources of capital to get into business.

I agree with the Leader of the Opposition's remarks concerning the credit that should be coming to agriculture within the values shown in the manufacturing statistics. But it's the same with any other product; you must take into the value of the product sold some accounting of the value of the raw materials that go into it. In the garment trade it would, of course, be the textiles themselves that are imported from elsewhere and manufactured. In the iron and steel business, we don't happen to have the iron ore or the steel manufacturer here and so they come to this province and are further manufactured and so on. So the figures are on a comparable basis and certainly the increases and decreases from period to period are on a comparable basis. And the figures at least within those limits should be taken as reliable, I think.

Now I would like to deal next with the Industrial Development Branch--

MR. HRYHORCZUK: Mr. Chairman, before the Honourable Minister goes to that I'm not quite sure that the Minister understood my question. What I was referring to, Mr. Chairman, is this; if you look at this year's estimates on the left-hand column under the heading "Year Ending March 31st, 1960" which refers to last year's estimates, the figure given for "Other Salaries" is \$71,950. If you look at the estimates of last year to which this figure refers, we should find the same figure in those estimates of \$71,950. And what do we find? We find the figure \$57,760. And these two figures should be the same. I'd like an explanation as to why they are not the same.

MR. EVANS: Well, it would seem to me, Mr. Chairman--I'll be very glad to get confirmation of this point for the honourable member. I think the figures in both columns of this set of estimates are comparable. That is to say, the Deputy Minister's salary was last year in the figures that my honourable friend is quoting from, was put in at only half the rate because a half of his salary was charged elsewhere. Now in this year's estimates his full salary is charged this year and so the comparable figure for last year is put in on last year's figures on the left-hand side.

MR. HRYHORCZUK: Mr. Chairman, if that was the only item, that still doesn't explain it. But I draw the Minister's attention to a more glaring discrepancy in his estimates and that's in No. 3--3 (a). The figure in this year's--not in this year's estimates; I don't mean in the estimates that we are appropriating for this year, but in this book of estimates--this year's book of estimates, on the left-hand column you'll find the figure \$97,650 which is what we appropriated--supposed to be what we appropriated last year. But if you look at last year's estimates that appropriation was only \$29,100--one-quarter approximately. That is what I'd like

(Mr. Hryhorczuk, cont'd.) .. explained. I'm only pointing this out to make it clear to the Honourable Minister what information I'm searching for because his explanation doesn't cover the point.

MR. EVANS: Well perhaps, Mr. Chairman, if I--I'll have these figures looked into; see what the reconciliations are and let my honourable friend over there have the information presumably before these estimates are finished or if they are finished tonight, perhaps he would agree to my undertaking to bring in--and let him have an explanation of the differences.

MR. HRYHORCZUK: Mr. Chairman, it's immaterial when the explanation comes in. It's only for a matter of clarifying the figures as they appear because they are obviously wrong.

MR. CAMPBELL: Mr. Chairman, I wanted to just raise the one further point with regard to the answer that the Honourable the Minister gave and that is: will the Minister not go part way along with me, Mr. Chairman, in believing that if it wasn't for the Business Development Fund, and that's the one we're discussing isn't it in this case?

MR. EVANS: You had reference to it and--

MR. CAMPBELL: Yes, yes, if it wasn't for the fact that the Business Development Fund is there with some public money, would the Minister not go along with me in believing that the likelihood of those other sources that he mentions, the banks, the investment houses, the general moneylenders, might perhaps cover up that other gap themselves?

MR. EVANS: I can only say "no"; that I believe the Board are administering the fund according to their instructions and according to the instructions in the Act. And that is that they may lend or the borrower may borrow, only when a sufficient source of capital is not available elsewhere. And I think that has been the story of these loans as I've seen them. As I think the honourable members will know, and I'll take the occasion to mention now, I do not see any of these loan applications until after they are either accepted or refused. The Board is a strong independent board and I believe are carrying out their instructions according to the Act.

MR. CAMPBELL: Mr. Chairman, this isn't a criticism of the Board in any way. I'm not criticizing the Board at all in this--all I'm saying is that the people who loaned the money, be they banks or investment houses or whatever, they're pretty hard-headed businessmen and they know that there is a government organization here now, which has some funds, that if they hold off long enough, the government organization will come in. My thought is that a good many of those would have come in anyway but the fact that there is a government board, well of course they say "no". They can't go any further than that and they push them over on to my honourable friend's board.

MR. EVANS: Mr. Chairman, my honourable friend and I don't agree on this and I think with the best will in the world we could perhaps pass on.

MR. CHAIRMAN: Does the Minister wish to go item by item? Shall we finish number one before you come to the Industrial Development Bank Branch?

MR. EVANS: Yes, if we have finished with the Administration.

MR. CHAIRMAN: 1 (a), Administration, passed; (b), passed.

MR. CAMPBELL: Mr. Chairman, the grants--did we get them?

MR. EVANS: Mr. Chairman, the grants for this year's program. Proposed grants are International Peace Gardens, \$7,500; the Western Canada Trade Fair, \$2,500; Hudson's Bay Route Association, \$500; or a total of \$10,500.

MR. CHAIRMAN: (c), passed; (d), passed--

MR. CAMPBELL: On (d), Mr. Chairman, does this department now take over all the hospitality and presentation features, or are there some other expenses for that as well?

MR. EVANS: There are very few--I think if memory serves me--there are one or two items in agriculture where they look after their own. There are one or two; there are some items in agriculture, but otherwise all other government hospitality is funnelled through this vote.

MR. PAULLEY: Mr. Chairman, what does government hospitality entail? Sometimes we don't think that the government is very hospitable especially to those who sit on this side of the House when we sit here until one o'clock in the morning or so. But apart from that, as I understand it, this used to be where we used to discuss that great and honourable association of the Order of the Buffalo. Is that still in force and in vogue? Because I haven't seen very much publicity; and I wonder whether the Minister of propaganda is falling down a little bit, because

(Mr. Pauley, cont'd.) . . every now and again we used to see pictures in the papers of somebody receiving a buffalo or a plaque of some description. And also I note, in addition to that, the--I don't know if this was former practice to put in presentations as well as hospitality--I see that it was in the estimates of 1960. But I wonder if the Minister would give us a general outline of the policy in respect of this particular item.

MR. EVANS: Mr. Chairman, with respect to the Order of the Buffalo, we have given a number of buffalo awards--let me see if I can recall them. There was an award to the Japanese hockey team recently; there was an award to Mr. Raitt who had been President of the Canadian Forestry Association for so long and given a good deal of time and energy and money to that association. I think we gave an Order of the Buffalo to the Russian hockey team when it visited Winnipeg. There was an Order of the Buffalo to the head of the International Lions Organization who gave that home, residential home to the blind, the Canadian Institute for the Blind. Those are typical--I'm afraid I can't pretend that it's a complete list.

As to hospitality, the kind of hospitality that has been given, has been luncheon to the Manitoba Fur Breeders' Association; reception to the Japanese hockey team; reception to the university exchange students; reception to the Falcon Beach Golf Course opening; luncheon for the Manitoba Weekly Newspapers Association which used to be given by the Department of Industry and Commerce in any event; banquet for the Hudson's Bay Route Association, and so on, and the list goes on--Canadian Judo Championships; the Chamber of Commerce convention. And then in here are the reception expenses for the opening of the Legislature twice--the coffee and the sandwiches that were served on those occasions. That's the type of publicity--It's not publicity; I'm getting that word propaganda on my mind too--but that's the type of reception. More recently, the Board of the Canadian Broadcasting Corporation was here; and when the Canada Council visited Winnipeg we had the pleasure of giving them a luncheon.

MR. CHAIRMAN: Resolution 74, \$134,270, passed. Item 2, Industrial Development Branch--

MR. EVANS: Mr. Chairman, 1959 was a good year for manufacturing in Manitoba. A total manufacturing output of \$744 million was about \$70 million higher than the year before. Now the kinds of increases have been quite interesting and I think encouraging. In the first place, there have been increases in our traditional kinds of manufacturing, the kinds that were referred to by the Honourable the Leader of the Opposition, using agricultural products. Outstanding among those is the good old potato, because we have increased the value of potatoes grown in Manitoba considerably by having them marketed now in the form of potato chips; and we're getting more and more and closer and closer to the production of other processed and frozen vegetables in the province. In newer fields we have had increases in such assorted lines of products as the following: dog food; hosiery mills and sportswear; aluminum products; chimneys; awnings; windows and castings, those all being aluminum; other metal products such as culverts; blowers, fans; heating equipment; wood products, cabinets; boats; laminated beams; leather products, including footwear, general leather products; printing inks; asphalts; chemical cleaners; plastic containers; granite products; neon signs; charcoal; bricks; patent medicines; and rubber mats. I think a list of as great a variety as that is worth reading and noting, Mr. Chairman, to show the expansion that is taking place and the variety of production.

The expansion of existing firms within the province also shows a very healthy state. In two years, about a hundred companies have expanded their facilities; and those companies which have expended \$25,000 or more on such expansion--and there were a hundred of those. But by no means is the industrial expansion of the province confined to existing industries which have expanded their products. Last year 53 new manufacturing enterprises began business in the province; 42 in Greater Winnipeg and 11 in rural Manitoba. I think one of the most encouraging things is the confidence that our own businessmen are showing in the province itself and their opinion that our future is a bright one. An executive opinion poll of 200 businessmen which was taken by the department shows that 65% of them predict business will continue to increase in the coming year; 60% predict that sales will increase somewhere between ten and 11% in 1960; and almost 50% predict that industrial employment will continue to increase. A high percentage of these 200 businessmen themselves have plans for expanding their operations.

We should all note and, again I come back to this theme of the agricultural business as a mainstay of our manufacturing business, that Manitoba bids fair to become an important--

(Mr. Evans, cont'd.) . . . perhaps the most important vegetable processing and packing centre in Canada. At the present time we're negotiating with three major food companies to come in to this province and manufacture and to carry on the processing of vegetables. I'm fairly confident that two of these at least will announce plans within the coming year, and there is the chance that a third may come into the province during the coming 12 months. Manitoba may well become a principal centre for the processing of, not only canned but frozen vegetables and other foods within the province and within the near future. Business has confidence in the future in Manitoba and they're backing it with investment. Seventy million was invested by manufacturing firms in new and repair expenditures on both construction and equipment in the past year. I think the fact that we have here a remarkable combination of assets to back up and encourage a manufacturing industry is one of the driving forces behind this expansion. We have productive land; we have good supplies of moisture; we have a favourable growing season; our forest resources are extensive; our mineral resources have begun to be developed, but in my opinion have not yet even been discovered, and will be; we have water power; we have ground and surface water supplies for ordinary water resources purposes; and we have scenic and recreational attractions for the tourist business. We can credit, I think, the development that has taken place in Manitoba very largely, very largely, to the hard working and resourceful people of Manitoba. I think this quality that we have here doesn't lend itself to statistical measurement--but it's a very real one--that we have industrious and ingenious people here who can and will take hold of an opportunity and who will work hard enough at it to get it established.

I would like to point out the role that the Department of Industry and Commerce has played and the Industrial Development Branch. In 1959 over 2,000 Manitoba businessmen contacted the department and asked for and received assistance; 603 firms outside the province were supplied with information; 347 trade inquiries were handled during the year; and the object being to negotiations between firms seeking a sales outlet and firms in Manitoba looking for additional lines to handle. One of the objects of establishing these trade connections, which in the beginning at least result in the import of goods rather than their manufacture here, is to establish a market for someone with the object later on of inducing them to establish branch plants and to manufacture in the West. This has been the pattern that has been followed in a number of cases and there is reason to believe that that is a sound process. One hundred and eight Manitoba farms were assisted in contacting firms interested in having their products manufactured under licence in Manitoba. Ten thousand copies of the Manitoba Trade Directory were published and distributed and a new booklet, Industrial Location Services, outlining the department's services was published and is now being distributed.

I should like to mention for the record the figures which have already been revealed of the loans that have been made by the Manitoba Development Fund. The total loans approved from March 1st, 1959, to February 15th, 1960 were \$2,932,000. Industrial loans approved were \$2,291,000; tourist loans approved, \$641,000; loans approved in rural Manitoba, \$1,774,500; loans approved in Metropolitan Winnipeg, \$1,157,500. The results of the Manitoba Development Fund activities resulted in an estimated total capital investment by the Manitoba Development Fund, the owners, and any other sources of capital, \$5,395,900. The estimated direct increase in employment, 362; estimated increased annual factory production, \$4,602,500; estimated increase in the annual direct tourist revenue, \$361,900; and the increased tourist accommodation as follows: motel units, 121; cabins, 18; recreational areas, three. That, Mr. Chairman, I think is a concise outline of the developments under this branch.

MR. CAMPBELL: I'm not going to belabour this point but I simply must mention in passing that it seems to me that if business in the Province of Manitoba really has the confidence that the Honourable the Minister has been telling us about in the immediate and long-term prospects in this province, that business itself would have found the money to expand or start the new businesses that have been mentioned. I continue to think that and I think that I share the optimism about continuing good times in the Province of Manitoba, and I think that's the best reason that we could get that business itself would have looked after these developments. However, that isn't the only thing that I got up to say. I was going to ask the Minister, Mr. Chairman, what different rates of interest are applying on these monies that have been loaned. Have the interest rates been varied during the last six months? And what rate of interest has been charged on the most recent loan or loans?

