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CHRISTIANSON, John Aaron	Portage la Prairie	86-9th St., N.W., Ptge. la Prairie, Man.
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HUTTON, Hon. George	Rockwood-Iberville	Legislative Bldg., Winnipeg 1
INGEBRIGTSON, J. E.	Churchill	Churchill, Man.
JEANNOTTE, J. E.	Rupertsland	Meadow Portage, Man.
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JOHNSON, Geo. Wm.	Assiniboia	212 Oakdean Blvd., St. James, Wpg. 12
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McLEAN, Hon. Stewart E., Q.C.	Dauphin	Legislative Bldg., Winnipeg 1
MOLGAT, Gildas	Ste. Rose	Ste. Rose du Lac, Man.
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PETERS, S.	Elmwood	225 Melrose Ave., Winnipeg 15
PREFONTAINE, Edmond	Carillon	St. Pierre, Man.
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SMELLIE, Robert Gordon	Birtle-Russell	Russell, Man.
STANES, D. M.	St. James	381 Guildford St., St. James, Wpg. 12
STRICKLAND, B. P.	Hamiota	Hamiota, Man.
TANCHAK, John P.	Emerson	Ridgeville, Man.
THOMPSON, Hon. John, Q.C.	Virden	Legislative Bldg., Winnipeg 1
WAGNER, Peter	Fisher	Fisher Branch, Man.
WATT, J. D.	Arthur	Reston, Man.
WEIR, Walter	Minnedosa	Minnedosa, Man.
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THE LEGISLATIVE ASSEMBLY OF MANITOBA  
8:00 o'clock, Tuesday, March 21st, 1961.

MR. SPEAKER: The question before the House is second reading of Bill No. 20, An Act to amend The Margarine Act.

MR. ALEXANDER: Mr. Speaker, I was hoping when the mover of the bill introduced it first that he would just move it and then say, "Mr. Speaker, I hope that we will take all the speeches in last year's Hansard as read," and I'm sure that we would have had a vote on this subject long before now. Now I'm not going to try and change anybody's mind but I do feel that the introducer of this bill, this time, painted a new picture and made a few statements that weren't made last time, and I think there should be some comment made on them. I think, first of all he intended to promote and paint a picture whereby we had a large dairy interest on one hand and we had all the housewives and the old age pensioners coloring margarine on the other. This, Mr. Speaker, I don't think is really a fair representation of the facts of this case because I feel that we actually have two confliotions of interest. We do have dairy farmers who feel that their income and their livelihood is based on the dairy industry; and, on the other hand, we have people who want to serve a product that imitates and replaces the end product of the dairy industry, mainly butter. The Honourable Member from Wellington went to a great deal of pain to tell us how much trouble and how much time and effort it takes to actually color this product, to color margarine; and the funny thing was that when he said this, he said that if you didn't have to colour it, if it was done at the factory, the consumption of this product wouldn't increase. Well this, Mr. Speaker, I think is nonsense. We base our whole claim on the fact that if margarine is coloured at the factory that the consumption is going to increase, and in direct proportion the consumption of butter is going to decrease to the detriment of our dairy farmers.

In response to a question from the other side of the House, the honourable member made what I feel as one of the most ridiculous statements I've heard for a long time. Somebody from the Opposition side asked him what was the reason for this colouring of margarine. Why colour it yellow? The answer he gave in Hansard, Mr. Speaker, was because it is a more appetizing colour. Well, by gosh, I don't know. I like honey on bread and it is a very appetizing colour. Peanut butter, I think, goes very well on bread and butter and it's a very appetizing colour; and to me there is nothing more appetizing than a nice slice of bread and butter with strawberry jam on it. On top of that, last year, last year we heard from the press that they didn't think orange was a very appetizing colour and I wonder how that affected the marmalade sales in Manitoba. This idea that colour is appetizing is one of the most ridiculous things that I have ever heard. I don't know why they don't admit the truth, and the truth is simply this, that people and housewives and families in this province of Manitoba want to take a cheap product -- and you can get it on sale on specials at times, I think, for as low as five pounds for \$1.00, and if you wait long enough, at least four pounds for \$1.00 once a month -- they want to take this cheap product and they want to put it on the table and have it take the place and imitate a prestige product which costs at least three times as much ordinarily, but they want to say they are serving this prestige product in place of the cheap product that it really is. Because what do they do, Mr. Speaker? They go to all this work, and they go to all this trouble to get this specially appetizing colour of, not any colour of yellow, but this really appetizing, this really delightful colour of yellow to stimulate the appetite, which just happens to be the exact same natural shade of yellow that butter is regularly. They get this colour just down to perfection so it just tastes wonderful in margarine; they get it on the table just so; and then I'm sure all the family says "Please pass the butter".

MR. GRAY: Mr. Speaker, would the honourable member permit a question please? You, yourself have said that we could buy margarine for four pounds for \$1.00 where butter is about 70 cents. That's your argument. Now isn't this sufficient reason for the people of Greater Winnipeg and the workers of Winnipeg, isn't that sufficient reason to buy margarine instead of butter, although they love butter better than margarine?

MR. ALEXANDER: Oh, Mr. Speaker, I wasn't talking about whether this was a sufficient reason for them to buy it. Surely they can buy it, but I was just pointing out the fact that

(Mr. Alexander, cont'd.) . . . . once they have bought this, let's not put it on the table and say "Pass the butter".

MR. FRED GROVES (St. Vital): Mr. Speaker, my heart bleeds for these rural members and the trouble that they must be having with their constituents over margarine. I was particularly touched last year, Mr. Speaker, when the Honourable Member from Lac du Bonnet got up with a handful of telegrams from consumers in his right hand and a handful of telegrams from farmers in his left hand, and said that he didn't know what he was going to do about margarine. He was really on the spot, but all of these have nothing on me, Mr. Speaker, because I'm in trouble with my wife over margarine. She doesn't think that it should be coloured either. I'm afraid that even although I may have to sleep on the chesterfield after this debate is over, that I can't go along with my wife in this respect. I have to go along with my constituents who voted some time ago five to one in favour of having coloured margarine.

Now there's been a great deal of talk these past few days in the House about experts. The government doesn't do anything without consulting experts. We, as individuals, shouldn't do anything without consulting experts. I would like to point out something, Mr. Speaker, that hasn't been said this time in the margarine debate, and that is, that this Legislature about a year ago employed an expert to make a study of the subject of margarine. Dean Wainnes made that study and reported to the Minister of Agriculture, to the House rather -- he made it later to the Minister of Agriculture -- on January 16th, 1960. During the course of this study he received briefs from all of the interested parties and, at the end, he summed up this brief under the heading: "Consideration of the Effect of Colouring Margarine similar to Butter". I'd like to quote just a few of the things that he said in this portion of his report. -- (Interjection) -- Well, I would, but my legs are tired tonight. I don't want to stand up that long. Here he said: "One consequence is that many consumers are unwilling to pay prices they formerly paid for a given supply of butter. It is to be noted that, in the opinion of Mr. Cox, the reduction in restrictions on margarine is only one of the factors affecting the demand for margarine, and that price is considered to be of special significance."

MR. A. H. CORBETT (Swan River): Would the honourable member permit a question?

MR. GROVES: Yes.

MR. CORBETT: That Mr. Cox you referred to, was that the man that was tied up with the Brandon Packers?

MR. GROVES: I'm afraid not, Mr. Speaker. Then he was referring to some correspondence that had been received from the Chief of the Dairy and Food Division of the Department of Agriculture in Iowa, which state does allow the colouring of margarine. In this letter from the department in Iowa it said: "As far as we are able to ascertain, the use of margarine has not hurt the economic status of the State of Iowa, at least not to the degree that we had been told that it would." Then on Page 13, he says this: "There is no significant evidence to suggest that factory colouring similar to butter would have any appreciable effect on the consumption of butter or margarine today, the conclusion being that the factory colouring of margarine of itself will have no appreciable effect, or at most only a slight effect, on the sale of margarine. It follows that factory colouring similar to butter will have no appreciable effects, or at most a slight effect, on the economic status of the dairy and edible oil industries." He ends up with this recommendation: "For the reasons stated above, it is recommended that the ban on the factory colouring of margarine similar to butter be removed."

MRS. CAROLYNE MORRISON (Pembina): Mr. Speaker, I have given this bill on coloured margarine a great deal of thought and had been undecided whether to speak on the debate or not, as I felt my stand on the matter was perhaps well known. However, because of the many petitions and the numerous letters I have received these past weeks from people throughout the province urging me to strongly oppose this bill, and because of the agricultural constituency I represent where the weekly cream cheque means so much to so many people, I decided that it was my duty to say something at this time. I recall and appreciate, too, the Honourable Member from St. Boniface say it would be interesting to hear from the new member. His interest in what I might say probably arises from the time of my election, when the newspapers put much emphasis on what my vote would mean when the Margarine Bill came up at the next session. The press seem to feel that my vote would be the decisive vote. However, Mr. Speaker, I really never felt this was the case, because in a year's time, even a man can change

(Mrs. Morrison, cont'd.) . . . . his mind, and who knows but perhaps several of our honourable members have changed their minds. If so, I hope they have changed for the good of the Province of Manitoba. When I say Manitoba, Mr. Speaker, I'm thinking of the province far beyond my own constituency because there are people almost entirely dependent on their products, on the dairy products, for their living in areas where the land is not suited to grain farming but suited only to grazing cattle. Just think, Mr. Speaker, what it would mean to these folks if their only means of livelihood were reduced to such a low level it would be impossible for them to carry on. It is a foregone conclusion, Mr. Speaker, that if factory coloured margarine was to go on the market, butter sales would be reduced.

Let us not forget, Mr. Speaker, that the dairy industry is one of the oldest industries in this province. It has done more to keep prosperity in our province than any other industry. It provides the staple foods required for the health and welfare of the people, especially the children. Owing to the high cost of farm production and the inability to dispose of their products, the farmers have been finding themselves in an ever-increasing price squeeze. I have had many letters from farmers' wives urging me to strongly oppose the factory colouring of margarine because they feel this would be the last straw, depleting their one steady source of income by way of a weekly cream cheque to such an extent that they would no longer be able to buy those helpful and much enjoyed foods such as raw fruit which look so good, especially to the school children, when they open their lunch kits. I am thinking especially of what we call the smaller family farm, which has meant so much to the general stability of life in our province down through the years.

I would like to remind the honourable members, Mr. Speaker, that the people opposing this bill are not opposing the sale of margarine at all. They are opposing this attempt to make margarine look like butter; to make an inferior product look like a superior product. They feel the consumer is entitled to know what he is consuming. The proponents of factory coloured margarine claim the colouring is needed for eye appeal, and that mixing the colouring is a very messy and tiresome job. Well, Mr. Speaker, I would like to say that when the farmer goes out to the barn on these dark wintry mornings and turns on the lights in preparation to milk the cows, there isn't much eye appeal around him; and for the cleaning-up job, as I remember life on the farm, it takes the farmer much of the forenoon to do the clean-up job, because I have never yet heard of a vacuum cleaner that was invented to do it up quickly. Let us remember the lady in the house, with the cream separator and milk pails to wash and clean up twice a day, and then there are those heavy cream cans which have to be kept immaculately clean. Now I ask you, Mr. Speaker, who has the bigger job? The people who colour their margarine or the people who produce the butter.

Let us take into consideration the economic side of the question. In 1960 for instance, Manitoba exported ten million pounds of butter which brought in \$6 1/4 million; while the importing of margarine oil cost the province \$1 1/2 million. Butter contributes a cash income of over \$13 million to Manitoba farmers; while soybeans, the main oil used in margarine, contributes a cash income of less than \$10,000. Also, Manitoba has 60 butter manufacturers, while I believe there are only two margarine manufacturers in the province. Think of the difference here in the unemployment situation.

Making a slight reference to the idea that there are people advised at times by their doctors to use margarine rather than butter, I don't believe it has ever been stated that it should be coloured margarine. At any rate, this is a negligible argument because doctors often recommend various diets, when people have to deprive themselves of many of our staple foods of one kind and another; and I know, too, there are people who cannot digest margarine.

Again I say, Mr. Speaker, it is a foregone conclusion that if margarine was factory coloured there would be a decrease in the sale of butter, and the family cream cheques would be reduced. What would this do to the economy of the farmer and, consequently, to the economy of the Province of Manitoba; because it is a well known fact that when prosperity declines in the rural areas, it very soon declines in the urban areas as well. The proponents of coloured margarine claim that in denying the people the opportunity of buying coloured margarine the Provincial Government is denying freedom choice; but let us remember the granting of freedom of choice depends on whether others are likely to be injured through the exercise of that freedom. For that reason, Mr. Speaker, I find I will have to oppose this bill, and I would ask the

(Mrs. Morrison, cont'd.) . . . . honourable members of this House to give careful consideration before they make their final decision. Thank you, Mr. Speaker.

MR. CAMPBELL: Mr. Speaker, a great many, in fact I think a large proportion of the speeches in this House recently have been premised with the words "I didn't intend to speak on this subject." I can go even further than that and say that on this occasion I had made up my mind not to speak because I think that on every single occasion up to this time, I have spoken when it's been before the House. I thought my views were so well known that it was simply an imposition on the time of the House for me to say anything again, but the only excuse that I can give now is because of the fact that the Honourable the Member for St. John's asked that question about colour. I think the Honourable the Minister of Agriculture and Conservation answered it quite effectively, but I wanted to give an explanation that, to me at least, seems to be a sensible one. I've given it in the House before and I would like to repeat it. I think it can't be too strongly stated that yellow is the natural colour of butter and when, as the Minister of Agriculture said in answer to the Honourable Member for St. John's, there is a little bit of colour added at certain seasons of the year it is only to bring it back to the natural colour and to keep it consistent; maintain that traditional colour throughout the year. That's the reason for colouring because the natural colour is yellow. Now, why is it yellow? There are better livestock men and perhaps women in the House than I, but in this part of the country where we live I am quite sure that nature intended the calves to be born in the spring. Why? Because that's the time when the cows are out in the pasture; that parturition is easiest; that's the time when the flow of milk is at its best; that's the time that, in this climate at least, nature intended the calves to be born. Nature did not intend the cow to give the amount of milk that science and good animal husbandry and good feeding have induced her to give as time went on. Nature intended the cow only to give the milk that was necessary to bring the calf along to where he could begin to eat other foods and forage for himself; that the time of the year that nature intended that process to start, that time of the year that butter made from the cream that comes from that milk is yellow. It's the natural colour.

That's not the only place where the scientists and good animal husbandry people have developed on what nature intended or improved on it, if you will, there are a lot of things that nature didn't intend the livestock population to do. Nature never intended the hens to be called upon to lay 300 eggs a year. All nature intended the hen to do was to lay one clutch of eggs, enough to raise a family for the perpetuation of the species, and to have the capacity to go to work if something unforeseen happened and the nest was destroyed, to be able to lay another one. But what has science and good animal husbandry done? They've brought them along to where they have them laying 300 or so. Nature didn't intend the turkeys and the chickens to be raised on wire all their lives and things like that. We've changed the system. Nature didn't intend the cow to go on producing up to 15 and 20 thousand pounds of milk through the year. Because we've expanded the term of production, because we have greatly increased the production itself, there is a carry-over into the period when the feeds are different and the resulting butter is a different colour. All the reason for the colour -- and my honourable friend from St. John's is apparently getting beaten down by this argument because I can hardly see him now -- all they're doing is bringing butter back to its natural colour. This is its natural colour and, as every speaker that has supported the position that I take in this question has mentioned, all we're trying to do is to protect the natural colour against people who would like to imitate it. It's just as simple as that and that is the idea. We want to protect the natural colour.

Well then, there's one other point that I want to make, and with it I'm through, thank goodness. The other one is this, that people say that this is protection -- protection of an agricultural industry. The farmers, generally speaking, are not in favour of protection. They don't advocate it as a principle; they don't want it in general; but they say this is protection. I say on behalf of the farmers that I would be glad, happy indeed, to see them ask for no protection in this matter or any other if they, in turn, could operate under completely free conditions too. But look what the producer of butter is up against. I'm not sure that these figures are exactly right now because it's actually years since I looked them up before, but I did look them up at one time and I discovered at that time when I was speaking, some years back when I had the great pleasure of occupying the position that the Honourable Minister of Agriculture does now, in the happier days before I achieved another position that was still harder work and --

(Mr. Campbell, cont'd.) . . . . (Interjection) -- Yes, in the happier days for the people of Manitoba too. Here's what I found. From the time that the farmer gets out of bed in the morning and sheds his cotton pyjamas -- including the cotton pyjamas -- puts on his woolen underwear, if he's able to afford it; puts on his cotton shirt which is likely what he's wearing; dresses in his trousers, his overalls, his hat, and puts on the mitts and all the rest and sallys forth to the barn -- as the Honourable Member for Pembina was speaking about a little while -- whether he does it or his wife does it -- and unlike the Minister of Labour I'm not so familiar with the clothes of the other sex if she happens to be doing the milking, but I suppose the story is the same if that farmer is fortunate enough to be able to get his wife to do the milking -- every article of clothing that the farmer put on, every article without a single exception when I last looked it up, was protected in this country. It was either manufactured here or came in with tariff protection. Then when he took up his pitchfork to feed some forage to the cows, because you've got to feed these cows once in awhile, the pitchfork was in the same position. It was in a protected market here. When he took a gallon or two-gallon can, or what have you, to give some oat chop to them or oat and barley or whatever he's feeding, crushed grain to them, it was in the protected market. When he sat down, if he had a metal milking stool -- I didn't check on it I expect it was -- but certainly the pail, the pail was. Now not many people I guess sit on a stool these days and milk into a pail, and I'm not certain of this. My guess is that probably today the milking machine maybe is not protected. The one article that wasn't protected at the time that I looked it up before was the cream separator. Cream separators have been on the free list for years here, and perhaps milking machines are, I'm not sure. The cream separator was the one article that wasn't protected at that time. The milk can that the Honourable Member for Pembina has mentioned was protected. Certainly the truck that he would take the cream to town was protected. And I say that if we could have complete freedom of trade as far as the farmers are concerned, we'd be willing to take our chance along with the rest; but when we work in a protected market where everybody else is protected, we need a little bit at times ourselves.

And so I wanted to make those two points only. No. 1, yellow is the natural colour for butter. When colouring is added, it's only in those seasons of the year to bring it back to its natural colour, and we don't want people imitating it. The folks, who my honourable friend from Inkster speaks about, who are quite properly interested in getting -- guess I'm having quite an impression on him. If I do as well on all the rest of you -- that's a characteristic I have -- and once I get all the rest of you in the same position why I'll quit. The people who want to save money -- that's quite right. We agree with that, but for goodness sake, surely they don't need to trespass upon the colour of butter to do it. And then the other, when people say that we are asking for protection, yes, I think we have to admit that in this case; but we are asking only for a very, very minimum amount of protection as compared to the amount that we have to shoulder and fight against all the time.

MR. PREFONTAINE: Mr. Chairman, the members may not know that the word coloured margarine was brought into this House by the Member for Carillon in 1948, I believe. This House had been called together just a few months after the federal law with respect to the manufacture of margarine had been declared ultra vires of the Federal Government, and the margarine, coloured, was brought into this province by carloads from the east. I was sitting on that side of the House and I had urged on the Premier of the day to act quickly on the matter of coloured margarine. There was no very, very prompt action and I got up in this House and I made the motion that the government should give consideration to passing legislation in order to regulate the sale of margarine in this province and to see to it that it should not be sold the colour of butter. This was the first time that coloured margarine was brought into this House. At that time I had prepared what I thought was a good speech on it. I have spoken many times since then except for the last, say five or six years, because I didn't think it was worthwhile to repeat anything, but some of my constituents are starting to believe that I'm not the same man that I used to be, with respect to this matter at least. I would like to state again that, to me, it would be a sad day for the Province of Manitoba if this bill should pass and if margarine was allowed to be coloured to make it appear like butter. I think it would be a sad day. In all the speeches that I have heard in those years, I don't think none has appealed to me more than the speech we have heard tonight from the Honourable Member for Pembina. A very, very

(Mr. Prefontaine, cont'd.) . . . . nice address that we have heard tonight. It came, I'm sure, from the fact that she has lived with the people in the country. She knows the difficulties that these people have to contend with in order to try and make a living on the farm. Mr. Speaker, I hope it is my last speech in this House and that we will forget for good this margarine question; that nobody will have to make another speech in this House because it will have been killed this time for good.