MR. HAWRYLUK: Mr. Chairman, it was very interesting to hear the report given by the Minister regarding the industrial development in this province. It's very gratifying to know that more and more industry is being invited into this province because it does create more and more employment, but a little over a year ago the Honourable Minister gave us some outline as to some of the industries that would be invited into this province. In one particular case I think the Honourable Minister mentioned that the fair City of Minnedosa was to be given an industry of a distillery--a Chicago distillery coming in. I know that the people of Minnedosa were very happy about it and just recently, a couple of weeks ago, it seems that the discussion made by the Chamber of Commerce there was that they were very much disappointed. After they had been on the hook for about a year or so and had gone ahead and borrowed, possibly collected shares and all that from the people living in that area, and the big disappointment came along that this distillery has--the Company from Chicago decided to disband the plan of building a distillery. Now could the Honourable Minister give us some idea of what happened? And why it happened? Because I'm sure it was a great disappointment to the people of Minnedosa at that particular time.

MR. SCHREYER: Mr. Chairman, it's with interest that I sat here and listened to the Minister give the outline of this particular branch of the department and, if I'm not mistaken, it was almost as glowing in its hope as was the report which he gave here last year. Of course, perhaps, there's good reason for that inasmuch as this province is making progress so far as industrial development is concerned. However, when progress is made, I suppose one can always feel that it's not being made quickly enough. In connection with this last thought, I want to raise a couple of questions and ask the Minister for the number, if he has this information, for the number of firms that have availed themselves of this service which he refers to as the industrial location service. That's one question--just how many firms have availed themselves of this? And I would also ask the Minister for the number of out-of-province firms and foreign firms that have started operations of one kind or another through the province in the last fiscal year. Then too, I notice on page 16 of the report of this department--that comment is made on page 16--comment is made of the ADL Report, the Arthur D. Little Report, and it lists on this page some of the possibilities of profitable investment that the report set out; that there is possibility of profitable investment in such fields as woodpulp; newsprint; hardboard; plywood; iron powder; sulphur; fish filleting; lime; concrete blocks; reprocessing of powdered milk--I don't see how that fits in here--central repair shop and foundry, aviation repair, tourist facilities. Now I would ask the Minister if he or his department has received any overtures at all with regard to investment, by any firm that is, with regard to investment in any one of these several fields which are outlined on page 16 of the report of the department.

I would also like to ask the Minister if he thinks that this Department of Industry and Commerce is emphasizing the research aspect of things enough, or does he feel that by furnishing statistics and data to potential manufacturing firms that they are doing enough of a service. The point that I'm trying to make is simply this. It would seem that statistics and data information which this Department does furnish, that is obvious, that this is very much appreciated and needed and beneficial, but I think, too, that perhaps we could be doing a little more to induce investment in this province industry-wise, if we were to have a little more of a research program--economic and industrial research program. Now I've never mentioned the Province of Saskatchewan in this Assembly more than just two or three times--not more I don't think--if you count I might have mentioned it four times, not more--but I would like to draw to the attention of the Minister and members opposite the fact that in Saskatchewan they have a research council and they publish an annual report and the work they do, I can not see otherwise in that it is doing a very good job in inducing or in assisting private investment, because among other things that the research council delves into--I could read you a long list here but the terminology is above me--for example, beneficiation of uranium ore; the study of lignite tar; extractives from poplar; the uptake of radioactive strontium by agricultural crops; ultra-high temperature effects on dairy products; and the list goes on and on. But perhaps the most noteworthy of all the projects that this council has delved into is the one respecting rapeseed oil in industrial use, that is to say they've had a three-year program in Saskatchewan, a research program in which they considered or they did scientific research into the potential uses of rapeseed oil in motors and so on and so forth, and they have hit upon something that is

(Mr. Schreyer, cont'd.) . . . so newsworthy and noteworthy that an unusually large article was carried in the Financial Post of February 6th, 1960. In this rather long article tribute is paid to one, Mr. I. S. Evans from that province, who spearheaded this research program; and it goes on to say among other things that this research program will have the effect of causing an industry to be built in the Province of Saskatchewan which will be worth hundreds of thousands of dollars. I quote, "Prairie farmers stand to gain, as a result, hundreds of thousands of dollars".

Now I'm not saying that the government policy here has been lax, careless; I'm not saying that. However, I do wish to make the point that as I look through the Annual Report of this department, our Department of Industry and Commerce, I could not help but feel that while the statistical data which the department provides, research into that and so on, was very good, that there was not enough emphasis placed on industrial economic research of a more scientific nature. Now I would like to comment on that--or I'd like the Minister to comment on that and answer these other questions which I asked him, particularly those as to the number of firms making representations to the department enquiring into the possibility of setting up industry here. Now then my last question, Mr. Chairman, is this. Does the Minister, and I suppose this is in a sense asking for a matter of opinion from the Minister, but I would like to ask him if he is satisfied that the pattern of industrial development in this province--whether he's satisfied that it is one of growing diversification or whether he thinks that the pattern of industrial growth is one of growing concentration. I think this is vital and I realize that it's a generalization, but it is important enough to warrant the Minister giving us his thinking on this.

MR. ORLIKOW: Mr. Chairman, I'd like to ask the Minister a question. He spoke very optimistically about the growing pace of industrial development in this province, and yet on Page 8 of the Annual Report, Table 1, it gives some statistics about industries in Manitoba, comparing 1948 with 1958, and in 1948 in the principal manufacturing industries of Manitoba we had 40,522 employees; this went up at a fairly regular rate to 1953 when we had a maximum of 43,740; in '54 this dropped by 2,500 roughly; then it proceeded to grow fairly slowly till '57, when it again reached 43,884; and in '58, according to these figures, we dropped over 2,000. I wonder if the Minister has any figures on '59 which would indicate that the trend is again turned up, and possibly some estimates as to 1960, because while we know that new industries are coming in, it would seem to me that either old industries are folding up--I don't think that is happening, but what probably has happened is that a good deal of modernization and automation has wiped out jobs in industries which formerly had much larger numbers of employees than they now have; so that really we are not even keeping up with the increased population, according to these figures which are provided by the Minister in his own Annual Report. I wonder if the Minister could make some comments on this question?

MR. N. SHOEMAKER (Gladstone): Mr. Chairman, speaking on the same Table that the Honourable the Member for St. John's has briefly spoken about and I expected that he would cover the waterfront here, but in the year 1948, too, I note that the cost of materials--and I guess they're referring to the cost of raw materials--in 1948 they were considerably greater than they were in 1958. The value of factory shipments, it is true that they are higher in 1958 than they were in '48, but I was wondering if the Honourable the Minister could explain the discrepancies that seem to be apparent? Either the profit is much greater than it was ten years ago or there must be some justification for the figures there. The salaries, I note, are pretty near double. No more men employed or women, but the salaries are about double; the cost of material is down; and the value of factory shipments is up.

MR. FROESE: Mr. Chairman, I, too, would like to pay tribute to the government in sponsoring this department and helping rural industries in Manitoba. After all, they're doing a good job and I can testify to that by the help given to a local industry in our town. And as I know, you people had quite a lot of work to do with that last year in connection with guaranteeing a bond on Prairie Cannery, which helped us to finance our concern and to get it going. I was quite interested to hear the Honourable Minister say that new firms were contemplating coming into Manitoba and also going into the canning concern, but probably these companies also consider going into soups so that we can, as canneries, and as growers of our canneries, can grow crops for them and to supply them with their necessary vegetables to put into their soups. We, for the first time this year, expect to contract with a soup company to provide them with frozen

(Mr. Froese, cont'd.)...vegetables. This is an expansion program for the company in our locality and we hope that it will turn out satisfactory. Then, as already mentioned by the Minister, we also ventured into a new field and that was the canning of pet food which was not too large--in too large an extent, but it proved satisfactory both financially and otherwise. Further to that, we are at the present time also enquiring and investigating into the possibility of canning drinks.

Now all these different projects need capital, and that's where we find ourselves in difficulty from time to time. Under Section 88 we are borrowing from the bank, but we're limited as well under it, because the amount that we get at the present time from the bank does not cover the cost of processing and putting it up in cans and in inventory so that we still have to find ways and means of other--or other sources of financing. Then too, we have considerable inventory at the end of the year, which means that some of this money that was borrowed is being tied up and cannot be re-used in the new year. This, I think, is the biggest problem right now. We would like to see that the government investigate this matter of probably supplying some of these smaller industries with capital to finance their carry-overs or inventory that they have. We feel, especially in the canning industry, that there should be some carry-over, because in one year we might run short of a certain crop or that the crop might be of a lower quality than the next year, and the following year it might be of a superior quality, thereby one year we might have a carry-over of standard grades, and the next year it might be in the fancy grades, and in this way it will balance off so that we'll have stocks of all lines to carry all through the year.

I know that, from experience and having had information from Alberta, and here I'm mentioning Alberta as my friend mentioned Saskatchewan, although I've only done it a few times so far, but they provide money for inventory for small industries in that way so that they can finance their inventories, which is helping the small industry, especially, very much. I think there is one other thing that I should bring in with it and that is the tight money policy that generally comes in at the very time that these canneries are in operation and when they need money most, that is, when they are tramping down. That's what happened to us last year and it looks like it won't be any different this year and, therefore, I would suggest that the government give consideration to this matter and make some enquiry into it.

MR. JOHN P. TANCHAK (Emerson): Mr. Chairman, in the last three years we've heard quite a bit in this House about decentralization of industry in Manitoba, that is, decentralizing into rural areas. I'm happy to note, if I caught the figure right, that 11 new industries were established in rural Manitoba in the last year. I wonder if the Minister could elaborate more on them. For example, what kind of industries they were and where they were located. And at the same time, I would like to know how many of these rural industries in Manitoba closed up last year. I know of one in my constituency which was a creamery, at Tolstoi. That one closed up in the summer of 1959. There seems to be quite a bit of apprehension in rural areas at the present time, and I myself don't know, but a lot of the rural people are wondering what effect the metropolitan area would have on decentralization of industry in the event of total amalgamation of Greater Winnipeg in the near future, which we believe it is coming to. Would this create a suction of industry in the City of Winnipeg? I would like these questions answered. It will simply be the opinion of the Minister I imagine.

MR. ELMAN GUTTORMSON (St. George): Mr. Chairman, during the estimates of the Minister of Mines and Natural Resources I raised the question of a cannery for the rough fish between the Lakes, and the Minister at that time said he would comment on the probability of getting it or any remarks pertaining to it during the estimates of Industry and Commerce, so I thought I would bring it to his attention now before he replies to the other remarks that have been made.

MR. EVANS: Mr. Chairman, it might be convenient if I answered some of these questions now. Interest rates on the loans vary according to the risk in the judgment of the Board and rates have varied between six and seven and a half percent. The Honourable Member for Burrows asked about the Barton Distillery which was going into Minnedosa. This has been a very great disappointment for the people of Minnedosa and a very great disappointment, I might say, for the department. It was not more I think than two weeks ago that it was announced that the bank, which had agreed to undertake the financing of the inventory of the whiskey while

(Mr. Evans, cont'd.) .. it aged, had withdrawn from the arrangement. That had upset the plans completely of the Barton Distilling Company and it was the Barton Distilling Company's decision at that point that they would not proceed with the establishment of the distillery at Minnedosa.

I may refer again to this question when we come to the Department of Regional Development or the section dealing with regional development matters, because the people of Minnedosa had been a glowing example of what can be done by local people when they get together and decide that they are going to attract an industry there. They had gone out and raised a very considerable sum of money; had subscribed their own capital; and had carried on business negotiations and arrangements with the Barton Distilling Company in a thoroughly business-like and aggressive and first-class manner. They deserved to have that industry come in there because they had done a great deal of work; spent a good deal of money; and had every right to expect it would go in. Now it is not up to me to say what fault, if any, lay with anyone for it not going in there. All I can say is that we are as disappointed as the people of Minnedosa. They deserved better than that.

With regard to the questions from the Honourable Member for Brokenhead, the number of firms asking for industrial location service I would have to answer this way, that there were 603 firms which asked for some form of information or assistance, having in view the investment of capital within the Province of Manitoba. These are firms from outside the province, either elsewhere in Canada or in foreign countries. Whether that would be properly described under the term "location service", I'm not able to say, but they were with a view to investment within the province. The number of out-of-the-province firms starting operations within the province, I haven't got the figure on that. If it's possible for my staff to provide it, I'll be glad to furnish it to the honourable member later on. I haven't seen that figure; I doubt if it can be furnished. If it can, I'll be very glad to provide it to him.

Then he referred to the items that were mentioned in the Northern Report of the Arthur D. Little people on opportunities for investment in Northern Manitoba, and asked whether there had been any enquiries. Well, my senior officials and I have spent a good deal of time bringing these opportunities to the attention of two kinds of people. First, people with capital who make a business of investing; and two, the second group, the management people--people with know-how. We have visited Minneapolis, Chicago, New York, Montreal, Toronto, Boston, and while I haven't gone, we have had trips to San Francisco and Vancouver and other centres. We have placed information before a wide variety of people in both those classes. We believe that an opportunity will come for the establishment of each one of those opportunities that's mentioned in the Arthur D. Little Report--(interjection)--I'm sorry. I didn't hear.

MR. SCHREYER: And the powdered milk too.