MR. GEO. W. JOHNSON (Assinibota): Mr. Speaker, I beg to move, seconded by the Honourable Member from Lac du Bonnet, that this slippery colourless debate be adjourned.

Mr. Speaker presented the motion.

MR. ALEXANDER: Mr. Speaker, possibly before you put the question we could ensure that nobody else wishes to speak this evening.

MR. SPEAKER: Does anybody else wish to speak?

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

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

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

MR. CHAIRMAN: Item 7.

HON. GURNEY EVANS (Minister of Industry and Commerce) (Fort Rouge): Mr. Chairman, before beginning on Item 7, I would like to read onto the record. I see my honourable friend from Ste. Rose isn't here, but in answer to a question that he asked: "Was the capital investment of \$132 million made in Manitoba in the two-year period 1959-1960?" The answer is this -- \$132 million of capital investment includes both new and repair investment in construction and machinery and equipment in manufacturing only. It does not include investment in primary industries, utilities, trade, housing, institutions and government departments, etc. That is, it does not include investment in the International Nickel Company at Thompson. Investment in these other sectors in the same two years amounted to approximately \$1,200,000,000.

Then in answer to a question from my honourable friend from Inkster. A limited listing of Manitoba events in the Canadian Government Travel Bureau list of calendar events was noted during July, 1960. A letter to the Canadian Government Travel Bureau from this department received immediate response and their complete co-operation in the future is assured. Questionnaires are mailed out from this department to all known sponsors of events scheduled for Manitoba, including all service clubs, Chambers of Commerce, etc. The department publishes its own list of coming events in Manitoba which is mailed to numerous points in Manitoba and to thousands of visitors coming into the province. The last issue of events printed by the Canadian Government Travel Bureau has five full pages devoted to Manitoba coming events. This compares with four for Ontario and three for British Columbia. It may be that some dates are not listed in this issue, as listings had to be in Ottawa in December and some dates for this July were not available. A new issue will be forthcoming very shortly with a complete summer listings included.

Now turning, Mr. Chairman, to the subject of Civil Defence, there has been a year of progress and I think we are seeing the outlines of workable plans in most of the areas of responsibility in this connection. The province has been divided into three civil defence zones, each one manned by a civil defence officer and a secretary; and having at his disposal a station wagon, radio, and his own power source in case the normal source of power fails. We are organizing within those zones, say, emergency centres. Not in every town but in 43 selected centres in the province. Twenty-one of these have now been organized and have their own by-laws and we're proceeding with the work of organizing the remainder. In the government departments, that is the departments of the Manitoba Government, a senior official has been appointed as a civil defence officer in each department and in the utilities. All have been trained either at the Civil Defence College at Arnprior or by the staff of the Emergency Measures Office resident here in Winnipeg.

In the matter of communications, there is a radio marked "Cory CH-16, Kelly Receiver", it's called, in each of the zone offices -- in the Manitoba Government Air Service office at Lac



(Mr. Evans, cont'd.) . . . . du Bonnet and also in the forestry service network — and so we have a good coverage on an emergency basis, by radio, of the entire province including the north by this means. At the moment, teletype is being installed and I think, as now, the installation is complete between the headquarters here in the Norquay Building and all the zone headquarters, that is to say, Portage la Prairie, Brandon and Dauphin.

Honourable members will have received copies of the Emergency Flood-fighting Plan which is considered to be a practical and workable plan for handling a flood emergency in the province. The committee will have noticed that an Emergency Measures Officer has been appointed — the title is Emergency Health Services Planning Officer -- has been appointed and his duties are to plan not only for a war emergency or for an atomic explosion, but to include planning for civil disaster. His work includes planning for the handling or even the evacuation of provincial and municipal hospitals in the case of either a civil disaster or a war disaster.

I'd like to indicate that nine fire schools were held throughout the province through the co-operation of the Provincial Fire Marshall, these schools having been held at Carman, Gimli, Erksdale, St. Anne, Treherne, Neepawa, Virden, Beausejour and Transcona. It's planned to expand this fire training operation to include voluntary firemen throughout the province, and for this purpose one of the fire pumpers will be converted to an instruction unit; will be equipped with clothing and equipment for the training of ten students at a time; and will move about the province conducting fire instruction classes. At the same time, and moving with that fire instruction unit, there will be a rescue training unit, also in co-operation with the fire marshalls and the municipalities, to give volunteer firemen and the fire department that exists now further training in rescue operations which will be helpful to them in their civil duties as well as being useful for planning for a war emergency.

In First Aid, the St. John's Ambulance Association have trained 769 persons during the year and, in addition -- that's in First Aid operations -- and in addition, 199 people in home nursing. Welfare courses have been established in connection with the municipalities in emergency clothing, emergency feeding, emergency lodging, and registration and enquiry operations that they may be called on to perform in the event of either kind of an emergency.

I should refer to the federal exercise "Tocsin" which took place in May of 1960. On receiving the warning, the headquarters at Fort Osborne Barracks was manned by myself and the Co-ordinator of Civil Defence, representing the Civil Defence Operations, and representatives of all the provincial departments. I think I'm right, from memory, in saying that the headquarters was manned at Fort Osborne Barracks by our contingents in 26 minutes from the receipt of the warning. During that exercise, communications were conducted entirely by wireless to the zone headquarters and within the zones. In this connection we had the closest co-operation of the Manitoba Amateur Radio Operators -- the hams -- who netted in with our sets at the zone headquarters and were able to relay messages to the municipal headquarters and other people who should be notified within each of the emergency zones. This exercise, particularly in the communications field, was successful and we appreciated the co-operation we had. I would like to pay a tribute to the mayors and the reeves and the councillors of the municipalities and towns and villages throughout the province. A good many of these have received training. Twenty were invited to Brandon where they observed the conduct of the exercise "Tocsin"; 14 mayors and reeves spent four days at the conference in Edmonton; 30 have gone to the Canadian Civil Defence College at Arnprior; and, quite recently, all the senior officials of Metro Winnipeg met at a conference at the Fort Garry Hotel in Winnipeg. Equipment is becoming more complete. In 1960 two additional rescue trucks were purchased, providing a fleet of six mobile rescue units. These are located at Winnipeg, Portage la Prairie -- the Portage la Prairie unit is being moved to Dauphin to put a unit in the northern zone -- Killarney, Brandon, Steinbach and Selkirk. These rescue trucks and four fire pumpers located at Winnipeg, Portage la Prairie, Brandon and Dauphin have now been turned over to the province by the federal authorities. They're located in rural areas for two reasons: to assist in the instruction and training courses that are in operation; and also to have them in dispersed situations in case there should be an atomic attack.

During the year the stores under provincial control, stores for civil defence purposes, were dispersed throughout the province. They had all been held in Greater Winnipeg up to that point but now we retain in this area only 25 percent of the total and the rest are dispersed

(Mr. Evans, cont'd.) . . . . throughout the province. I cannot close this section of my responsibilities without some special reference to Mr. Andrew Curry, who has been the Provincial Co-ordinator until quite recently when he left our employ to take up his responsibilities with Metro Winnipeg. He had the imagination and the foresight and the personal capacity to take charge of a most difficult operation, one that required a good deal of pretty clear vision; a good deal of imagination to step into a situation where no pattern exists, where a policy was being formed and where experiments were being made, where it was not a subject of lively public interest at the time; and to take up all these parts of the work, the conceiving of the plan; the interesting of the public in it; and then to begin to organize and execute the plan in a way that I think deserves the commendation of every member of the House and the thanks of every member of the House. We were indeed sorry to lose him. We are comforted, however, that he goes from here to Metro where he will take up similar responsibilities for the Metro area and, in that way, will continue to put forward the cause that he started so well under the service of the province itself.

MR. CAMPBELL: Mr. Chairman, I'd like to ask first of the Minister, what extensions in the operations of the department are planned to use up the extra appropriations that are being made this year? Now it doesn't look, at first glance, as though there is a larger appropriation, Mr. Chairman, but I'm just expecting that not all of the money that was provided last year was used. Perhaps the Minister can inform us on that. My reason for saying that is because I notice that the year before, that is the one for which we have the Public Accounts, the year before the one that we're now in, that \$157,000-odd was appropriated and only \$123,000-odd were spent. It may be that the estimate of what is going to be expended this year is closer than that, but if not, I would ask just what extra work is planned by the branch. Then I would be interested to know, Mr. Chairman, a general outline of the duties of the senior ones of the 14 employees. I suppose that some at least, and probably several are stenographical and office help and those can certainly be grouped, but I would like to know the senior people who were there because it appears to me that there is quite an increase in the staff on Civil Defence. In fact there's an increase, if my figures are correct, of two since last year.

I would say that I think that this is an excellent work that the Minister has mentioned of the fire schools. I believe that that is an area in which, not only through the equipment that's made available jointly between the Federal Government and the provincial, but also through the trained personnel, that a great deal of good can be forthcoming to our smaller towns and larger villages. I think that's one of the areas in which these smaller towns and larger villages just can't help but face peculiar hazards. The fire that we had recently at Winkler simply underlines that fact, and I think this is excellent work that the people can do and that they do very well. I believe Mr. Art Humphries is now with us. I remember when Mr. Humphries was a training officer of the City of St. Boniface. He helped out with Civil Defence in those days and his work, that I saw him do at that time, was quite outstanding and I have no doubt that it is improved rather than changed in any other regard in the interval. I do think this is something of very practical benefit that the rural areas can receive.

Unless I missed it in a time when I was engaged in conversation, the Minister didn't make any comments with regard to a home shelter program. I would like to know if the Minister has any estimate of the number of homes where shelters have been built. I remain on the mailing list of some of the Civil Defence information bulletins and so I have been furnished with this booklet published by the Federal Government in 1960, I believe, and it gives quite a little story of the home shelter. I was interested to note that the Honourable the First Minister is reported in the press as having said that he was going to build one. I remember that just at the time that the press reported that, and likely the Honourable the First Minister will recall it himself, that in one of the papers right along side of the notice that the First Minister of this province was building a bomb shelter, there was another report right along side of it mentioning the fact that a very severe catastrophe had overtaken the Conservative Party in another area of the country. It seemed to me that the two articles were quite properly associated on the front page of the paper. But I would like to know if the Honourable the First Minister did build a home bomb shelter, and if so, would he mind telling us the approximate cost? I think that is important if we're going to get the people, and this booklet certainly indicates that there is a program so far as the federal authorities are concerned, to encourage a basement or other bomb shelter. Now

(Mr. Campbell, cont'd.) . . . . It isn't a bomb shelter -- I've probably used the wrong term there -- it's a fallout shelter actually and that's what they're advocating, I understand, and I think in that area there perhaps is an opportunity for confusion. But is there a program, so far as the provincial authorities are concerned, for a fallout shelter program? If so, are they doing something about it? And if so, how many have been built or are in prospect? Could the Minister give us the approximate cost? I know that it's given to some extent in this pamphlet that I have, but it's on the basis of doing it yourself, and it simply mentions that it's not very costly. Then the other angle to that same question, is there still an evacuation plan? Is that one being followed up or has it been largely disbanded as the other programs have replaced it?

Mr. Chairman, I agree with what the Minister has said about the difficulty of getting someone to handle programs such as this. They do have to have a good deal of imagination and a good deal of dedication. It's something that I found is rather difficult to get your teeth into; something that's hard to get the public to take an interest in it because we all want to think that it isn't going to happen here. We certainly hope that it won't happen here, but it also seems to be difficult to get them to understand that they won't have a chance to do it if it does happen here, and it's one of those rather difficult jobs to do. It's a bit on the same line as the Irishman with the leaky roof -- when it was raining it was too wet to do it and when it was dry it didn't need it. We're in something that position I think all the time -- the Civil Defence. I do find that it's a rather difficult job to get the public to take the interest in that they really should take, and I guess that's all the more need for people keeping it before them pretty constantly.

MR. ROBLIN: Mr. Chairman, I've got a proposition to make. I think that the Leader of the Opposition and the Leader of the CCF and myself ought to form a little association for the promotion of fallout shelters. I would point out that they're not bomb shelters, because if a bomb of the sort that we anticipate should fall on us it won't make much difference what kind of a shelter we've built. But we are informed, by those who know, that we can protect ourselves from fallout. I've made some progress in mine, it's a sort of a winter work project with me. I must confess I haven't had as much time for winter work of that nature recently as I might have wished for; there's been a certain amount of winter work going on in this building, although appearances might not appear to substantiate that, but it's true. However, I have made a start, and I'm now at the stage where I'm ready to put in the ceiling on this shelter, in accordance with the instructions on the plans that have been received from the Federal Government in Ottawa, and I hope maybe that if the winter work in here doesn't carry on too long I may be able to get back to this problem again. So I think that maybe the two honourable gentlemen opposite -- I'm very generously including the Leader of the CCF Party in this little project -- he may not be disposed to join us but we might have quite a lot of fun. I think in this little association that I suggest, I think probably it would be a good thing if we did because it's obvious that somebody has to set an example in this particular matter, and perhaps this is one way in which it might be done.

The problem of persuading the general public to undertake these projects is a very touchy one indeed. Probably members saw the television show some little while ago, three or four months ago I think, in which it gave some impression of the experience in the United States in building these fallout shelters and certainly their work is proceeding very slowly. This appears to be a customary procedure. I recall only too well the digging of split trenches in Hyde Park after war was declared, and a fat lot of use they were at that particular time. However, that happens to be the way in which many people react to these problems. The government will be introducing a bill later on in this session to exempt fallout shelters from municipal taxation. I thought it just as well not to complete mine until I have some idea as to whether or not that particular piece of legislation would be received with favour, but I think that if it is approved of by the House, that both the Leader of the Opposition and myself can relax and go ahead and build ours without any worries on that score and maybe persuade the Leader of the CCF Party to join us.

MR. CHAIRMAN: To make it clear, do you mean that the fallout shelter would be large enough for yourself and the Leader of the Opposition?

MR. ROBLIN: Mr. Speaker, such a thing is going too far. I might volunteer to help to build his, but I'm not sure that he would want me to come and join him inside it.

MR. CAMPBELL: I think, Mr. Chairman, if your suggestions were followed that we would both be in more danger from one another than from the fallout.

MR. EVANS: More blasts than fallout.

MR. RUSSELL PAULLEY (Leader of the CCF) (Radisson): Mr. Chairman, I would gladly help my honourable friend, the Premier of the Province, in building his shelter, and after the session is over if he wants some semi-expert advice from a railroader I'll gladly come over and help him complete his fallout shelter. I sometimes wonder, though, in the light of the scientific information which we are receiving daily, whether or not in the centre of the City of Winnipeg a fallout shelter will be of much avail. Now I do not wish to cast any dark and dim shadow on the question of preparation for eventuality, but as I say, in the light of at least some scientific knowledge, it appears to me from a study of the situation that we're considerably behind the times in suggesting a fallout shelter of a nature as proposed by Ottawa. I'll deal with that point in a moment or two, Mr. Chairman, because I do want to say a word or two about the overall picture as presented to us by the Minister of Industry and Commerce, as to the preparations that the Civil Defence authorities are making here in the Province of Manitoba, and I agree with them insofar as they may be very, very useful and lifesaving in the event of any civil disaster. I think the program that the department has, as announced by the Minister, of training for firefighting purposes, is very good; I think it's very essential, and I'm sure the municipalities throughout the province will welcome the program that the Minister has of education for firefighting purposes. I'm sure also that the training being offered and the courses being offered by the St. John's Ambulance Association in conjunction with the department is all to the good. I think it is a very fine thing -- would be a fine thing if more and more citizens of our province would undertake to spend the necessary time in learning the basic principles of first aid. I suppose, Mr. Chairman, I, along with many others in the Assembly, have had the opportunity of receiving training in first aid, and I think it's all to the well. But when we come to the question of defence, civil defence against the implements of warfare that have been produced as a result of an ever increasing knowledge of our scientists, I question very much whether or not fallout shelters will be of much help. Now the Minister, if I jotted down his figures correctly, told us of the operation recently in connection with the National Civil Defence warning, that within 26 minutes the government personnel, including himself, as he said, had taken over the manning of the civil defence mechanisms at Osborne Barracks. I am informed by very, very reliable physicists that it only takes half an hour for a guided missile carrying a nuclear warhead to travel from Russia to New York City, and if we presume -- I'm using Russia as an example because of the fact that we here in the City of Winnipeg, and the likelihood, God forbid, of any outbreak of hostilities, that we would be in about the centre of the distance between New York and a point to the north of us, which would give us 15 minutes to intercept a guided missile over the City of Winnipeg. So I say that while some of these things are very well, and sound well, in the event of a nuclear warfare 26 minutes is not enough today to be able to man our defence or even offer any defence. I understand from the Honourable the Minister of Industry and Commerce that the radio headquarters and the likes of that would be located in the Norquay Building; central. Is that not correct?

MR. EVANS: Just to clear up the point, Mr. Chairman, it's the teletype communications that now run from the Norquay Building to the other centres. The teletype machines can operate from zone to zone, so that if the Norquay Building centre were lost the other centres could still inter-communicate.

MR. PAULLEY: Well that's fine, Mr. Chairman, but information that we have, and it's not information that I would suggest that is coming from any irresponsible people, the people who have made a great study of the question of eventualities of nuclear warfare inform us that if a megaton bomb was dropped on Winnipeg that it would create such devastation that anything that we have within a radius of ten or fifteen miles would be rendered inoperative. Were a bomb, a megaton bomb, dropped in this general area, all of our fire-fighting equipment would be rendered useless. Our water system likewise, and our sanitation system rendered useless. We are informed that if three megaton bombs exploded near Portage and Main, there would be a crater approximately 2,000 feet across and over a hundred feet deep. All communications would be disrupted; the force of the blast and its heat would destroy nearly everything in a circle extending northward past Kildonan Park, westward along Portage Avenue to the vicinity of Deer Lodge Hospital, southward along the Pembina Highway to include the main built-up section of Fort Garry. The area of destruction of frame buildings would extend

(Mr. Paulley, cont'd.) . . . as far as Sturgeon Creek, and so the story goes. I don't need to repeat all of the information that's contained. I think all of the members of the Assembly receive a publication called S.O.S. -- Survival or Suicide -- and it's drawing to our attention the fact that were we placed in the position of an outbreak of hostilities, that many of the thoughts we have of civil defence, would, of course, go by the board. One of the articles in one of these leaflets, and again I suggest, Mr. Chairman, that these are not leaflets which are issued by irresponsible individuals but rather people who have given this matter very, very serious consideration. In the issue of January of this year Linus Pauling, who is one of the foremost chemists of our time, a winner of the Nobel Peace Prize, had this to say in respect of fallout shelter. He says, "I am opposed to the spending of money on building fallout shelters; Civil Defence is a cruel deception of the American people." He goes on further in his article to say, "When we look into the plans and aims of Civil Defence with this information in mind, we find that they are still living in a dreamland, and through their unrealistic approach are doing more harm than good. One typical example is the booklet printed this year by C.D. authorities encouraging the public to build shelters. Seven years ago when responsible persons in the United States advocated shelters, it made sense; it even made sense three years ago when the Rand Corporation Report strongly advised the U.S. Government that the public should build shelters. However," he goes on to say, "time goes faster than government decision. Today we cannot expect one small isolated bomb falling somewhere 20 miles or more away from us; we must expect that larger and more bombs with over-lapping destructive power will cover the whole area. Under such conditions to base any hope on such shelters where radio-active fallout could enter and which in any case would be unsuitable for a family to stay in for six weeks or longer, is ridiculous."