MR. EVANS: Oh, the powdered milk one I think may very well have to do with the fact that--I think the powdered milk, if I'm right, from the Grunthal area is now shipped up north in powdered form and then they reconstitute it up there for local consumption. So that, I think, would refer to the reconstituting of powdered milk shipped into an area where it's not convenient to ship the liquid milk. So there might well be that opportunity among the others, and they range in size from perhaps 45 or \$50 million or more for a pulp mill; down to some of the smaller opportunities in the order of \$500,000, if I recall, for a repair plant; and a plywood plant in about that order too; about \$7 million for another woodworking plant, gypboard I think they call it; and so on. I can say that proposals are in active consideration. None, at the moment, is in a position where it can be announced. We have hopes and we're going to continue to work on them.

The honourable member's next question was; do we emphasize the scientific research function sufficiently or do we emphasize it at all? It's reminiscent of my own views on that side of the House. I raised this question year after year, as I think my good friend the Leader of the CCF Party will recall, because either he mentioned it first and I echoed him or I mentioned it first and he echoed me--(interjection)--Right, so--and I think a very sound point to have raised and I compliment my honourable friend as a matter of fact, for the questions that he has asked. They're all very pertinent and very constructive questions and suggestions. We are not lacking in scientific research, and just for the moment I'll break my own rule and dip into my book under the section of Information Services, and let my honourable friend know some

(Mr. Evans, cont'd.) . . of the kinds of research that are done for us by the Arthur D. Little Company. This is some of the information that will be provided. It's being accumulated now for my honourable friend the Leader of the CCF Party. But I should let my friend know that in 1959-60 we had reports from either the Arthur D. Little Company or other people on the following subjects: asbestos cement manufacture; corrugated cardboard cartons; waterpump manufacture; custom slaughtering and meatpacking equipment and standard production costs; plastic wall tile; fibre glass production processes; foamed polystyrene; calcium carbide acetylene; pre-cast concrete products; thermostats and amber production. Many of those are of a technical character, produced, most of them, by the Arthur D. Little Company, where some 100 scientists work all day long at scientific research programs for their clients. I've been to the organization and it's a truly amazing organization when you go in there. They have everything from a miniature iron and steel plant, which I saw in operation, to a man that does nothing but smell things all day long. He's got enormous ranges of bottles on the shelf and he can reproduce almost any kind of a smell that you want. I didn't ask him whether he had anything of interest to my honourable friend from St. George and his skunks or not, but probably he would have. But most of the needs that we have felt so far which could not be supplied through the ordinary laboratories that are found in Manitoba now has been supplied by this means.

I won't indicate for a moment that I think that that is the ultimate pattern that we should follow. I feel that as we go further with the industrialization of the province, it will be advisable to have at least a co-ordinating office, where it can be learned what kind of research is available--much of it in the province. We have many fine chemical laboratories, and many fine scientists. As the atomic energy plant comes in and becomes established and the liaison is established with the university, I feel sure that we will have many scientists in the physics field and in the associated mathematics fields in the province that we haven't now. The facilities in that way will grow and then we should have, as we are accumulating now, a directory which would tell us where in Canada, or where elsewhere for that matter, we could get a specific piece or a certain kind of research work done. So I think my honourable friend is on a good track. I cannot indicate to him that we have taken any formal steps in that regard in the last 18 months. I say to him that we still have it in mind and will be following it closely.

Then with regard to the question of whether there is a growing diversification in the industries of the province, I--

MR. SCHREYER: That didn't come out quite right. I really meant, is the pattern of industrial development one of decentralization, not diversification.

MR. EVANS: Oh, I mistook my honourable friend's--

MR. SCHREYER: It was my mistake.

MR. EVANS: Perhaps if he will bear with me until I make some remarks under the term of Regional Development, he might indeed have his question after that. But I will furnish some information on that subject.

My friend from St. John's asked about employment in the province and the figure I'm glad to say, has reached a new high in the province. Now just let me check that because those things--yes, I'm right--has reached a new high in the province for 1959--44,100. Ah, my friend has disappeared but somebody will perhaps tell him for me.

I'm afraid I'm quite at a loss to explain, for my honourable friend from Neepawa, the question of the value of raw materials in that early year. They do seem high to me. If I'm right, these are Dominion Bureau of Statistics figures, and I wouldn't have within my own organization any way of getting behind the figures and studying them. But as he pointed out, a figure of 396 millions in 1948 compared with 367 millions in 1958 does seem hard to explain, and I'm sorry that I haven't the explanation. They are not my figures, that is, not the figures of the department.

My honourable friend from Rhineland mentions the question of financing of inventories, and that's a very live question. The funds of the Manitoba Development Fund are intended to increase production in the province and increase the number of jobs available. That's its main purpose and, generally speaking, the loans are intended for new capital equipment; new machines and so on. We have been careful as we can, to leave to the chartered banks their traditional field of financing which is this sort of thing, the inventory loans; and we have not deliberately gone into the field of--I was almost going to say we have deliberately stayed out

(Mr. Evans, cont'd.) . . of the field--of financing inventories of the type that he mentions. Now this is a very real problem for a number of industries and we have encountered it in one or two cases. In one or two cases industries had withdrawn from their own working capital rather too much funds to buy new machinery or new capital goods, and having done that, found themselves short for inventory purposes. We were able in one case--when I say we, I mean the Manitoba Development Fund--was able in that case to reconstitute the financing so that our loan applied to the machinery and that freed their own funds to carry inventory. We will be watching this difficulty; we'll try to do our best but I cannot indicate that the policy will be changed. The policy will remain to endeavour to confine the loans to capital goods on a secured basis.

MR. FROESE: Probably I didn't make myself too clear. I don't mean the current inventory. It would be just that portion which would have to be carry-over into another year.

MR. EVANS: I can understand my friend's situation there. There might be a slight difference if one viewed it as a long-term loan, but an inventory normally that must be carried for more than one year is of the nature of a surplus and might not, for that reason, be in the same class as the kind that I referred to.

My honourable friend from Emerson asked how many new industries have been established in rural areas and of what kind. I wonder if he would be good enough to keep that question at hand until I deal with Regional Development, which will at least provide some illustrations and then I hope I'll be able to answer my friend's question. If not, I'll be very glad to refer to it again. I have no information on how many industries have closed in rural Manitoba in the past year. The only statistics I know of in that connection are the bankruptcies and they are not divided, as I think my friend knows, in as fine a group as that.

I see no reason why the creation of Metro Winnipeg should exercise any greater suction, as my honourable friend describes it, for Greater Winnipeg to attract industries there rather than have them spread across the country. I do not believe that any zoning regulations, or anything that's put within the power of the Metro Council if this Act is passed would have a direct effect on attracting industries any more powerfully than is done now toward the Metro area, and we, in the department, as my friend will see when we get to that section, are endeavouring to draw to the attention of prospective investors the advantages of the country areas.

I'm not quite sure what I may have said to my honourable friend about the fish canning factory. I do know that we are hopeful to have fish canning done in the province. We are hopeful that we will be able to establish a fish canning industry in the province. It will not necessarily be confined to rough fish by any means. There is one branch of it which might well provide particularly cat food or perhaps in larger tins the mink food, and that would certainly be comprised of rough fish, but there's no reason to think that we can't can some of the other kinds of fish as well. I don't want my friend to think that we are on the verge of announcing or able to say that someone else is about to establish this canning factory. It's in the study stage and we hope that the statistics will work out to show an opportunity for somebody to make some money. But at the moment, I can't say that there is anything in completed form that would lead me to encourage my friend to think that the factory will be established in the near future. I don't recall having said anything that I could bring additional information to the estimates. If I have fallen down in that regard, I am sorry, but there's no additional information that I can provide now.

MR. CHAIRMAN: (a), passed; (b), passed; (c), passed. Resolution--

MR. HRYHORCZUK: It was good to hear that the industries in Manitoba are growing in number, but I was wondering just how much was due to the efforts of the government in this regard. Advertising and promotion--that particular item has been cut down in the last couple of years quite drastically. I notice that for the year ending March 31st, '59, there was an appropriation of \$66,000. Last year that was cut to 49; and now it's cut to \$33,000. Would that indicate that the momentum is developing and that the program is carrying itself? And that you don't have to spend as much money to encourage industry to come into the province? Is it doing so on its own?

MR. EVANS: Mr. Chairman, the information I have here relates only to the difference between last year and this, and I can provide that much information. The trade directory

(Mr. Evans, cont'd.) .. was published last year and is only published every second year, and that accounts for a decrease in this year's estimates of \$14,000; and there is a slight reduction estimated in the cost of running the direct mail and advertising campaigns of \$2,000; making a total reduction this year of \$16,000. Now as to the reconciliation between the estimates of two years ago and last year, I haven't the information here. I might add, for my honourable friend from Neepawa, was it, that there was an error in the report as printed that you have in your hands. The cost of materials for the year 1948 was reported as \$396 million, etcetera, and should read \$296 million, which I think accounts for that.

MR. FROESE: Mr. Chairman, there's no reduction in the number of people employed in the department in this particular section.

MR. EVANS: No. I think if my honourable friend will recall when I read out the figures, there are nine employed this year compared with ten provided in the estimates last year. Well the ten were not on strength last year. We did not employ an Industrial Promotion Officer. We found that as our plans went on, we didn't need that officer at this stage of our development and we decided neither to employ him nor to provide for him this year.

MR. FROESE: I'm sorry I wasn't in at the time when the figures were given.

..... (continued on next page.)

MR. CHAIRMAN: No. 3 Regional Development Branch ...

MR. EVANS: I would like to give some information on this subject, Mr. Chairman. There is a program -- we have a very definite program for the development of industries in rural Manitoba and this constitutes one of our principal efforts in the department, and I think a very valuable contribution. We are dividing the Province of Manitoba into seven regional development areas under the following titles, which are generally descriptive: metropolitan, eastern, interlake, south-central, southwestern, western, and northern. In each of the areas we are commencing a study of the assets that they have for industrial development. The assets, both material and human, and the opportunities that will be found for the employment of both. We will try to accumulate the most complete knowledge of the regions' resources; the significance of each resource and how it can be used; and the opportunities for industrial expansion. The result that we are looking for is the establishment of definite operating industries within these regions, and the program has already begun. We have been calling together meetings in the different regions. The first one took place in Brandon on January 22nd and was attended by 170 persons representing 20 towns and villages and 13 municipalities in the area. Those meetings consisted very largely of mayors and reeves, business men, members of Chambers of Commerce, and a number of the agricultural reps of the district attended these meetings myself, and senior members of my staff, to explain the plan of regional development throughout the province, saying that we believe that for the economic strength and health of the province itself, that it is advisable to decentralize industry as far as possible. Each one of these districts is then further divided and sub-regional meetings are held. With regard to the southwestern region, the meeting that was referred to as being held at Brandon, sub-regional meetings were later held at Neepawa, Russell, Virden and Boissevain; and at these meetings the real staff work is done because members of our staff, together with consultants who are specializing in this type of regional development work, these consultants that we have engaged from eastern Canada and the United States, meet with the people at these sub-regional meetings, and guided by a standard questionnaire in each case go over the district and ask those concerned for information and suggestions about the resources that are there and the means of developing them.

A second meeting was held for the south-central area at Carman on January 29th, and again I was there with my senior staff. It was attended by 130 persons and sub-regional meetings were held after that at Morden, Portage la Prairie and Altona. Now the rural people themselves participate in these programs. As I have mentioned, the early part of the meeting is quite naturally in the process of explaining the plan for regional development, but when it comes down particularly to the sub-regional meeting, it is as much, if not more, the meeting of the particular people from the area as it is those of either the consultants or the department itself. These regional meetings will eventually result in the establishment of regional development associations, the exact form of which will have to grow as the plan develops. We have one outstanding example before us, of the Eastern Development Board, in one somewhat limited field. They have not expanded into all the fields that may well be taken up, but they have shown local initiative in tackling and developing some of their own resources and their own opportunities. We believe that an association in each of the seven regions within the province will contribute in an equally valuable way and one can see that the problem and the contribution in different areas will be different. The area between the lakes is of course different from southeast Manitoba as it is different from southwest Manitoba, and so on, and the north itself being different again.

Perhaps one of the chief problems, or one of the chief projects that will be before the regional development association, will be the establishment of what we call "community development corporations". Now these corporations are established with the definite object of attracting industry; raising capital for it; providing as much local support as possible to get the industry established and supported; and make it feel at home. Some remarkable results have been achieved already. My honourable friend from Rhineland has referred to what was done in a slightly different way -- in a considerably different way with regard to the canning factory at Winkler. That was a success story but that is now history. In Souris, 150 farmers got together and have provided a capital of \$125,000 with some assistance from the Manitoba Development Fund, and they hope to have an annual sale of potatoes from their operation of \$100,000 worth. The Plum Coulee potato project was \$83,000. 250 farmers and business men got together and they expect

(Mr. Evans, cont'd.) ... to have annual sales of some \$80,000. The Stonewall hosiery mill is a \$110,000 proposition -- 250 people are concerned in that and their annual sales are expected to be of the order of \$130,000. The Morden Community Development Corporation provided a building for a hat manufacturer which will employ 60 people at the outset, and will eventually employ 200 people within a period of two years. I went down and saw that operation which began in a truly community drive and effort. They took space first of all in the curling rink, I think it is, or perhaps it was the hockey rink at Morden, and put in their training machines right in the ante-room, if that is the right term for it, in the hockey rink. They trained people of the Morden district right from the ground up. They had no skilled machine operators in the area at all, and by the time the plant was built and completed, and I believe it's completed now, they had their nucleus of trained people to begin, and it will grow from 60 people to 200 within a short period.