So I say, Mr. Chairman, that the experts in this particular field, at least some of them, and I haven't seen very many, similar experts who say that the likes of Linus Pauling is crying to the moon. But it seems to me necessary for us to use our endeavours toward a united effort of all of the nations of the world to concentrate its efforts in full to the banning completely of any nuclear bombs. I know, Mr. Chairman, that when I stand in this Assembly and utter these words there are some who may point a finger at me, say that I am only trying to duplicate some of the words that come from irresponsible organizations such as we meet with in this Assembly or in this building from time to time. The basis of the information that I am using here tonight, Sir, is founded on intelligent approach of well-respected physicists and gentlemen who should know. In the article of this magazine, Sir, of November of last year, another article deals with the question of Civil Defence as seen by the Governor of the state of New Jersey, Mr. Robert M. Mainer. A summary of his remarks as reported in this paper says, "I am frequently asked whether I plan to go before the State Legislature with a plan to build a vast system of underground shelters or recommend that individuals start digging deep cellars of their own." It goes on to say that, "if we were living in 1939, I would most certainly recommend underground shelters, but this is 1960, the age of nuclear weapons and radio-active contamination, and the more you study the nature of these new weapons, the more you realize that going underground is no answer." And he finishes up his article by saying that peace is the only defence and that we must all unitedly use every possible energy that can be assembled here in Canada and throughout the world, to see that there's no possibility that the bombs of hell and destruction can be let loose upon us.

Now I noted too, as the Honourable the Leader of the Opposition noted, the articles some time in the fall of last year which appeared in the local papers. I have before me an editorial of the Winnipeg Tribune -- I'm sorry I haven't the date -- making reference to this. It makes mention of the fact that the Honourable the First Minister says he will set an example by having a fallout shelter built in his own home, and now the government has announced legislation which would exempt fallout shelters from municipal taxation. And then the editorial goes on to question as to whether or not complications might set in if an attempt was made to have exempt from municipal taxation any type of property or any improvement. Now, I can appreciate very much the thoughts of the Minister, the thoughts of the Premier, and indeed the thoughts of the Leader of the Opposition in the desire to try and set an example to the people of this area by building fallout shelters. I say, Mr. Chairman, that I am very, very sorry, as the Leader of the CCF group and as an individual, I cannot join with their enthusiasm

(Mr. Paulley, cont'd.)....for fallout shelters because, based on information that is available, that if we are in the course of any possible missile or nuclear weapon or bomb, it may add greatly to the death toll in the area. I am informed through the media of these articles of an estimate. It is estimated that a 2,000 megaton attack on cities and towns in North America would kill approximately 55 percent of the population; 5,000 megatons would kill 95 percent; 20,000 would kill 100 percent. If shelters were available the casualties would be reduced, but would still be 45 percent for the 2,000 megatons; 70 percent for the 5,000; and 95 percent for the 20,000 megatons. So I say, Mr. Chairman, as much as it seems desirable, as much as it may be attractive to start constructing fallout shelters, there appears to be little protection. And even with fallout shelters as I have just stated, we would only have a reduction of approximately 10 percent -- 20 percent of the percentages under a 2,000 megaton bomb attack.

I do not like, sincerely and frankly, to say what I have had to say in this Legislature in respect to civil defence. But I'm saying it, Sir, in respect of the fallout shelters. As I have mentioned, I appreciate very much the activities of the department insofar as civil disasters are concerned, but I do say this and I say it in all earnestness, let's not kid ourselves. A bomb shelter may have been some help 20 or 30 miles out of town, but if, and again I say God forbid, there is a war of destruction, there will be little aid given to us, little help through a fallout shelter. And so I repeat, there's only one defence, there's only one course of action for us here in Manitoba or throughout the globe; let common sense and realism be our guide, and lend every effort that we have towards banning completely these implements of which there are considerable thousands, tens of thousands, so we are informed, available today. Let us use every ounce of our energy to see that it is not possible anywhere for any start of the use of them to be made. It is said by the experts, and I think that they are right, that there is a lot of truth in the fact of the availability of these implements of warfare being available to all nations at the very threat of destruction, and the use of them is a preventative. But, Sir, there's always the risk and the danger of a mistake being made. We are informed that already six planes which were carrying nuclear warheads have been involved in accidents. Through the grace of God they did not go off. We're fortunate. So while I say that there is some solace in the fact that no nation be it of the East or of the West at the present time has given any real inclination of the use of nuclear weapons, the only way that the people of the world can be assured that they will not be used is if they are destroyed. And the fruitful efforts of our physicists and chemists with the straight force of energy can use their talents for furthering the progress of the human race rather than its destruction.

MR. E. I. DOW (Turtle Mountain): Mr. Chairman, I was quite pleased to hear the Honourable Minister mention the way the various municipal officials had participated with the Civil Defence Branch, particularly with the wonderful achievements that have come out of the fact of the fire prevention throughout the rural parts. I can assure him, and from my own personal knowledge, that not only has this been a wonderful achievement in the time if it was needed in civil defence, but it has been a wonderful training to the people of the rural areas to be able to participate and gain the knowledge which otherwise they couldn't get. But a few years ago, Sir, there was a companion to the fire, the police, that was fairly well-organized to a point of getting various individuals throughout the rural areas agreed to participate in these courses. The RCMP had showed a certain amount of willingness to assist, but for some reason or other it hasn't gone through to the point that we in the rural areas would like to see it. And I would like if the Minister could inform us that this has been dropped, or is it going to continue, because I can assure him that just as much as the fire assistance has been a wonderful help to the fire brigades in the rural areas, the police would serve the same purposes.

MR. EVANS: .....if there are no further questions, Mr. Chairman. I can assure my Honourable Friend the Leader of the Opposition that virtually all of the 1960-61 appropriations will be spent. The reason that the 1959-60 appropriation was not entirely used was that Federal approval of certain projects was not received until some time after the start of the fiscal year. With respect to the extensions of program that have taken place to use up the extra money, the figures that I have here now work out to a net decrease, and I'll give my honourable friend the information that I have here so that he will know how the figure is worked out. Decreases in project 8, that's the Metropolitan Winnipeg Civil Defence, reduction of staff

(Mr. Evans, cont'd.) . . . by four employees in anticipation of Metro organization, which is a decrease of \$15,000. Project No. 14 - equipment; no fire pumpers this year; two were bought last year. That's a reduction of \$24,000, a total decrease of \$39,553. Increases as follows: Project 12 - Provincial Civil Defence, mainly installation of teletype system between Winnipeg and zone offices, and includes some adjustment for staff changes, rental, etcetera. That's an increase of \$5,089. Project No. 13 - Municipalities Consolidated, increased from eight participating towns last year to eleven this year - \$14,106, or a net decrease of \$20,358. The senior employees on staff are as follows: one Civil Defence Co-ordinator; one Civil Defence Officer Planning, which is now vacant very largely because Mr. Currie retired and a promotion was made in the person of Mr. Bentley, but that position at the moment is vacant; a Civil Defence Officer Communications; a Civil Defence Officer Administration; a Civil Defence Officer for the Brandon zone, the same for Portage, the same for Dauphin; an Emergency Health Services Officer; five stenographers, two in Winnipeg and three in the zones; one clerk in Winnipeg; making a total of 14 personnel. I welcomed the Leader of the Opposition's words with regard to the work of Mr. Humphreys who is doing a most devoted job in the province in my opinion, not only in civil defence but otherwise. I attended a meeting at which he gave a demonstration of how easily a fire can break out, using gasoline in most startling demonstrations of how easily a fire could break out using wrong fuses or being careless with inflammable materials of various kinds, and I would add my word of appreciation to the work and the devotion to duty that he showed.

We have no record of how many shelters have been built in the city. I have not been able to get any record at all. As has already been pointed out, the Municipal Act is being amended at this session to permit reduction of taxation by that amount. But a more important factor is this: that Ottawa has now designed a good publicity -- and I come to this subject of publicity again -- I can claim, of sufficient scope and impact in my opinion to make an impression on the public. It had not been done until this plan was conceived. It looks toward using all the effective media in the country, starting with national television, inviting the co-operation of private television, using radio, and asking for the co-operation of the press in all its forms on a co-ordinated program with a theme and the co-operation of all the provincial units as well. I think there is now, perhaps for the first time, a plan in view which has some prospect of bringing this difficulty, this problem, this matter, sufficiently strongly to the minds of people to enable a building campaign to be a success. In my opinion, up to now it has not been possible, because the public were not as aware in this country of some of the aspects of the danger and certainly of the possibilities of shelters. With regard to cost, I have no figures beyond those given in the booklet that my honourable friend referred to, except that I do know that two other plans -- two other pamphlets are in preparation, and I think they result in shelters of somewhat less cost. The building of the shelter may not be the main item. It's really stocking it with such things as the conveniences that you must have; the water, the food, beds and bedding, and other materials, and other conveniences. And that is one of the main costs of it.

The civil defence plan is no longer based on evacuation, and my Honourable Friend the Leader of the CCF Party has pointed out some of the short notice times that are thought to be likely in the event of an attack. We do not rely on evacuation for defence any longer, but we must contemplate evacuation. We would hope there would be what is called strategic warning, that international tensions might rise, and we might be able to anticipate an outbreak, at which time I have no doubt many people would decide to evacuate or at least send their families away. We will have in the municipalities a machine to take care of these people as well as those who might be evacuated after the fall of a bomb. So evacuation is not a part of defence but we feel that the reception areas must be organized in such a way as to take care of people who will evacuate and indeed a large proportion of a large city might evacuate.

I turn now to the remarks of my honourable friend, the Leader of the CCF Party, and I disagree with him but one could not listen to his address and his evident sincerity without respect for the views that he holds and the views that he has laid before the Chamber. I think there can be no doubt that peace is the only hope. Perhaps peace is the only hope of the world. It may well be that it can be found in such measures as banning bombs and banning nuclear warheads. I don't know. It may well be that the only cure is to be found in the hearts

(Mr. Evans, cont'd.) . . . . of men and that one should turn to whatever means one has of consulting his conscience, or of observing his religious faith, and rely on prayer as an important element in a situation of this kind. It may well be that that is the only truly effective means in the long run of seeing that such a cataclysm does not come upon the world. But I think, having done those things, we must turn to what man can do, and to take every step that may be within our power. He has truly stated, and I think quite accurately, the power of the bomb. It is an awe-inspiring thing to contemplate; the utter devastation and destruction of everything for miles about. And certainly if a bomb fell upon the centre of Winnipeg accurately, those in the city, I think any survivors would be few in number. But there is a series of circumstances we can contemplate, against which we can take defensive measures, and a series of circumstances in my opinion more likely to occur, and that would be the falling of some of the first bombs, or the first few bombs, on the area of the United States occupied by the Strategic Air Command defences, because those would be the defences which would be called into being for retaliation within minutes, but nevertheless one or two or more bombs might have fallen. And those mushrooms, or clouds or whatever it's called, could very well drift with the wind, and we are downwind from many of those bases, drift with the wind and bring what would be the most immediate danger to Winnipeg and that would be the fallout cloud which can kill and maim and bring disaster that way. There is the further circumstance that, as my honourable friend has said himself, a bomb falling 30 miles outside of Winnipeg might not have the same effect, and indeed if anyone aimed at Winnipeg 30 miles might well be a near miss, as Winnipeg is a very small dot on the map to be hit from a distance as great as from here to Russia, so there might be all the dangers of near misses where life would not be extinguished in the city and yet the fallout danger would be a very great danger. I think we can say that in the order of priority of targets in North America, Winnipeg would come some considerable way down in the list. I think there can be no doubt that the Strategic Air Command bases and perhaps the North American Air Defence, the NORAD, at Colorado Springs, would certainly, in this section of the continent, rank well ahead of Winnipeg, and one can conceive circumstances quite likely to happen in which the danger to Winnipeg would be fallout.

Now then, what do we face here as a responsible government? We face at least the possibility and perhaps the likelihood of a danger in the form of a drifting cloud which would come down inexorably upon us, and we might find ourselves in a position where we had neglected our public duty to protect the people or to help to arrange measures for the protection of the people, and had neglected to do so, and we would be guilty of neglecting a public trust, in my opinion. Now we have no enthusiasm whatever for fallout shelters. There are so many things that we would rather spend our money upon; there are so many things that seem so much more immediate; so many things that we would spend money on with relish because they would do good, instead of spending money as in all munitions of war, money that we hope the best thing that will happen to it is that it will be wasted, because the only hope that we have, perhaps, for continuing civilization in the form that we know it, is these expenditures that we're asking you to vote in this committee now, or to pass in this committee, that those expenditures will be utterly wasted, and I hope they will be, but just in case they're not, I could not square it with my conscience to turn my back upon the likelihood of having been able to protect some lives, and rescue some lives, in such circumstances as I have described.

Now there were some other matters that the honourable member raised. He made the statement that the Ottawa-designed shelter was behind the times. I think perhaps he did not have reference or he didn't elaborate on that, saying to the effect that the actual design of the shelter or its equipment was behind the times, it was simply the effect that all shelters were useless. He has established his point of view in that; I have taken the opposite point of view, and we must agree to disagree on that point. I think the reference to time limits for an ICBM-Inter-Continental Ballistic Missile of 30 minutes from Russia to New York, is probably correct. The times that we are led to expect here are some 20 minutes. Of course they are insufficient to do anything if a direct hit results in Winnipeg, but it is thought that for some years hence the main threat will be still the manned bomber aircraft as an attack, that doubtless will be superseded in time by inter-continental missiles. Nevertheless there is that intervening period that we must contemplate and must do what we can to prepare for. It seems certain to some of the leading people I have talked to, that the inter-continental missiles would certainly all



(Mr. Evans, cont'd.) . . . be directed at vital targets mainly in the United States. I think we cannot class ourselves as a vital target for a first attack in the event of a nuclear war. Well, this has always been a matter of very deep concern to this House -- I remember discussions on this subject from year to year. I only hope and pray that we are doing all that we can and all that we should do to defend ourselves against any part of this attack. I think the plan is conceived logically; I think the engagement now of the Canadian Army in the first phases of rescue operations, of taking charge in a bomb fallout area and of beginning to restore order, has been a major accomplishment; we have the force now of the Federal Government behind all this, and we are emerging, just emerging perhaps, the outlines of a workable scheme which might pick up some of the pieces of civilization and begin to put them together again in the event of a bomb attack.

My honourable friend from Turtle Mountain raised a good point, and I'm not aware of the program that he speaks about concerning police training. Doubtless this included training by professional police of selected wardens or such other people, or would it be village constables or municipal constables in the various towns? I don't know the details. At the moment there is no similar plan on our program for the coming year. I would be glad to hear the details of the former program.

MR. DOW: Mr. Chairman, some three or four years ago I was -- I guess they gave me the title of Director of Civil Defence for the southwestern part of the province; I'm not too sure about the title -- but anyway, to promote interest and the interest of the rural communities in civil defence, a series of educational talks and conferences was held throughout the province, with the result that it was felt that from a rural point of view there were two things that possibly could be handled economically and sensibly, fire and police, taking into consideration a movement of evacuation, a movement of disturbance from an area where people who were in danger from a nuclear cloud would be moving to other zones, that on the spur of the moment there were two things that came to your mind, and one was fire, and as I mentioned before, and as the Minister has mentioned, this has come to quite a peak of climax and doing quite a good work, but along with that was the police service of which, as I remember it rightly, that each rural municipality and each town was asked to contact and select five or six individuals who would be competent people and trustworthy people in the eyes of the RCMP to give them basic training of handling of crowds, traffic, so forth. As I remember rightly, Inspector Bird, I believe, I'm not too sure of the name, of the RCMP, was detailed by the RCMP to undertake and set up this training. Now in the western part of the province it was set up to be schooled at Brandon, and the course as I remember it, was each one of these men were to go to Brandon one or two nights a week for training, over a six or seven month period, and the names were selected, the names were all agreed on, and all of a sudden it dropped, and our concern is, has it been dropped for good or is there any chance of reviving it, because in my own opinion I think it would be a wonderful thing to have these men trained at no great expense, Sir.

MR. EVANS: I'm very much open to this suggestion and I think it undoubtedly comes under the responsibilities that we should work out with the individual municipalities or municipal groups. As mentioned, there are some 43 emergency centres to be organized, and within those emergency centres there must be all the functions of feeding, clothing, sheltering, and then also control by means of a warden service or police, and I may consult the honourable member later on and ask him to share his experience in that connection with us and give us what guidance he can.

MR. PAULLEY: Mr. Chairman, I don't want to get into an argument with my honourable friend on civil defence. I appreciate the fact that he has replied to my statements and he frankly admits that there is a difference of opinion before us insofar as the points that I raised in respect of nuclear warfare are concerned, and I appreciate that very, very much. I want to reiterate that my purpose for speaking as I did was that, in my opinion, there's only one defence insofar as an all out total nuclear war is concerned. I appreciate very, very much the remarks of the Minister insofar as protection from drifting clouds of radioactive atmosphere and the likes of that. I would point out to him, though, that at least some experts consider that, while it is a truism that if in the event of a war, the primary target would be Colorado or other points to the south of us. When I point out to him, and he agrees

(Mr. Paulley, cont'd.)....with me, of the general time stand between the launching and the landing, shall I say, of an inter-continental guided missile, is only about half an hour or so, I point out to him, and I don't want to attempt to raise any fears by saying this, that we here in Canada, presuming that on the defensive side of the picture, interception is possible, that we would still be halfway there at the time of interception. I think it is a truism that as far as the manned bomber interceptor is concerned, that it is rapidly becoming a thing of the past, that manned aircraft cannot, in the light of advancement in this horrible and terrible creation of man, be an effective weapon for interception.

Now, as I said, and I want to repeat, the Minister was saying about the question of not using the moneys that are appropriated for civil defence, I join with him most sincerely in hoping that we never do. But I want to say this, that I agree that we should have it for the purpose of civil disasters. We must have it, because we never know when we might be in a position of, say, another general flood here in the Greater Winnipeg area until the floodway is built; we may have a catastrophe such as we had the other day at Winkler or any small town, and I think it's all to the good, and said so, of the re-training in these fields. What I tried to emphasize and I want to re-emphasize now, that we have to use our endeavours more than we have been doing, and even in this Assembly to let our voices be heard in any way that we possibly can, to see that the danger or likelihood of nuclear warfare is dissipated and eventually completely overcome. I appreciate the fact that if we are on the outside of a minor amount of fallout there can be some good in the fallout shelters. But the likelihood in the event of nuclear war of we here not being affected to a greater degree than just merely being on the fringe of an outfall of radioactive materials, I think, Sir, is remote. So again, I'll make an appeal to this Legislature. I don't usually like to, too often, bring to the attention of what happens in other legislatures. I think unanimously this year a resolution of our sister province to the west called upon the federal authorities to renew its efforts, and I frankly admit that there are certain factions in the Government at Ottawa that are looking at this very, very closely to take a more positive attitude toward the banning of the H-bomb, and I suggest that we here in this Legislature could well do likewise.

MR. CHAIRMAN: Section 86 - passed; Item 8 - (a).

MR. EVANS: Mr. Chairman, I think in this division the Honourable the Leader of the Opposition and I will not have quite the same unanimity of view that we had on the last subject. This concerns the Manitoba Development Authority, and I would like to describe some of the work that it has been doing in the past year. It has been taken up as to a major part of its time with the question of freight rates. But in addition to that work, and I shall describe that operation a little later one, it has had considerable to do with the establishment of the Whiteshell Atomic Plant, has concerned itself and has conducted most of the negotiations in connection with the DEW-Line, and we had some discussion on that the other evening and I won't repeat it now, except to say this, that in some references that I have seen and in the press, there has been confusion of thought as between what I spoke about last night, which is the acquiring of the DEW-Line base for Manitoba and the further item of acquiring the DEW-Line flying contract between Winnipeg and Churchill. The reference that I made last night was to acquiring the base for Manitoba. I did not mention last night that the base is expected to employ a hundred people in Winnipeg and probably a further ten at Churchill. They will buy Manitoba products to a considerable extent, and we know now that they will be a support for the flying operations of Transair Limited and also furnishing further traffic for the Hudson's Bay Railway, giving it other revenues and other strength in that operation.