And there are other examples of industries that have been started or at least encouraged by local community development corporations. There are community development corporations now in the following cities and towns: Brandon, Portage la Prairie, The Pas, Neepawa, Virden, rural Portage la Prairie, Winkler, Carberry, Killarney, Plum Coulee. Now my understanding is that Plum Coulee is at the moment organizing, as I understand these notes. This program is unique in Canada. There are some programs somewhat like it in the United States which I saw on my trip down there. Our program has attracted quite widespread attention because representatives of both the Saskatchewan and Ontario Governments have come here to see what we are doing and it is announced now that Saskatchewan intends to make loans to their community development corporations just as the Manitoba Development Fund will make loans to our community development corporations. I might mention under this section also that the Provincial Planning Service which is being moved from the Metropolitan Town Planning Commission to my Department, the estimates are also included in this section of the estimates.

MR. GUTTORMSON: Mr. Chairman, I see by a newspaper report of January 22nd at a conference in Brandon, there were 14 members of the Department in attendance. They included the Minister, his Deputy, Mr. Grose, Harry Sleigh, Assistant to the Deputy Minister, R. B. Trumppour, Director of the Regional Branch, David Young, Harry Gall, L. McMurtrie, Mr. Balston, Wilf Organ, Earl Kennedy, Blair Ferguson, David Henderson, Roy Dark, and Andrew Currie. Has the Department got enough staff that they can afford to have all those employees attending one meeting on the same day?

MR. EVANS: I'm only sorry that we couldn't take more people to that meeting because it was with the object of educating our staff in the needs and requirements of the country people themselves. As I said at the outset it has been my object to take this Department out of the "ivory tower" -- my honourable friend from Brokenhead hinted at that, was this just a statistical research organization -- and get it down into the street, particularly the country town street with the people and their problems. They attended that meeting and gained a very great deal of valuable experience in listening to the subjects being discussed and the information as provided them. It was not so much to conduct the meeting as to secure education for the members of the staff themselves.

MR. GUTTORMSON: Mr. Chairman, I just wondered though -- going by the report the -- whoever wrote the article interviewed one of the members there, they seemed rather reluctant to talk about it. Was it supposed to be a secret meeting or were they reluctant to let the public know that this many people were in attendance at their conference?

MR. EVANS: I also think it's noted in that article that the member is referred to as a junior consultant. I would think that any newspaper reporter that was asking for information concerning a meeting would consult the senior person there, and I think it would be quite right for a junior member to say that it wasn't his particular place to give information.

MR. CHAIRMAN: (a) passed; (b) passed; (c) passed.

MR. PAULLEY: Mr. Chairman, on 3 (c) Town Planning and Regional Development, do I understand the Minister to say that the town planning activities of the department in respect of Metro are coming out and that is the reason for the reduction in the amount here?

MR. EVANS: May I ask which amount?

MR. PAULLEY: In 3 (c).

MR. EVANS: 3 (c) -- Town Planning and Regional Development.

MR. PAULLEY: There's a reduction there and is that in connection with Metro or what?

MR. EVANS: Just let me get to my notes. No, that is more in connection with -- there is a substantial saving to the government in incorporating the town planning function that had been carried on at the Metropolitan Town Planning Commission. We are able to do them more cheaply within the department. The decrease resulting from the savings realized by incorporating the Provincial Planning Service into the Regional Development Branch of the Department of Industry and Commerce is estimated at \$28,860. Then there is a decrease permitted by the Department's policy to discontinue the paying of the cost of producing publications on individual communities. Perhaps the honourable member will remember a number of pamphlets that were produced on different towns and cities. Now we will work with any city, town or village that wants a publication of that kind produced. We will perform the same editorial, art and photographic services producing the copy, but we believe the people of the town themselves if they want it seriously will welcome the opportunity of printing it and distributing it at their own expense. And we estimate a saving there of some \$10,000 this year.

MR. PAULLEY: Mr. Chairman, just in connection with this, the Minister of Industry and Commerce, the Minister of Mines and Natural Resources and the Minister of Health and Welfare are aware of the fact that it was drawn to their attention of the location of a certain mining installation on the borders of the municipality just east of here. Now it appeared at that time as though there hadn't been any detailed investigation into the locality of this particular plant. Now then it appears to me that under the Metropolitan Bill or Bill 62, that there is to be provision unless this is included in some of the amendments that the Honourable the First Minister referred to, although I doubt it, that in respect of planning in the metropolitan area that there will be this buffer zone of considerable distance outside of the metropolitan area. I would like to say to the Minister of Industry and Commerce and make a request of him that his department, now I'm not suggesting that they were lax generally, but it did appear to me that in respect of this building, and it was in connection with a sulphuric acid plant, that the matter had processed to a considerable degree before there was an investigation made as to possible adverse effects of the industry. And I would suggest to the Minister that while this may be taken care of in the future insofar as Metropolitan Winnipeg is concerned, that the department should be alert at all times to see that it's not possible insofar as our smaller towns are concerned, that there could be built just outside of the boundaries of that town or village as the case may be, on some other land, any industry of an obnoxious nature, that it can be to the detriment of the people in the surrounding area. And I think this is the particular item under which it is permissible for me just to mention that. So I just draw it to the attention of the Minister and request that while it is being taken care of apparently under Bill 62 in respect to Metropolitan Winnipeg, I suggest that his Department in co-operation with the other departments make sure that insofar as the areas outside of Metropolitan Winnipeg don't have a situation such as that that I refer to.

MR. EVANS: I shall certainly take those remarks under consideration. I know that it is a matter of some importance that the honourable member speaks about and we'll gladly keep it in front of us.

I would like to make reference to some of the remarks of my honourable friend from La Verendrye the other day about southeastern Manitoba. I tell you my friend really doesn't know much about the district. My impression would be that he hasn't been there very much although his own constituency comprises a part of it. I'm rather surprised when he is able to come out and say in public that nothing has been done, and I propose to tell him what has been done and let the facts speak for themselves.

An inter-departmental committee was established by the last administration on southeastern Manitoba in 1957 to study and report upon what was revealed to be a serious situation in that part of the country. Subsequently the Government in August of 1958 authorized me, then as the Minister of Mines and Natural Resources, to establish the present continuing committee on southeast Manitoba. It was an inter-departmental committee of senior officials to consider and evaluate the report that had been prepared as referred to previously. Since the first meeting in September 1958 the continuing committee has drawn up a master plan for the area, has carried out a number of studies and investigations, and has prepared reports and recommendations

(Mr. Evans, cont'd.) ... to the Government, and more recently to the Manitoba Development authority for the implementation of its overall plan and for the developing and improving of the depressed economy of that area.

I shall run over some of the details department by department. The forest service is completing the preparation of a long-range management plan and program for forestry development in southeast Manitoba which will include recommendations for forest management practices and more effective utilization of the resources. Preliminary cutting budgets were determined on the basis of information obtained in the first case from the provincial forest inventory. But recently the southeast section of Manitoba has been re-photographed and this more intensive cruise will provide adequate information to permit the drafting of management plans with respect to fire protection, timber disposal, reforestation and stand improvement.

Southeast Manitoba is divided into seven working circles and field work in this connection has been completed for Piney, Marchand, Woodridge and the field work for Sprague, Richer and Hadashville is expected to be completed by the 31st of March, this year. Some field work has also been done in the East Braintree area and this field work will enable the preparation of management plans for each working circle. Under the heading of nurseries: approximately 20 acres of new nursery fields were levelled and drained. Summer rains were responsible for the loss of some three million trees -- nursery seedlings, and necessitated the repair of the washouts. During 1959 some 510,000 trees on 640 acres were planted in southeast Manitoba, while 170 acres were scarified and directly seeded and 60 acres were scarified. Approximately \$14,000 mainly in labour was spent during the past year on improvement of the timber stands by the removal of windfalls and broken trees in the Piney, Woodridge, Marchand and Dawson working circles. Sanitation cutting of cult trees in the plantation was carried out at Marchand. Construction of forest access roads, part of a 25-year program, proceeded favourably in view of the wet weather. These projects gave employment to a considerable number of people for clearing right-of-way, roadside park areas and access trails.

Recreational development. The following projects were carried out during 1959. Roadside parks were established along the Trans-Canada highway at Richer, Hadashville, East Braintree and Blueberry Hill and along P. T. H. No. 12, at Dawson, Menisino and South Junction. Major picnic grounds: the Whitemouth River site -- the major picnic area on the Whitemouth River, a 15 acre site located 1 1/4 miles south of the Trans-Canada highway and the junction of P. T. H. No. 11, has been selected for development under the Trans-Canada highway camp and picnic agreement. To date the main road has been graded and gravelled; the parking lot has been back-filled; the entire area cleaned and underbrushed; lower areas backfilled; and some landscaping and sloping completed around the swimming area. Birch Point, Lake of the Woods -- this development is primarily intended to provide boat launching facilities and a protected harbour. A small picnic ground and beach is also being developed. To date a large parking lot has been built and gravelled; low areas backfilled; the entire point and beach area cleaned and underbrushed; and a 200-foot boat lagoon has been dredged.

The Department of Agriculture has appointed a rural sociologist as agricultural co-ordinator for southeastern Manitoba to carry out the extension work with the local people in an endeavour to carry out the participation and the co-operation of the local communities with respect to the formulation and implementation of the department's plans for development of agriculture in the area. The agricultural co-ordinator has held a number of meetings to encourage the local people, their groups and organizations, to consider various possible means of improving the agricultural economy. Forestry conditions and attracting new industry are prominent in their consideration. Soil surveys were carried out by personnel of the Soils Department of the University of Manitoba, the Lands Branch of the Department of Mines and Natural Resources, the Department of Agriculture and Conservation, and the Department of Agriculture of Canada. The 1959 summer program was held up by wet weather and impassable roads and, as a result, the survey was not completed. Variety test plots for cereal and forage crops were established on four farms, one each at Menisino, Sprague, St. Labre and La Broquerie. These plots, two acres in size, were prepared in 1959; forage crops were seeded; and certain fertilizers applied. Results can be expected in 1960. In addition, certain field trials were carried out with various fertilizers and have indicated a serious lack of sulphur in some soils. Tobacco -- two-acre plots were established as experiments at Pravda and

(Mr. Evans, cont'd.) ... Marchand in 1959. The growing season was favourable although one field suffered severely from hail and both fields were subjected to insect infestations which were brought under control in time. The new drying kilns were constructed at the forestry and nursery station at Hadashville, and two kilns used in 1958 were moved there. The tobacco was harvested, dried, graded and baled and a total of approximately one ton was shipped. It gives the destinations as to where it was shipped.

The Department of Public Works roads program -- the Department of Public Works Highways Branch completed the following road projects in 1959: P. T.H. 12, I don't think I need to detail these because they were dealt with under the Department of Public Works, but there's an extensive road program in that area. I'll be glad to repeat it if any member would like to have the details. In addition, the department completed its program for the year of regular maintenance and repair of main market roads and bridges in unorganized territories. In regard to the Mississippi Parkway, the Parkway will serve as a major artery for the entry of tourists into Manitoba. During the year two survey parties worked from Middlebro toward the northwest angle inlet. Tentative location has been set out from aerial photographs and the survey will prove this line of location. Another survey crew began operations from Falcon Lake at the end of November, 1959.

Relief for unemployment was at a minimum in southeast Manitoba this winter and at the end of November, 1959, the expenditure had amounted to something less than \$500. The Department of Health and Public Welfare was able to refer unemployed persons to various projects. There is a scattering of the indigency throughout southeastern Manitoba and relief, as such, has not been an extraordinary cost. People generally have obtained income from various sources but such employment has been intermittent. It is not relief costs themselves which are expensive but the other social costs such as old-age assistance, mothers' allowances, delinquency and hospital premiums. The costs of poor health are greater than where people are living marginally. In 1956, unemployment relief granted in the Piney, Reynolds and Stuartburn areas is estimated to have totalled \$16,000; in 1957, the expenditure was somewhat less; and in 1958, due to the various work projects under way, relief expenditure was not greatly different from that in any other region in the province. In 1959, as indicated, expenditures were minimal.

During the year the Department of Municipal Affairs took action, looking to the establishment of a modified form of local self-government in the local government districts of Piney and Stuartburn. Pursuant to the authority of Chapter 35 of the Statutes of Manitoba, 1959, members of the local advisory committee in each of the local government districts of Piney and Stuartburn were elected at open meetings. These committees held their first meetings in November, 1959, and will continue to hold monthly meetings. It is hoped that this initial step will result in a greater interest in community affairs by the local population. Plans for the following year are much along the same line. I have some detail of them here but they would very largely repeat the story of what has been done, but I thought I should indicate to my honourable friend that instead of nothing being done, a very broad based and progressive program is under way. Much of it was visible to anyone who was there to see it.

MR. CHAIRMAN: Resolution 76.

MR. SHOEMAKER: Mr. Chairman, the Honourable the Minister reported to us that a new headwear establishment or a headwear manufacturing firm had been established in Altona last year. I wonder is this

MR. EVANS: My honourable friend mistook me. I meant to say Morden.

MR. SHOEMAKER: Oh, Morden, pardon me.

MR. EVANS: Yes,

MR. SHOEMAKER: Well, is this the same corporation that have attempted to establish themselves at various points in the province in the last two or three years. I understand that they were so demanding in their concessions that most of the towns in the province were reluctant to invite them in. I would be interested to know whether Morden allowed them in with the same demands as they were demanding from other towns throughout the province. Probably it isn't the same outfit that I'm thinking about.