The Manitoba Development Authority has undertaken several special area studies within the Province of Manitoba, and the Development Authority undertakes a study when it is of such a general nature that it requires co-operation of a number of different departments and utilities, and it is found more convenient to do it through this organization which is really a sub-division of the Cabinet, provided with its own staff. Special or depressed areas are subjects of special detailed planning by the Development Authority, on how to get jobs for people in these particular areas. Under investigations are proposals for facilitating development of agricultural, forestry and human resources of southeast Manitoba and in co-operation with departments and agencies a detailed study of the resources, economic and social problems and the development potential of the Interlake region is being completed at the present time. The Development

(Mr. Evans, cont'd.) . . . . Authority has taken up the matter of additional facilities for the Churchill Harbour and we have made repeated representations to the Department of Public Works — or Department of Transport, I think it is, in Ottawa, and as honourable members will know, an extension of the wharf facilities is being made there now. I must say there are items that have been asked for by some of the shipping companies that have come to our attention, that we have not so far received assurance from Ottawa will be provided. I think those include some of the heavy lift cranes, additional wharfage and so on. But the Development Authority will continue to press for the improvement of facilities at Churchill.

Northern development is a declared policy of the government in general and the Development Authority is the instrument to carry that out. All departments are involved, and the work is co-ordinated through the Development Authority staff. If the northern potential is realized, there will be considerable economic strength provided for all parts of the province including the south and including additional cash markets for farmers. We believe that this matter of northern development deserves continued hard effort by the government to bring about the development that we all hope to see. The best prospects in this regard are forests and minerals, and I think the matter of developing them is one of urgent importance, because unused they cost us money, quite obviously for forest protection and in other ways as well, but used they provide work and wages and put money into pockets instead of taking money out of pockets in tax expenditures.

Special measures are required in the north to take care of special conditions. I'm sure what I'm going to say will already be familiar to the members of the committee but I think it might pay to remind ourselves of some of these special problems which exist in the north. The first and most obvious one is its remoteness, but that can be translated into a pretty practical affair when we say this, that the freight that would have to be paid by a newsprint mill in northern Manitoba would perhaps amount to \$3 1/4 million a year which is an amount at least \$1-1/4 million more than the same mill in southern Manitoba. That gives a measure of the penalty imposed on the north by its remoteness. The government is pressing for lower freight rates; a good deal of publicity has been given, and I have tabled a copy of Manitoba's presentation to the Royal Commission on Transportation. I have reported already that we have established a joint committee with the Canadian National Railway for studying freight rates in the north. Mr. Donald Gordon was good enough to receive me and a number of my senior officials on an all-day meeting in Montreal on this question, and we meet at least once a year for discussion at that senior level. But perhaps the more practical advantages are brought about by a joint committee between the Manitoba Government officials and the Canadian National Regional Freight officials here in Winnipeg. We have already achieved some success in reducing freight rates, and we received very material assistance from that connection in developing the study which resulted in the DEW-Line base being placed here in Manitoba. Then in the north and particularly in connection with any new development like a new mine or a new pulp mill, there would be the cost of community development, and just as a measure of the size of that problem, it has been estimated that a town for a pulp and paper mill would cost in the neighbourhood of \$10 million. Power and power transmission are a problem. The government has proceeded, of course, to put in the fifth unit at Kelsey and to do the rock work for installing a sixth, and as we all know, the Grand Rapids Development is going ahead, a very large operation indeed. But the problem of transmitting the power to where it can be used still remains. One figure, I think, was estimated in the northern report of Arthur Little, that to bring power down from Kelsey and hook it on -- wat it at Snow Lake -- would be an operation costing some \$11 million for the transmission line alone. That's a very large operation, and it gives another measure of some of the costs and some of the difficulties involved in wresting from nature the treasure that is up there and turning it to man's use. Highways and communications are being developed and roads are being built.

Well, the key to much of this development, in my opinion, would be to secure a pulp and paper mill for the north, and the task of promoting this development has been assigned to the Manitoba Development Authority, and they have examined and negotiated with various interests on at least three locations where one of these pulp mills might be brought into operation. In recent months, or even in the most recent year or two, market conditions have not been favourable to interest new capital and management to go into Manitoba. There was a

(Mr. Evans, cont'd.) . . . . period of very rapid expansion of paper-making capacity throughout the world, and at the moment there is still some capacity that has not been used in the manufacturing plants throughout the world, and it is a world market for the manufacture of paper. One of the accomplishments of the last year or two has been to set up at the S. A. O. in Rome -- that's a food and agricultural organization in Rome -- a statistical section which accumulates the information about production of pulp and paper and consumption throughout the world, and on the basis of those figures has forecast a time at which the present capacity in the world will not be sufficient to supply the need. We're aware of those figures, and we get them through Mr. Fowler of the Canadian Pulp and Paper Association, I think it's called, in Montreal, and are kept in touch with that situation. Northern Manitoba will be in competition with a number of areas that are quite favourable for producing pulp and paper, some of them at rates cheaper than can be produced at the mill in Manitoba, notably the southern part of the United States. Nevertheless we have some advantages that they have not got, among them the cheaper handling of the pulp-cutting operations due to being able to float them to the mill, and in other ways also, the quality of the pulp in northern Manitoba is good because of the long fibres which makes an excellent quality of paper and is a very desirable product. Well, the situation is changing somewhat, and the figures do now forecast a requirement for additional paper-making capacity in the world. We have it before us as a prime object to interest both money and management in pulp and paper operations in northern Manitoba, and will continue to hold that in front of the Manitoba Development Authority as one of their chief purposes. A mill in the north is a key to new jobs, to more income for people, to new towns, for a major customer for power, which would then bring power down to areas where we believe they can be used, and just to illustrate the development that might take place in the north based on the experience at Hinton in Alberta where a pulp mill has gone in, such an operation could be expected to provide between 600 and 650 full-time jobs, a further 600 in the woods, a payroll of \$2-1/2 million a year and purchases of materials of something in the order of \$13 to \$14 million a year. A very glittering prize, and one that we are justified in devoting staffs and time and study to the time when these resources will be brought into use, because the world demand for newsprint and for paper is increasing at a sharp rate, and there may indeed be some explosion in the demand when you consider the rapidity with which the continent of Africa, for example, is opening up and learning to read, and for which increasing demands for newsprint and other kinds of paper will arise. In the meantime we must continue to protect the area at some considerable cost; continue to develop the communications and other responsibilities that we have there, and to work for the day when those developments can come in and repay what we have spent and yield a profit to the people.

With regard to mineral exploration it would be far better for me to leave for my honourable friend the Minister of Mines and Natural Resources to discuss the operations that are going on in the north, and that will help us to understand another segment, another important segment of the operations in that part of the country.

With regard to the investment in the north and the management of it, this we believe must be left to private interests. We do not believe in the operation of these things by the state, but the government can assist by providing the facilities and the services, the hydro, the roads and the communications. Our object will be to work with industry in every way that we can to help reduce their costs, the policy in this connection being to produce profits certainly for the people who go in there and risk their capital, but profits also for the province.

I should like to say something on the subject of transportation and of freight rates. And here the Leader of the Opposition and I do agree. He says that he did not agree that the Royal Commission on Transportation should deal with the matter of the Crows Nest rates and I agree with him, and we said so officially on behalf of the province to the Commission at Ottawa. The province's counsel said in the course of his presentation, "It is the view of the Government of the Province of Manitoba that it was not the intention, nor is it a part of the interpretation of the terms of reference, that they should have included in the investigation statutory rates on grain, and I wish to record my objection and my feelings on this particular phase of it, that the Province of Manitoba feels this Commission does not have authority under the terms of reference to investigate those rates. Nevertheless the Commission did go ahead and investigate the rates, and we determined to defend the Crows Nest rates to the utmost of

(Mr. Evans, cont'd.) . . . . our ability. I think it can be said that there was a turning point in the history, and somewhat long history now, of these negotiations. Until this year the battle had been fought entirely on historical and legal grounds because those were the only grounds that perhaps were available. It was not until the coming into being of these electronic computers that anyone could analyze railway costs to a sufficiently fine degree to establish whether or not the railways were right in their claim that they lost money on handling western grains. Well, we entered this battle of the electronic computers and at very considerable cost to the Provinces of Alberta and Manitoba, we engaged experts, and we hired the use of these computers and other devices of that kind, and put in a counter-case to the case presented by the Canadian Pacific Railway. the cost for experts, I might add, to the Province of Manitoba alone was of the order of \$50,000. Well, in this study of the material, we uncovered a great many costs in the Canadian Pacific submission that were exaggerated to an extreme degree. We found that the number of car days that they had assigned to grain had been a discrepancy of more than 100 percent. That could be put one way, that is the true figure had been more than doubled, or you could say that the figure that the Canadian Pacific Railway put in in the first place was by virtue of the study that Manitoba and Alberta engaged in reduced by somewhat over 50 percent. They had charged against grain such items as the heating and icing of cars -- the heating of cars for perishable goods and the icing of cars for vegetables and fruits and things of that kind. They had exaggerated the switching charges, assigning to a car of grain just the same costs for switching as any other car, when it was really a fact that a great many cars are switched in strings or entire trainloads of grain are hauled at one time and involving no switching charges at all.