MR. EVANS: I think, Mr. Chairman, that it must be some other organization. This is the Dressler Headwear Manufacturing Company, and one of the heartening aspects of this particular development has been to see the warmth of the relationships between Mr. Dressler, his

(Mr. Evans, cont'd.) ... son-in-law Mr. Sharp, I think his name is and the people of the town. I attended a meeting of the Chamber of Commerce there, largely attended. It was a fine big crowd. I'm sure of the order of 200 people and you could see the friendliness that had been established between these men and the people of the town. I don't know what example my honourable friend may have had in mind, but certainly this seems to me to be the very opposite kind of relationship. I think I'm correct in saying that no major concessions were made. I'm sure that my honourable friend the Minister of Municipal Affairs may be able to fill in some of the details and I would be very glad if he would, but my understanding is that there were no tax concessions; there were no additional concession, gifts or other contributions by the town. A building was built for this manufacturing operation in the industrial development section of Morden by the Morden Community Development Corporation and they are renting those buildings under regular business terms, which provides for interest and depreciation.

MR. FROESE: Mr. Chairman, I was quite interested to hear the Honourable Minister mention tobacco growing in Manitoba. What are the prospects or what are the indications for the industry in Manitoba?

MR. EVANS: So far it has been experimental, as one would expect. I am not able to and would not want to forecast. I think I can find here the -- the only additional information I have before me at the moment is about as follows: the tobacco was harvested, dried, graded and baled, and a total of approximately one ton was shipped as follows: a representative shipment of ten-pound lots of each class and grade was shipped to the Canada Department of Agriculture, Tobacco Research Division, for complete testing; 50-pound lots were shipped to the Canadian Leaf Company; and the main lot was shipped to the Imperial Tobacco Company. Now I haven't the reports on the research or the tests that were made. We will have them and the Department of Agriculture will evaluate them. We hope it will be a success. We cannot say at the moment what the results have been.

MR. RIDLEY: In regards to the Dressler Headwear at Morden, I think I'm quite safe in saying what was done there. The people put up the money themselves in the town and they are guaranteed 6% interest on the money. Mr. Dressler pays rent and they figured it all out that they would be able to pay 6% on the money what the people put up, and that was all their own money. I don't think they took under \$1,000 from anybody so it soon mounted up where they could raise enough money for the project, and they are guaranteed 6%.

MR. CHAIRMAN: No. 4, Information Services Branch, (a) Salaries.

MR. EVANS: In connection with our contract with the Arthur D. Little Company, the information section of the Department of Industry is intended to act as the research group for the research personnel in the service of either the new industry section or the existing industry section, the difference there being the new industry section is intended to attract new corporations to the province who are not here now, the new industry section to assist anyone who wants to expand their operations in any way that we can, or for that matter, to assist the Manitoba Development Fund in any studies that may be required as a basis for the loans that they are making. That duty is laid upon them in the legislation which we passed at that session. The section does not have any routine or continuous duties but does undertake a series of studies as called upon. Now typical projects of the information section are as follows; and I should preface this by saying that at almost any point in the studies by the information section itself and by the economists and consultants in our own department, they may call upon either the Arthur D. Little Company or some other research organization to provide a kind of information that they are not able to provide for themselves, that they are not qualified to provide. But here are samples of the study that they have undertaken: Analysis of locational factors for a vegetable processing operation in Manitoba; another, a location analysis of several Manitoba communities for a food processing plant, a different one, I might add; locational studies on a pre-fabricated metal building company; a location study for a furniture manufacturing operation in Manitoba; another, the prospects for expansion of Manitoba export trade to the mid-western United States; locational study for a rubber tire manufacturing operation in Manitoba; forecast of private capital expenditure for 1960; and market studies for the following products, among others: ammonium phosphate fertilizer; sulphuric acid; household cleaner; drinking straws, automobile mufflers; pig iron, caulking compound; book matches; pressure vessels; school equipment and supplies; thermostats, vinyl floor tile; and for the Arthur D. Little Company, reports

(Mr. Evans, cont'd.) ... on cement, building materials, gyp board, potato chips and pesticides. Now that indicates quite a variety of subjects they have taken under study. Now we come to the Arthur D. Little Company and the contract

MR. PAULLEY: Mr. Minister, these items you just mentioned, they have no connection with Arthur D. Little?

MR. EVANS: They may indeed have had a connection. These were the projects of the Information Branch, undertaken by our own people. But in several of these there would be technical matters that they are not competent to deal with, and as we come to the kind of work that the Arthur D. Little Company has done, I think you will see that a good part of the -- some substantial part of these reports, was in fact either based on or prepared by the Arthur D. Little Company.

Now, I think I should indicate to the members of the Committee that reports that are called for from the Arthur D. Little Company are of two kinds. If we are asked to supply a report at the request of some manufacturing company for their own purposes on their own process for example, the information would be regarded as confidential. The reports would not be printed and circulated, the reports would be kept confidential in our files and would be treated in that way until released by the corporation itself. I have a very considerable list here of the major reports that have been studied and distributed and it goes back to the years 1954 - '55 and runs on down to 1959 - '60. I wonder if it would suit my honourable friends purpose if I read the latest information or the latest year or two; if indeed he wishes more, I would be very glad to read the whole thing. This information will --

MR. PAULLEY: Will this information be listed in the Order for Return -- will it be contained in there?

MR. EVANS: This information will all be compiled into the Order for Return.

MR. PAULLEY: Well, I wonder, Mr. Chairman, if it's satisfactory to the rest of the members of the Committee if it's going to be contained in the Order for Return, I think as far as I'm personally concerned, it would be sufficient there. Of course, I can only speak for myself and not for all the members of the Committee.

MR. EVANS: Well, if that suited the other members of the committee, it would save a good deal of reading. It's rather a massive thing. I had an opportunity to discuss this privately with my friend and I did indicate to him at that time that it would be a rather long list which but if that suits you then, thank you and we could -- I would be glad to answer any general questions touching on the Arthur D. Little people or their contract.

MR. PAULLEY: Well, I have one or two, Mr. Chairman, if the Minister doesn't mind. He mentioned a number of reports for corporations of a confidential nature that are done by the Arthur D. Little Company for those corporations or businesses -- and are of a confidential nature -- and the Minister indicated, to me at least, that these remained confidential for some considerable period of time. I presume by that, Mr. Chairman, he means until the company has received the value of them, if there indeed is value in them, for themselves before they become public knowledge for, shall we call direct competition in the particular field. Now then, I would like to ask the Minister if these are paid out of public funds -- why? If they are only for the confidential use of corporations, then I would suggest that there is the possibility that it should be a charge on the corporation themselves if they, and they alone, are to receive the initial benefit from the report. If on the other hand, if the reports were available to any interested corporation who is desirous of coming into the province or to expand, being in the province, then I would say that it possibly would be in order for the public treasury to pay for those reports. That is the one question that I have. I don't know whether I asked in the Order for Return, the terms and length of terms of the contract with the Arthur D. Little Company. I just don't recall that, and if I didn't, Mr. Chairman, I would appreciate very much, the Minister, if he has it available, making that information available to us in the Committee.

Now then I have studied and read quite a considerable number of the reports of the Arthur D. Little Company over the years that I've been a member of the Legislature and found them quite interesting. But it does appear to me that in many of them, and maybe this is usual with any reports of that nature, that quite a lot of the material contained within the reports themselves does not seem applicable to the conditions within the province of Manitoba itself. Now it may be that I haven't quite the vision that some politicians have, but it does appear to me that

(Mr. Paulley, cont'd.) ... in quite a number of instances and the reports themselves, there have been quite an amount of consideration being given to possibilities that seem so far remote that it might be advisable not to have the reports or to make expenditures. I do believe that over the years these expenditures have amounted to a fairly considerable amount of money and some of these do not appear to me to be of too great value to the industrial expansion or the agricultural life of the Province of Manitoba.

I don't know whether the Minister has had the opportunity of, I notice the First Minister had a copy of this book before him a moment or two ago and was scanning through it -- it's a study of the resources and industrial opportunities for the Province of Saskatchewan, put out by the Stanford Research Institute of California. Now it does appear to me in all respect to the Arthur D. Little, that this type of a report is more concise and it contains within one volume, a lot of useful information of all aspects compiled into one volume of the industrial, mineral and agricultural potentialities of the Province of Saskatchewan. You will note, Mr. Chairman, that this volume is like the Arthur D. Little works, done across the line by somebody in that great country to the south of us, so apparently they may have the same difficulties as seems to be evident insofar as our department here is concerned, of having a purely Canadian organization that can do this work. This may be one of the answers to the question that I asked in my Order for Return. But it does appear to me, and I haven't studied this -- as a matter of fact, Mr. Chairman, you can see by the largeness of the volume, it would take a considerable amount of study. But as I do glance through it, it does appear to me that the information is readily available, whereas my experience has been with the Arthur D. Little reports that have been made public and available to the members of the Legislature that they are of a leaflet nature, and while of course you can keep them altogether and go through them -- but this type of a report seems to me to be more readable and the information is contained in there of a broader nature.

Now then there were a number of reports and as the Minister of Industry and Commerce indicated that I was concerned with, that I knew were in the files of the department, but he indicated to me that they were of a public confidential nature and I respect that, but I do hope and trust that the members of the legislature will be acquainted as soon as possible with as much of the information contained in these confidential public reports, shall we say, as against the confidential corporation report. I think the Minister, if I recall correctly, did give more or less of an undertaking that would be done as soon as possible.

Now then, in addition to the question that I've raised as to the confidential reports to corporation and the possibility of them being chargeable to public funds, I would like to know the coverage -- and I think this is the correct section to ask this question -- there is quite a comprehensive volume issued by the Department of Industry and Commerce annually called a Trade Directory. It's quite a large volume and I would imagine that it is a rather expensive volume to produce. It lists, as far as I know, all of the manufacturing agencies and the manufacturing agents and this, that and the other. I would like to know if the Minister can give me it without the necessity of an Order for Return through the House -- the general coverage of that particular book and the cost of the production. It may be, Mr. Chairman, that he hasn't it available and certainly I would not press him for it.

It is rather unfortunate that I haven't got -- and the Minister also has expressed his regret -- the Order for Return of all of the questions that I had asked for because we may have been able to expand a little on them at that, had we of had that. However, that being what it is, we'll remain content. But I would like the information, if the Minister has it, on those questions which I have raised at this time.

MR. EVANS: Mr. Chairman, perhaps rather than wait for other questions at this point. The public would pay for these confidential reports only in cases where we hope for an advantage. That is to say, we would hope that a firm could be satisfied that certain conditions existed in Manitoba and which would enable them to come here. It would be, if you like, as an attraction to come here. I can recall reports that were made on the kind of water there is in Manitoba. Its chemical composition; its turbidity, I think they call it -- that's the amount of suspended mud or something or other that may be in it. Other reports to an individual company as to how the temperature of water that might be available at a given plant location would -- what would be the temperature of the water -- if they require large quantities of cold water

(Mr. Evans, continued). . . . for a cooling process, would it be available there in that particular town. — (interjection)— Not, I think, the chemical analysis and the kinds of report that we're talking about. I'm not referring to actual individual reports, but the kind of information that we have been asked for by a given company who doesn't want it even known that they're looking at the province, let alone that they're looking at a given location. And while they have that matter under consideration we don't reveal that they — any information that is put into our hands confidentially, we will keep confidential. If it's merely a request that we do not reveal that a given corporation is even talking to us in the province, we will respect that confidence. They may not want their competitor to know that they're thinking of branching out and we take quite strong measures, and I think we have been successful in assuring people that if they will come to us and discuss their problems and at least look in Manitoba, we will not abuse the confidence. So it's in those ways that we feel justified in spending, not large amounts of money, but some money to provide information to a corporation in regard to its particular requirements, the revealing of which would show to the business world or a competitor that they had certain plans that they don't want known.

The terms and length of the contract seems to have varied considerably over the years. I believe I'm correct in saying that a contract is of one year's duration only, that we contract one year at a time as provided in the estimates, and I think that would fall within the nature of how we do business in the government. You have to provide in the estimates, secure the approval of the committee in the House to spending that money, and then we're in business for another year with them. The contract at the moment is for the amount of \$30,000. In some previous years, as the return will show, it has gone as high as \$79,000 in 1956-7; 1957-8 was \$76,000. There will be times, when such a large report as the northern report is being prepared, when the amount would be very high; and other times when it's smaller as it is at the present time.

I find it difficult to understand the reference that my honourable friend made to reports in the Arthur D. Little series which have been of a nature that couldn't be implemented in the province. Now the kind of reports that we have is the feasibility of new iron and steel capacity in the Province of Manitoba — they have an iron and steel plant in Saskatchewan; metal working opportunities in the Province of Manitoba — we have a good metal working industry here; survey of agriculturally-based industrial opportunities in Manitoba; opportunities for the manufacture of cutlery; opportunities for alfalfa dehydration; textile and apparel manufacturing opportunities -- of course we have a very large industry here in that field; plastic moulding; hand tools; aluminum extrusion; plastic extrusion; metal containers: the list again is long, and will be given in the report itself.

My honourable friend hasn't mentioned any particular reports that he thought were not practical for the province that were recommended by the Arthur Little Company. I've seen none myself. I think I've read them all and I'm satisfied that they are practical opportunities, from what poor knowledge that I can provide out of my own head, but I have met the Arthur Little people; been through their organization down there; and talked to all their principals who have been interested in Manitoba; and I'm satisfied that they approach it in a thoroughly practical way.

MR. PAULLEY: Mr. Chairman, that one of them that I had in mind was one of the reports that my friend has referred to in connection with the iron and steel. Now it seems to me, if I recall the report correctly and I must confess that I haven't read it for two or three years, that there was reference there to some feasibility or possibility of the development of some very low grade iron ore which was suspected to be within the province, with the object in view of having it refined and smelted and eventually processed into steel. My friend mentioned the fact of the steel plant in Saskatchewan. It's my understanding that it sort of developed into more of a structural steel or akin to that rather than the development of the natural resource of the raw product itself. I think that, as I recall correctly, it seemed to me at that particular time that with the availability of a higher grade ore such as we have in Canada, Labrador and the other areas, that the possibilities of economical development of the iron ore resources that we have here in the province, it seems that unless the supplies of the higher grade ores in other parts in Canada are exhausted, that the type that I had in mind, if I recall correctly was in that report, are not very likely to be developed. And having said that,

(Mr. Paulley, continued)... I understand that in connection with this sulphuric acid plant that I was referring to a few moments ago, that there had been some consideration or possibilities of the development of smelting some of the ores from Cat Lake or some place like that, and it's my understanding that after tests have been made, that that doesn't seem to be economical at present at least. That was one of the thoughts that I had in mind. Now it maybe and I'm ready for correction at any time, that it may be that I am incorrect in my thoughts on this, but that was the type of a thing that I did have in mind.

MR. EVANS: My honourable friend might feel this is something that might be a little remote. I'm in no position to say, but I think the matter is still under study. The search of course in these areas is for plants small enough to be an economical plant, one that can operate the products, turning out a small enough volume to serve a regional market of this kind. I'm sure that he and I both hope that this will be found and we hope the Little people will be able to help us find it. But with regard to the Saskatchewan report, I'm sure that when we're through with our regional development program we will have studies -- now as I scan this over very quickly as my honourable friend handed it to me, that is the Leader of the House handed it to me, and I see the kind of subject matter that is dealt with, I hope that we will have reports of this character, perhaps not as big in each case, on each region in Manitoba; that we will be able to go in in detail and pinpoint - "there is an opportunity", and that the studies will be of such cohesive and limited areas that we will be able to pinpoint actual opportunities and we'll have then the Regional Development Association in being, the Community Development Corporations themselves in being, able to raise their own funds and help to finance and establish opportunities that would be revealed of this kind. My honourable friend was good enough to mention this report to me a short time ago. I had hoped to be able to read it in the meantime but events have crowded in on me and I haven't been able to.

MR. CHAIRMAN: 4 (a) passed (b)....

MR. SCHREYER: Mr. Chairman, I have a very brief question here. It might not properly come under this item, but because it's so brief I hope the Minister might answer it. I notice on page 7 of the report that 55 new industries were established in the province in 1958, and I would ask, how many of these 55 were established outside of the Greater Winnipeg area?

MR. EVANS: Did my honourable friend say 1958? The figure I have here is for 1959 when 53 new industries were established, 42 of them being in Winnipeg and urban areas; 11 in rural Manitoba.

MR. SCHREYER: Mr. Chairman, would the Minister have the employment potential, the employment figures as well?

MR. EVANS: I'll just see. No, Mr. Chairman, I regret I haven't the employment opportunities in those particular groupings.

MR. HAWRYLUK: Mr. Chairman, just to follow that up. Of those 53 industries, how many of those were more or less assisted by the Development Board?

MR. EVANS: Mr. Chairman, my honourable friend has asked me to isolate which of these particular industries were helped by the Manitoba Development Fund. I wouldn't be able to answer the question in that particular way. I can give the number of industries, whether these or others, that were assisted by the Development Funds and the employment opportunities created in those, but they would be for different periods. These are for the calendar year 1959 and the Development Funds statistics are for the period March 1st, 1959 to February 15th, 1960. Well being for two different periods I would not be able to isolate which of those received assistance.

MR. CHAIRMAN: No. 5 - Office of Agent-General (a) Salaries - passed; (b) - passed; Resolution 78 \$24,635 - passed. No. 6 - Travel and Publicity Branch - (a) salaries - passed.

MR. PAULLEY: Did we pass the Agent-General? I'm sorry. I wonder if the Minister could give us, and he may not be able to and I can appreciate that the question that I'm going to ask may be one that he can't say "yes" or "no" or "how many" or "howfew". I note with interest his reports on page 17 in reference to the Agent-General in London that has been in effect for 3 1/2 years. I wonder if there can be pinpointed any particular industry or industries that have come to Manitoba through the direct efforts of the Agent-General in the old land.

MR. EVANS: Mr. Chairman, in the sense of being able to say well, the following companies were brought here through the efforts of the Agent-General, "no"; but the Agent-General

(Mr. Evans, continued)... has performed services and valuable services for a number of corporations which have come -- (interjection) -- That's right. It isn't as though the Agent-General can go out with an order book and sign up an industry and then send the duplicate copy in to head office and we add it up, it simply isn't done. But within his activities for 1959 his contact was made with about 50 United Kingdom and European firms to interest them in Manitoba. The development opportunities promoted included glass bottle plant, a frozen food plant, paper mill, construction plant, building products plant, bakery products plant, and gypboard manufacture. And then his activities included drawing to the attention of the people concerned, the opportunities revealed in the northern report; opportunities for property development and giving market assessments; and technical information on processes, for example, in the availability of equipment secured for the department on sulphuric acid plant, potato powder, strawpaper and calcium carbonate plant. Then there was assistance to Manitoba farms desiring contacts in England, and a number of Manitoba businessmen were assisted. Now we can't claim that the Agent-General did it, but he assisted Manitoba businessmen when they went to the other side and did, in fact, make valuable contacts to them. Most of the results that flow, I think, from the entire department and the Agent-General as well, are private arrangements between two contractors. The two business firms are put together; they say "thanks very much" to us; and we leave. But what the results are is known only to him. -- (interjection) -- That's right, we get no commission.

MR. SHOEMAKER: Mr. Chairman, I understand that there are grants available to towns or Chambers of Commerce throughout the province for the setting up of in-travel information offices or travel information bureaux. I wonder if the Minister could outline to us what are the provisions of the grants?

MR. EVANS: Mr. Chairman, the grants are generally given in locations where we feel it's advisable to have tourist information available, but where we have no government office to handle it. One exception in that regard is the City of St. Boniface where service is provided in the French language. The grants have been issued in the past year as follows -- or perhaps it's the provision for the next year. Mr. Chairman, I haven't the -- at least I didn't turn up the list that I thought I was going to find. They're limited I think to not more than five or six cases, and as I recall them, there's Portage la Prairie, Morden, The Pas, and a number of others and I forget them. It's usually a grant to the Chamber of Commerce to assist them in providing information for tourists during the summer season.

MR. SHOEMAKER: Mr. Chairman, perhaps the Minister could get the information for me and let me have it because I do know that at Neepawa, in 1960, we are planning on setting up such an information bureau, providing the grants are large enough.

MR. SCHREYER: Mr. Chairman, I'd like to raise a point which in a sense ties in Item 5 and 6. I notice that on page 17, the last paragraph of the report of the Agent-General states that "in addition to the industrial development activities the London office was active in publicizing Manitoba generally." Now I can understand the Agent-General in London doing a good job with regard to industrial development promotion and advertising, but I'm wondering how good a job can be done there with regard to promoting or advertising the province generally, when I heard from people who were over there that the general condition of the building in which the office is located is not very, shall I say, not very up to par. And also I was told by these persons that were there that the kind of literature, advertising posters, pennants, etc., were outmoded and generally were the kind that the Madison Avenue boys wouldn't approve of, perhaps it is the best way I can put it. And I'm not really asking questions so much as suggesting to the Minister that it might be worthwhile to look into this to see if indeed we are putting our best foot forward in publicizing the province generally.

MR. EVANS: If the honourable member has heard any reference of that kind, we will check on the posters and the literature available. We welcome any opportunities to check up on this sort of thing and I thank him for drawing it to our attention. I think he might read further in the last paragraph on page 17 with regard to publicizing Manitoba generally. "The Agent-General attended a wide variety of business and association functions and here addresses were made; films about Manitoba were shown; and descriptive literature of all kinds was distributed." I do know that Mr. Armstrong is an accomplished speaker. I've heard him and he makes a splendid impression on an audience. The films that we have for distribution are

(Mr. Evans, continued)... effective in my opinion. I don't know whether the honourable member has had a chance to see, "Look at the Centre", or there is one other industrial film; there's one on agriculture; and there are several now on Manitoba as a travel summer tourist resort. They're first class films; they get a good circulation in the United States; are well received there; and he will have shown those films overseas as well. But certainly we want to take note of anything that needs checking up and I can assure the honourable member we will check it up. Now by carrier pigeon I have the information that the advertising section grants for the tourist offices included Flin Flon, Cranberry Portage, The Pas, Portage la Prairie and St. Boniface.

MR. MOLGAT: Mr. Chairman, I just want to ask here about some of the grants that are given. Now those were discussed earlier in the session under the estimates, as I recall, of the Treasurer - or the Executive Council. I noticed at that time there were no grants.....

MR. CHAIRMAN: This is under 6, is it?

MR. MOLGAT: That's correct. It's under Travel, No. 6. Yes, the grants I want to discuss has to do with the tourist industry and that's the reason I'm bringing it up now, Mr. Chairman. I noticed at that time that there was no grant for the Winnipeg Summer Theatre, the one that operates at the Rainbow Stage in Kildonan Park. Now it seems to me that here is one tourist attraction during the summer period in the City of Winnipeg which should commend itself to this department insofar as the attraction of tourists to Winnipeg proper, and thereby to the province of Manitoba. I understand that this voluntary group has been operating now for a period of five years and have shown very substantial progress. In 1957 they had 37,000 in attendance; in '58-, 46,000; in '59, 55,000; and it's a purely non-profit organization. The City of Winnipeg, as I recall it, built the Rainbow Stage; the City of Winnipeg give a grant of something in the order of \$8,000 to the theatre; but also collect the rental of approximately \$4,000 for the use of the stage. Now last year there was a check taken on the number of tourists attending the various shows put on by the Rainbow Stage, and while it was impossible to check on every individual, it would appear that there was something like 1,100 out-of-province cars in attendance there. In addition, of course, there would be I imagine a good number of tourists going with friends from Manitoba in Manitoba cars. There were as well, chartered buses from outside the province taking tours to there. I understand for 1960 that they already have requests from three or four convention groups for the dates of their shows, each convention group wanting to settle on their own dates here so that at least one evening can be spent out there by their groups. So I would strongly urge to the Minister that in the setting up of the grants that this is one group that fits in perfectly into the tourist promotion in the province and would help draw further tourists to Winnipeg and to the Province of Manitoba.

MR. EVANS: Mr. Chairman, I'm glad the honourable member has mentioned this fine group. It doesn't fall within the orbit of my estimates so I wouldn't be able to provide any information on it.

MR. SHOEMAKER: Mr. Chairman, I note that the tourist industry has now reached approximately 35 million or slightly over that, and we're spending something like \$265,000 on advertising, publicity and publications. I'm wondering if this is comparable to the other provinces or to the other states. Are we spending enough money on it or are we spending too much? In looking at page 24 of the Annual Report that is before us, it lists the number of foreign automobiles entering Manitoba from the United States; and it's interesting to note that there were 5,279 automobiles that entered Manitoba from the United States, but it's also interesting to note that 75% of them came from two states, Minnesota and North Dakota. Now it appears to me that likely they would come anyway, and I'm wondering if we're advertising in the right quarters or what can we do to attract more tourists from other states? It's quite true we have a healthy number there from the two states, but what about the other 46 states? What can we do to get them here? And too, what can we do to attract more tourists here in the winter months? I know that we've got two strikes against us as a tourist province to start with and the weather is bad. We've had a nice winter this year though and perhaps there's something we could do to attract more tourists, number one, and more tourists from some of the other 46 states to the south of us.

MR. CHAIRMAN: I wonder what we can do to bring Perry Como here?

MR. SCHREYER: Mr. Chairman, on page 19, with regard to the information display booths set up at the seven American cities, I would ask the Minister what cost was involved

(Mr. Schreyer, continued)... in setting up these display booths? And then, too, this might help the Minister answer the question raised by the Honourable Member for Gladstone, that if one looks at the seven cities listed on page 19, and then turns to Appendix D on page 24, he will notice that the correlation between the two is very, very significant. The seven states in which the cities are located also happen to be the seven of the eight highest states in regard to automobile entrance.

MR. EVANS: My honourable friend from Neepawa has asked whether we're spending enough, too much, or too little. We put the figure down where it is because we think it's about right. We have, and I don't mean to be facetious, we have the advice of professional advertising agency that makes the travel business a specialty. They recommend the program to us and we have our full chance to discuss it, criticize, change it and get all the advice we can but, generally speaking, we follow his advice and we have found it to be good. The particular feature of the plan that we're following now is a concentration on our natural market area consisting particularly of Minnesota, North and South Dakota, Iowa, Wisconsin, Illinois, Kansas, Michigan, and Nebraska. That is the area that we are concentrating on and from which we get a very large part of our business. The cost of the individual sport shows is \$12,000.

MR. PAULLEY: Mr. Chairman, I would like to ask the Minister a question or two in connection with this department, based on the report of the department on page 18. The Minister also touched on it, that we have a very excellent advertising campaign organization. I take it by that that this is a commercial firm dealing with advertising and promotional activities. I'd like to know from the Minister, because I don't presume they handle all of it -- I think some is done, is it not, within the department itself or originates -- I'd like to know from the Minister who the firm is. Are they paid a retainer for their work? Or if not, do they undertake the actual publications themselves or just allocate them around? Who it is, and whether or not it is the same firm that did it under the former government? I'd also like to ask the Minister on what basis are news releases and publicity items distributed? Is it based on the coverage of the various newspapers and publications? And I might answer my own question to some degree at least in this, Mr. Chairman, because I noted that on page 22 of the department's report, there is listed a considerable number of weekly publications and daily publications in the province (interjection) yes, I notice Transcona is listed with a total of 40, but the point that I'm getting at is it seems to be that there's a little discrimination against the Free Press here. Now it's my understanding that the Free Press has a broader coverage than the Tribune, and yet looking at the number of news releases from the department, the Tribune has 395 as against 391 for the Free Press. Now to my understanding there is a greater coverage in the Free Press than there is in the Tribune and I'd like...

MR. EVANS: I think I might straighten my honourable friend out on that one.

MR. PAULLEY: Yes, that's why I'm asking the question.

MR. EVANS: They've received equal news releases but these are the number that each used in their news columns.

MR. PAULLEY: Well then possibly -- are these news releases of the paid advertising? Oh, they're not... they're just what comes out of what I called the other day, the Propaganda Sheet -- oh, I see. Oh well then, there is my answer. I wasn't aware of that. I thought this referred to paid advertisements. But I would like the answers to the other questions.

MR. EVANS: The advertising agent is the one who deals with the paid display advertising which is inserted in publications. They are Dalton K Campon Associates of Toronto and they are paid by a discount which they receive from the publications. An advertising agency generally works on a 15% plus 2% in some mysterious way, of the value of the advertising inserted in the publication, which discount they receive from the publication, so that they are not paid directly on the paid advertising by the government. When it comes to the publications themselves, the pamphlets and circulators and other things that are printed, they may be done -- some of the design or layout may be done with the advice of Dalton Campon and Associates, in which case an extra fee would be payable. It's a fee on an hourly basis, not a large amount. The printing and plate-making is almost completely carried out in Manitoba and those contracts are let in competition just as any other printing contract is let in the province. I think there are no implications in this for travel shows, for the sport shows or any of those things. They are -- we don't employ an advertising agent for that purpose.

MR. PAULLEY: Is this the same firm that formerly did it for the former government?

MR. EVANS: No, this is the firm that did it last year that brought to us what was called the split-run. They had the agency for Nova Scotia, -- New Brunswick and they were able to sell to New Brunswick the eastern circulation of such magazines as the Post and other nationwide magazines in the United States and sell us the western circulation and that was competitive advantages that they brought to us for the first time. So they were selected last year and we have continued with them.

MR. PAULLEY: Mr. Chairman, this arrangement and this firm than it was previously under the arrangement of the former administration?

MR. EVANS: Well, for the same -- this split-run advantage is very much cheaper. We have a larger and more -- a campaign with more impact and a larger amount of money is being spent for a considerably larger circulation. I can't say what my honourable friends would have done under the same circumstances, but certainly we got our plans executed more cheaply by this means.

MR. FROESE: Mr. Chairman, in advertising of this kind, what are we trying to sell, as Manitobans? Do we just sell or advertise the recreational part, or is the industrial and agricultural part also stressed in advertising of that sort?

MR. EVANS: In tourist advertising we are advertising on the theme of the family vacation in Manitoba, and for that reason we concentrate on an image of the family together on a beach or going boating together or whatever the case may be. It's largely confined to the recreational areas, the summer resort areas. And my honourable friends talked about winter resort in the province. I'm trying to fight a one-man campaign about talking about Manitoba's weather as being one of the chief assets of the province. Now I hope my friend won't let me down, because if we start talking about the weather in Manitoba in positive terms and tell all our friends about it, we'll have them coming here, wanting to be here, I'm rather more than a little serious about that. We have the start of a good winter recreation industry in the province. I foresee a very considerable growth and a rapid growth for it. I've been down to Falcon Beach and tobogganed up and down the slopes there. I saw yesterday that ski tow being used to its maximum capacity. There were I think 400 tags, or whatever they are, sold for use of the ski tow yesterday and everyone assured me that was about the practical capacity of that tow. It couldn't have towed any more people in a day than it did yesterday. It has been a big success and I think we can hope for, not a gradual, but a good extension of the winter recreation industry in the skiing and tobogganing industry in Manitoba.

MR. SCHREYER: I would take it from the Minister's word that the firm that is doing the -- the ad agency that is doing this work for the province is employing the latest advertising techniques. The Minister himself uses the word 'image'. Now the question I ask though is, why, or is the Minister satisfied that this is the best approach, to create the image of Manitoba being the ideal family recreational area. I think that, well we aren't sure, at least we're not very sure that Manitoba isn't the kind of recreational area where a lot of Americans would come up on their own, that is to say bachelors -- not bachelors but come up here stag-- do I make myself clear? -- Up to our northern wilds to engage in fishing, hunting and so on. Now could the Minister tell us why they're trying to sell the image of the family recreation aspect rather than the one of the brawny, burly male fishing in one of our northern streams.

MR. ROBLIN: When my honourable friend has reached that stage of married blessedness to which I have ascended, he will know the answer to that question.

MR. MOLGAT: Mr. Chairman, when I was asking the Minister earlier about the grant to Rainbow Stage, I realize it doesn't come directly under his department but I do think it's an important tourist attraction and I would appeal to him to put pressure on his estimates, the man who does control the grants for this particular field, because I do think it is a worthwhile project. I was pleased to have the Minister speak to us about the development of winter ski and recreation facilities in the province, and in this regard I will also appeal to him to use his best efforts with regards to the Riding Mountain ski development. As he knows, it is now at an absolute standstill. A fair amount of money was expended by the Federal Government last winter under winter works projects in clearing a road into the area and clearing the slopes. Since then nothing more has been done. This winter there's no work going on; the Federal people have ceased all their activity there. It means that whatever money was spent last year is almost

(Mr. Molgat, continued)... gone to waste. It certainly cannot be used. It's an investment with no purpose as it stands right now. Furthermore, the runs that were cleared and the road in are growing up again with underbrush, and unless work is commenced again in the very near future, it will have been a total waste of money -- whatever has been done to date. So I would appeal to him to use his best efforts with the Federal Government to see to it that this project is continued. It would not require a great deal more expenditure to at least get it to the point where people could use it on a voluntary basis, even if there were not tows, and all the remainder of what would make a truly complete winter resort, at least that it could be used. We are very anxious in that area, and I think this is important to all of Manitoba, that this project be continued. It is recognized, I'm no ski expert by any means but by those who are, as the best ski slopes between the Lakehead and the Rockies and it's an asset which would be of tremendous value I think to Manitoba winter sports. It could bring in tourists from the northern states, in particular. We can hope in the future that it may even be the site of some of the championship ski tourneys and so on because the area is very suitable. But as it stands now, no work is going on. I appreciate it is not the responsibility of this government, I know that, but I would appeal to the Minister and to the government to put all the pressure they can on the Federal Government to get on with this job and get it completed.

MR. EVANS: called on the Honourable Eldon Hamilton in Ottawa expressly for the purpose of urging that this be carried out. I will continue to press it on him.

MR. SCHREYER: Mr. Chairman, if my question sounded facetious I didn't mean it that way. I am serious. I'm wondering why the Minister stated here that the ad agency is trying to impress upon the American reader, the potential tourist, the image of family recreation facilities here. -- Interjection -- I beg your pardon, sir?

MR. ROBLIN: Do you ever read the Field and Stream?

MR. SCHREYER: Yes I do occasionally.

MR. ROBLIN: Well then, in almost the latest number they had a wonderful article about the he-man fishing in Manitoba.

MR. SCHREYER: Well.....

MR. ROBLIN: There's lot's of that.

MR. SCHREYER: I shall sit down then.

MR. EVANS: Mr. Chairman, I hadn't meant to slight my honourable friend. We believe that much of the recreation accommodation that we have in the province is of a type suitable for families. We believe that these are - we know that these are the kind of people who are coming to the province looking for vacations and we think that that is the best line to develop for the present time. My honourable friend will also find that a very considerable coverage is given to us in the sports magazines about sport fishing and sport hunting in Manitoba. We're developing that line, but there are far more people with families, each one of them able to spend or do in fact spend more money than the average fisherman who comes for a short time and goes away.

MR. CHAIRMAN: Resolution 79 - passed.

MR. WRIGHT: Mr. Chairman, in regard to this grant of \$20,000 that's given to the Manitoba Travel and Convention Association. Inasmuch as we have our own Travel and Publicity Branch I would just like the Minister to explain just how we get our \$20,000's worth of publicity by giving it to the Convention Association rather than spend it through our own department.

MR. EVANS: Mr. Chairman, I'm very glad to answer a question on this because the work of the Manitoba Travel and Convention Association has been outstanding on handling the work that has been given them to do so far. The object in bringing this association into being was to form one association in which we could invite participation by everyone concerned with the tourist industry, and when you think of the business community, there's hardly anyone who isn't. When you think of the obvious ones like the motels and the restaurants and the hotels, etc.; then you come to the oil and gasoline people, obviously interested; then the retail organizations, they benefit from tourists; and so it goes with almost every class of business including the farm that does provide the food that feeds the tourist while they're here. And so we brought into being the Manitoba Tourist and Convention Association. They had hardly got into being when the Royal visit descended on us and they handled the publicity that was put out at that time; arranged for a number of the mayors and other officials of American states and

(Mr. Evans, continued) cities to come here; they organized a reception for them through the courtesy of the Great West Life across there; arranged for places for them to stay; and entertained them while they were here at that time. At the same time they arranged billeting facilities for people who were not able to get accommodation in hotels and motels during that period.

I think I would like to take this opportunity to say just a word about the great amount and skill of the work that's been put into this by the officers of the association. Mr. Maitland B. Steinkopf, who is a barrister of Winnipeg and also an industrialist himself, has given up days and days of his work to be able to organize and help out with this association, and I feel that the province owes him and his associates a very warm vote of thanks and appreciation for the kind of work that they have done. Now the present - oh, and I should mention also as honourable members will have noticed, the organization that was put into the Manitoba float in the Grey Cup parade last year, which was the responsibility of the Travel and Convention Association. Now their principal endeavour at the moment is to organize their membership, which is now somewhere between 1300 and 2000 I believe, of what they were called the original members, and they are pushing ahead with the convention department. It does not seem quite right for a government department to be in the business of trying to sell organization on the idea of bringing their particular convention to Winnipeg and then looking after them -- Winnipeg or other parts of Manitoba -- and then look after them after they get here. Things that have to be done would include booking of hotel rooms, arranging of advertising, favours for the table, other services in connection with the convention itself, the provision of loud-speaker equipment and so forth and so on; then organizing programs for the ladies or wives if they come with the convention. That kind of work seemed to us better handled by a separate organization than by a direct government department. These campaigns to sell the idea of coming to Manitoba with a convention must be sometimes as long as four or five years in advance because many of the important organizations are booked that far ahead for their conventions and, conversely, much of the first-class hotel accommodation even in Winnipeg is booked a year or two or sometimes longer ahead, and so we thought it was better to have this work carried on through a private organization which could then attract to itself a very much larger sum of money by going to their own members and getting subscriptions. The grants that have been given so far as to enable, first of all, the work that has been done to be carried on; and secondly, to establish the organization and let it get into being and raise its own budget.

MR. SHOEMAKER: Mr. Chairman, the staff that are employed at the 16 ports of entry in this province, are they a provincial or a federal responsibility?

MR. EVANS: The ones in the customs service you mean? They're of course federal. Yes.

MR. SHOEMAKER: Well it seems to me that we as Manitobans are lacking greatly in extending a warm hand to the tourist. I have travelled quite extensively in the United States, through 46 of the states down there and I'm simply amazed at the welcome hand and the hospitality that the people south of us extend to us, as Canadians, and I don't think that we are reciprocating in the right manner. I think that we can start right with the customs officers, if you like and all the way down. I think that the customs men should be trained in public relations and extending a welcome mat to the tourists. I think the business men should be trained and it should be impressed upon them the fact that we are not extending the welcome hand that we could; and the public by and large, I know that, as I said, I have travelled extensively in the States and that's one of the reasons I like going back, is because that you know that you're going to be welcomed. I would like to see this province put on an educational program of this kind, just stressing the very important part that public relations plays in this end of our tourist industry.

MR. EVANS: We are paying attention to this program and will continue to do so.

MR. CHAIRMAN: Resolution 79 - passed. 7 - Civil Defense.

MR. EVANS: Mr. Chairman, I would like to make a statement on this very important and large field of civil defence, a field in which anyone must enter with very mixed feelings of responsibility in the first place, and of puzzlement to a certain extent as to what might be done. Nevertheless, we have come I think in Canada to a reasonable plan of organization and one which I would like to outline now for the information of the members. During the past year, 1959-60, Manitoba Civil Defence has been largely reorganized, not in the sense of scrapping what has

(Mr. Evans, continued) . . . been done in the past but of taking the elements and regrouping them in line with the practical nature of the arrangements that must be made. There has been established in Canada a warning system which may originate at any one of the radar lines which stretch across the north of the country; the DEW line, the Mid-Canada, the Pinetree, or from picket ships which exist in the Atlantic and the Pacific, or from airborne radar which is, as I understand it, airborne a considerable part of the time, if not all the time. All air intelligence originating at any of these agencies is funnelled through to the federal warning centre at Ottawa and the provincial warning centres in each of the provinces of Canada. At the federal warning centre, the control officer will refer to the Prime Minister any air penetration which seems to constitute a threat. The Prime Minister will make the decision as to what kind of warning or what condition of warning is to be given to the public; and once the condition of warning has been authorized it will be passed on the full-time teletype circuit, which is maintained by the federal warning control system, and will be passed to all the provincial centres, and other intelligence information will be passed at the same time.

Now these warning centres, both the federal and the provincial, exist now; are manned now on a 24 hour basis; the teletype circuits are in existence now and are operating. The army in Winnipeg have established a provincial warning centre which is equipped, staffed, and is operative 24 hours a day. On receipt of a federal alert, information will be passed by the provincial warning centre to all of Manitoba using the armed forces communications, radio broadcasts, sirens, and telephone fan-out -- arrangements in that connection being made with the Manitoba Telephone System -- but before this fan-out occurs, or before these warnings are passed within the province, the Premier will have been contacted and the appropriate Ministers will also be contacted and arrangements made, either by way of tape recordings or by the Minister concerned, or the Premier, for a voice contact with the people almost instantaneously with the warning coming from Ottawa. Now it is extremely difficult to control the warning system on a purely provincial basis because radio stations in one province can easily be heard in others and it will not be possible to guarantee that the first voice to reach them in Manitoba will be that of the Manitoba Premier, but every effort will be made to exert that kind of control.

By Order-in-Council \$656, four government departments have been assigned civil defence powers, duties and functions within the Federal Government. The details are here but I will just name the departments. There is the Department of National Defence, National Health and Welfare, Justice, and the Prime Minister's office through what is called the Emergency Measures Organization. The task of planning for emergencies, both peace and war, within Manitoba has been assigned to the co-ordinating Director of Civil Defence. It is recognized that all such preparations must be integrated with the efforts of the provincial and municipal agencies as well as the volunteers. For this purpose, the province is being divided into three emergency zones, each with a headquarters capable of functioning as a civil defence area and as an emergency Provincial Government centre. One of the principal responsibilities in planning for civil defence is to take care of the Provincial Government functions in the event of an emergency of this kind, and these provincial emergency centres will be used for that purpose by the government. Office and emergency control centre accommodation has been provided in the agricultural and home-making school at Brandon, and the Manitoba Home for Boys at Portage la Prairie. Contractors are now proceeding with the necessary building modifications and we expect to occupy these premises by the end of the present month. The Federal Government has agreed to pay 75% of the cost of these improvements. Emergency communications linking these centres with other key points will provide the government with functional emergency control within the province. We will have our own emergency communications in the event of an emergency of this kind.

The Government of the Province of Manitoba recognizes that total ordered evacuation of a designated target area is impractical but that a large dispersal, if attack seems imminent, can be expected and should be planned for. The government of the Province of Manitoba recognizes that for large sections of the population which might remain in a target area, some degree of protection may be obtained from fall-out following a nuclear explosion if there are properly constructed personal and family shelters available. Federal Government policy in this regard has not yet been defined. The value of this civil defence planning and training is becoming more evident as our personnel and equipment demonstrate their ability to handle local

(Mr. Evans, continued).... emergencies. Now perhaps honourable members will have noticed that at Neepawa during the snowstorm, the civil defence organization there provided most valuable and timely and efficient assistance to people stranded on the roads. I have the detail of it here but the hour is getting late, and while I would like to pay an extended tribute to them and to another organization in Killarney, as an example, where a civil defence organization there has conducted 57 operations. Many of these have been of a routine nature but one of them at least consisted of rescuing a small child from the upper floors of a burning building, and operations of that kind. But I do point out that the training and the equipment that is put at the disposal of the volunteers has a peace-time use and has already demonstrated a good state of readiness, in at least two cases, and I think more value from this kind of training will be seen as time goes on.

The assignment of certain civil defence responsibilities to the army has led to the false assumption, on the part of many, that the army has taken over and there is no longer any need for civilian volunteers. Well nothing could be farther from the truth. The army's limitations in the numbers of trained personnel and their limitations in equipment will make it necessary for regular provincial and municipal services and trained auxiliaries to support the re-entry operations into damaged or contaminated areas, and for these regular services to resume their normal functions as early as possible after an attack. The need for volunteers to assist in emergency duties will be greater than ever under the direction of the regular services wherever they can be used. These will include rescue workers, radiation monitoring teams, auxiliary police and firefighters, wardens, communications operators, first aid and home nursing, welfare services volunteers. To provide this training, classes are being and will be conducted locally in activities requiring only basic training; and at the Civil Defence College at Arnprior, Ontario, for those key persons requiring specialized instruction.

A good deal of progress has been made in the year 1959-60. Emergency planning with the army, the federal emergency measures organization, and our civil defence staff has made real progress in the past few months. In October I attended a joint Federal-Provincial Civil Defence Conference in Ottawa; in January a week-end study exercise at Fort Osborne Barracks; and on April 1st I shall join the Ministers of the western provinces in a two-day planning conference with the army at Western Command Headquarters in Edmonton. At Brandon and Portage la Prairie we are now establishing zone offices, each staffed by a full time civil defence officer and clerk, and each with emergency communication equipment. These men will assist the municipalities in their organization, planning and training to meet emergency, and will co-ordinate the resources of the government departments in their zones. The municipalities have progressed steadily in organizing for civil defence. One-half of them have organized active civil defence committees, and of these, more than one-half have passed civil defence by-laws.

Extensive training in firefighting was carried out by instructional teams using civil defence fire pumpers. This equipment is based at Brandon, Portage la Prairie and Winnipeg but visits rural points during the summer months. In addition, it may be used for operational firefighting in any part of the province. The civil defence co-ordinator and the provincial Fire Commissioner are working together to extend and improve this training in rural areas. Other types of volunteer training include rescue, first aid, home nursing, radio operation, radiological monitoring, and exercise training in the civil defence welfare services of registry and enquiry, emergency lodgings, emergency feeding, clothing and personal services. The Civil Defence Co-ordinator asked each Deputy Minister of the government if he would name a senior department officer to a government emergency planning committee, and in every instance there was complete co-operation. The appointments have been made. I have met the committee and the work of planning the emergency role of each department has been started.

Those are the main accomplishments to this point and I am leaving out some of the details without, I hope, eliminating anything essential. I feel I should, however, read to the committee, Mr. Chairman, a short statement of policy -- a statement of civil defence policy which has been agreed to by the Provincial Government and agreed to by, as I understand it, many if not all of the other provinces, and the statement is as follows: (a) General - The Government of Manitoba accepts the fact that civil defence and emergency planning are the responsibility of government at all levels; that the cost of federally approved projects being shared 75% by the Federal

(Mr. Evans, continued)... Government and 25% by the provincial and municipal governments. Within this general framework the provincial and municipal governments will remain responsible in an emergency for continuity of government and for the maintenance as far as possible of their usual services. The Government of the Province of Manitoba also recognizes the urgent need for close co-operation with the Federal Government, its armed services, and the federal emergency planning organization, to the end that the effects of disasters of all kinds may be minimized to the greatest extent possible for the protection and maintenance of life and the well-being of the populace.

Provincial Responsibilities -- The Government of the Province of Manitoba accepts the responsibility in an emergency for: (1) the preservation of law and order; the prevention of panic by the use of their own police and special constables with whatever support is necessary and feasible from the armed services at provincial request. (2) Control of traffic on the roads and streets except in areas damaged or covered by heavy fall-out, including special measures to assist in the emergency movement of people from areas likely to be attacked or affected by heavy fallout. (3) Reception services, including arrangements for providing accommodation, emergency feeding and other emergency welfare services and supplies for people who have lost or left their homes, or who require assistance because of the breakdown of normal assistance (4) Organization and control of medical services and hospitals, including emergency hospitals and public health measures. (5) Maintenance, clearance, and repair of highways. (6) Organization of municipal and other services, for maintenance and repair of water and sewage systems. (7) Organization of municipal and other services and control over and direction of these services in wartime, except in damaged or heavy fallout areas where firefighting services would be under the direction of the army as part of the re-entry operations. (8) Maintenance and repair of electrical utilities and the allocation of the use of electricity to meet emergency requirements. (9) Training of civilians as civil defence workers. These responsibilities are accepted on the understanding that (a) specific problems arising from these responsibilities would be the subject of negotiations as required; and (b) the provincial responsibilities could be reassessed and, if necessary, amended after a period of trial.

That, Mr. Chairman, is a very rapid and brief outline of the policy declaration on behalf of the Provincial Government with respect to civil defence and an outline of the progress that has been made in the past year.

MR. CAMPBELL: Mr. Chairman, as the Minister says, the hour is getting late and I certainly have no intention of entering into a debate at this time of night. I would like to ask the Minister though just a couple of questions. I'm sorry that I didn't hear the first of his statement because the Honourable the First Minister and the Leader of the CCF and I were engaged in a private conference of our own, and perhaps he had mentioned this subject at the time. If so, I missed it. Does evacuation in some stages still remain an integral part of the civil defence program? And secondly, has there been any change so far as the federal thinking or the provincial thinking is concerned with regard to the provision of shelters, not necessarily shelters against bomb blasts but against a fall-out? Now those are the -- I'm trying to be unusually brief. Those are the only two questions, I think, I shall ask.

MR. EVANS: Well, Mr. Chairman, with regard to evacuation I think you may summarize it this way, that we recognize that there will not be time for the evacuation of any target area of the total evacuation such as was contemplated even a year or two ago when we discussed plans for civil defence. It is recognized, however, that there is the possibility of a good many people leaving any possible target area somewhat in advance and that should be planned for and encouraged. And particularly a good deal of the discussion we have had at some of these conferences has had to do with the control of panic, because panic might ensue even without an incident or certainly if a bomb fell elsewhere; that is, if a bomb should fall on the bases in the United States or elsewhere on this continent, panic might ensue at once, and it's recognized that as an international situation became more tense probably some encouragement and certainly plans for an ordered evacuation of those people who can leave should be included in the plans.

With respect to shelters, it is considered that there is no protection for the populace against either blast or heat or whatever in the target area itself. Nevertheless, there is a good degree of protection that can be afforded against fall-out, not within the fireball area

(Mr. Evans, continued)... certainly, but within surrounding areas and particularly in the areas down whence wherever the bomb may have hit, and personal and family shelters are to be encouraged by every possible means. The Ottawa authorities at the present time are considering a policy in this regard and nothing has been announced, nothing certainly dealing with any financial aspects of it, but plans are now in being for shelters that can be built in individual homes in the basement which are thought to afford a pretty fair protection against fallout, particularly of the kind that's drifted by the wind.

MR. CAMPBELL: I wonder, Mr. Chairman, if the Minister will have been informed of the program that Governor Rockefeller has in the State of New York. It is reported that he envisages a program of one billion five hundred million dollars, I believe it is, and perhaps it's one billion two hundred million, and I understand that there are some financial assistances available in that program.

MR. EVANS: No, I'm aware of that program. Plans on that subject have not been announced by Ottawa yet.

MR. CHAIRMAN:Resolution 80, \$47,314 - passed. No. 8-Manitoba Development Authority (a) passed; (b) passed; (c) passed; (d) passed.

MR. PAULLEY: Mr. Chairman, this increase I presume is due to the freight rates hearings that are going on?

MR. EVANS: Yes.

MR. ROBLIN: That completes our estimates, Sir.

MR. CHAIRMAN: We haven't called the resolution yet.

MR. ROBLIN: Sorry, excuse me.

MR. CHAIRMAN: Resolution 81 - passed.

MR. ROBLIN: That completes our estimates, Mr. Chairman, and I move the committee rise.

MR. CHAIRMAN: Committee rise and report. Call in the Speaker.

MR. PAULLEY: Mr. Speaker, The Leader of the House mentioned this afternoon about the possibility of meeting Wednesday morning, and I think when we were talking about the curling match he mentioned something about the possibility of having it Wednesday night. That is the evening when we have the reception at Government House with His Honour. I was wondering whether the First Minister has had an opportunity of thinking over the schedule?

MR. ROBLIN: Yes, I'm fertile of ideas today. I now suggest that you meet at 8:30 in the morning.

MR. SCARTH:real players in this House.

MR. MOLGAT: I'm not suggesting that we should stop the business of the House for the purposes of curling, but if the government intends to bring in some major changes in the Metro Bill, I would suggest in all fairness to the House that it would be advisable to maybe have these prepared in advance and give them to the members of the House so that they have some chance of studying them, because this can change very substantially the attitude of certain members with regard to the metro, depending of what the government proposes to do. So it would seem to me that it would be advisable if the First Minister were to supply us with the proposed amendments, say tomorrow, then we would have a day to study them and be prepared to go into them on Thursday. If the changes are substantial, I submit that that's a very reasonable request and one that will expedite a proper consideration of the Metro Bill.

MR. ROBLIN: I'm going to invite my honourable friend to come down and play squash with me one of these days. I think we'd get along famously on the squash court....(Interjection) ...No, he wouldn't qualify.

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

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

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

MR. ROBLIN: Mr. Speaker, I beg to move, seconded by the Honourable the Minister of Industry and Commerce, that the House do now adjourn.

Mr. Speaker presented the motion and following a voice vote declared the motion carried, and the House adjourned until 2:30 Tuesday afternoon.

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