And there were other charges of great magnitude -- other overcharges of great magnitude. Well, our submission at least, and to our satisfaction, and we hope to the satisfaction of the Commission although we don't yet know, proved that the railways do, in fact, derive some profit, not large, but some profit from the actual grain trade itself. And then we made the point that it is perhaps the most valuable traffic they have because of the return traffic at high rates that is generated by the farmers who live out here and who import their requirements and their machines and their other things by way of return traffic. In many other ways we showed the unfairness to Manitoba of the freight rate structure and the imbalance of some of the freight rates that are in existence. Well now Manitoba did not confine itself to mere criticism, to pointing out faults in the freight rate structure. They offered an alternative formula which took into account, by way of cents per hundred pounds, the higher terminal costs that do in fact exist in Eastern Canada, and then by way of percentage increase the line haul costs in the way that has been done traditionally up to now. Manitoba protested the unfair trans-continental export rates which are of such an absurd character that on a good many items it is actually cheaper to ship from Toronto to Vancouver than it is to ship exactly the same weight of goods from Winnipeg to Vancouver, and alternatively from Vancouver to Toronto, which is a very large market, at less cents for exactly the same weight of exactly the same article cheaper from Vancouver than from Winnipeg, with the obvious effect upon the markets that are available to Winnipeg in comparison with those other two towns.

There's always been an instrument of development policy in Canada to use freight rates to influence economic developments. This has historically been the case from the beginning of Confederation, and we recommend it to the commission that the government should give consideration to a policy of northern development through making available lower freight rate costs for development purposes in the north. And this point of view was stressed in our presentations at Ottawa. I see my honourable friend the Leader of the CCF is not in his seat. He had made some comments earlier on concerning the remarks that I made about the -- Ah, here he comes now and I'll have an opportunity to tell him and he won't have to read it -- I was referring to the remarks that my friend made in connection with what I said in connection with the ability of Canadian grain to use the rates from Buffalo to Boston as a competitive rate to what's called the . . . . . and East rates, the Georgian Bay rates in Canada. Well this is an historic route that has been used to a very great extent by Canadian grain exporters over the years. It's a competitive route that is in existence. It's the route that has been used and has been very little commented upon. I think we must stick to the principle that anything that a competitive advantage will allow the Manitoba farmer to have, we are for.

(Mr. Evans, cont'd.) . . . . We will do everything we can to secure whatever advantages the Manitoba farmer can have, and it may well be that my honourable friend would prefer to see the freight carried over the Canadian National Railway -- or not the -- any railway line in Canada without -- we would prefer to see that naturally, but in any choice between the interests of the Manitoba farmer and the interests of a railway which already profits so heavily from western traffic in general, we stick firmly by the Manitoba farmer, and I suggest that my honourable friend doesn't enhance his chances of wooing the farmers into his new party by the kind of policy that he has been advocating of directing traffic through Canada just to the advantage of the railways at the cost of the Western farmers.

I would like to say just a word about the Resources for Tomorrow Conference which will be held in Montreal from the 23rd to the 28th of October this year. It needs no statement from me to remind honourable members that the Canadian economy depends to such a large extent upon the resources that we have here. We import some raw material upon which our factories are founded, such things as cotton and silk and wool and other things that we don't grow in the country but, in general, most of our industry depends on the raw materials that we have here now and any expansion of them is likely to depend on these materials. This conference has been prepared in a very detailed way, which I will not describe in my remarks now, but I'm going to ask that there be distributed to the members of the committee a pamphlet which outlines the background of this conference and I would invite them to study it and to acquaint themselves with the very thorough way in which the preparations for the conference have been made. I think that is a very rapid gallop over the duties and responsibilities of the Development Authority and I'd be glad to answer any questions that would help to fill in the picture.

MR. CAMPBELL: Mr. Chairman, I'm glad to find the Minister in agreement with me with regard to the question of the pro rates not having been properly before the commission. I wonder if he could inform us, and after all I know that he can't be expected to speak entirely for the Federal Government, but I wonder if he could tell us on what basis it was decided that the commission should spend a lot of time and effort, take other people's time and effort in discussing the Crows Nest Pass rates at this particular time, in view of the categorical statement of the Prime Minister of Canada that they were not going to be changed. I'm quite certain that that statement has been made in Parliament and out of Parliament, and I'm sure that those of us who hold the same views on this are very glad that it has been made. As one who doesn't too frequently perhaps give him credit, I'd like to express appreciation for that definite statement by the Prime Minister of Canada. In view of that, why would the commission spend the time and take other people's time in discussing this question, because surely they have enough to do without it; certainly it took a great deal of time and effort of the various provinces and of the railways themselves to go over this ground. Now I must say that, in general, I thought that the government did a very good job indeed of presenting their case for the Railway Commission hearings. I commented a year ago, on having heard the First Minister present his brief and part of the discussions, and certainly he did well indeed; and I was favoured with other briefs as they came along. I didn't hear the Honourable the Minister who is giving the account now, but I did read the brief that I got and the same with the Minister of Agriculture, and I must say, without any qualification at all, that I think they did a good job. I'm sorry though that we had to spend all this time on the Crow rates after what has been said by the Prime Minister, but inasmuch as we did, after having complimented the government and I do so quite sincerely and cordially on the presentation that they made, I would think that the only qualification that I would make to that at all would be that I think the historical background perhaps could have been developed in a little greater detail than it was.

I appreciate the fact that they went to all this trouble and got the information and proved to their own satisfaction, and I hope to the satisfaction of the committee, that the rates are profitable. I had rather felt that that would be the case if a proper analysis was made because certainly with the larger cars, the better unloading facilities, the quicker turn arounds, the greater power that's pulling more cars and so many things like that, it seemed likely to me that they would be profitable. But I thought it would have been well if someone had put on, and I didn't see this put on the record so I thought I'd mention some of these things now, that material that we have dug up in the past, expecting that some time this question would come

(Mr. Campbell, cont'd.) . . . . out into the open, indicates to me that even if it had turned out that the rates were not remunerative, not profitable at least to the company, that we still could have argued that they should be continued. I think it well to remember the concessions that were made to this railway in the first instance when it became a trans-continental railway. I think it should be recalled by the people frequently that they got 25 million acres of land given to them, and when you stop to think of the wheat crop of the prairie provinces, you'll find that it doesn't vary too greatly from that figure -- 25 million acres of land.

Now it's true that that wasn't tied up directly with the Crow's Nest Pass rates, but care was taken to see in the early days, and I'm not trying to blame either of the two governments because they dealt with both the Conservative and the Liberal Government and they got good concession from both, but I think the national interest was served by the fact that they did get this deal, and certainly it was a national policy. They got the oil rights on that land and there was care taken to see that the land was of good quality. There was provision made that if it wasn't of such and such a quality that they could exchange it for other lands. Of course I don't suppose that the oil rights were thought to be of any great value in those days, but they've turned out to be tremendously valuable in the interval. Then when it came to the -- oh yes, and in the early days, apart from the Crow's Nest Pass Agreement at all, they got many other concessions. They got the monopoly agreement regarding further extensions of other lines; they got the rights-of-way for their branch lines; they got the rights-of-way for stations and other buildings and things of that kind. Then after all of that, when it came to the Crow's Nest Pass Agreement itself, they got another huge payment -- oh and when I said 25 million acres of land, they also got 25 million dollars at that time -- then they got another huge payment of \$3.6 million or something of that kind at a time when railway constructions were very low; and they got coal-bearing lands in this case, and to such an extent did they get these concessions, and valuable concessions, that one of the great railway historians of the country, Dr. O. B. Skelton, has written this, and I quote from his book, "The Railway Builders": "The fact remains that the bulk of the resources utilized in the original building of the road" -- and this is the Canadian Pacific he's talking about -- "were provided or advanced by the people of Canada. The Canadian Pacific is as truly a monument of public as of private faith." Other equally well informed historians, Dr. Amos and others, have said that the people of Canada paid completely for the Canadian Pacific Railway which was such an important item in the Confederation pact. Well now, I think that we are in a strong position in arguing that the concession they made in freight rates was excellent value, and even if it had turned out and I'm glad it didn't, but even if it had turned out that the rates were not profitable, they still have made lots of money and it is a good bargain and the bargain should be carried through.

Now whether that's the thinking behind the Prime Minister's statement or whether it's a different thinking, at least his conclusion is the same as mine, and that is that these rates should not be changed. They should remain statutory and I think that is the defence for we people in western Canada, to keep them statutory, because in recent years our political force, as represented by number in Parliament in the prairie provinces, has been declining. I think the sound, sure defence for us is to see that the rates remain statutory. They cannot and should not be made a case of varying political opinion, and the contract of years ago should be enforced.

Now I wonder if the Minister could give us a reason for why, under these circumstances, his government and others had to be put to all this trouble of arguing the case before the commission. Perhaps it will turn out to be a blessing in disguise because perhaps we'll get an authoritative answer from the commission that will support the position that the Prime Minister of Canada has taken. But when he was so emphatic about his statement, why was it that the commission decided to consider this to be within their terms of reference and go ahead and investigate it?

MR. EVANS: Mr. Chairman, in the first place the situation must be clear that the commission heard the railway's side of the presentation to the effect that their situation could not be understood without investigation of what they alleged to be losses on grain. They made that simple case. We said that it was sacrosanct and should not be investigated, but the Royal Commission which is not dictated to, it's a commission that has its terms of reference and

(Mr. Evans, cont'd.).....was free to interpret them the way they liked, decided to proceed. They were not there receiving orders from the Ottawa Government. They made their decision go ahead and that was the result of it. I would also point out as strongly as possible that the presentations on behalf of Manitoba did not neglect, did not neglect the historical and contractual aspects of the Crow's Nest Agreement. That case was made before the commission on behalf of Manitoba by our council, and they strongly rehearsed all of the factors that my honourable friend has referred to tonight; and made certain other very telling points, I think, that whereas a good deal of the subsidy that arose to the Canadian Pacific Railway in the way of this land was given them at western Canada's expense. The whole of the 25 million acres did, in fact, exist in western Canada and was given to this National Railway as a bonus. There were other things that we stressed as well as the ones that my honourable friend has mentioned, the tax free provisions of their rail lines and properties in eastern Canada, in contrast, I might add, to the situation that exists in eastern Canada, and all of those factors were rehearsed and very completely presented on behalf of Manitoba. We did not neglect either the historical aspects nor the contractual and legal aspects of this contract because it is a contract and a firm contract in perpetuity. We said so and we said that other revenue should also be taken into consideration in this situation. So that was not neglected by any manner of means. Nevertheless, we went further and added this cost study that had not been added to those other two aspects on previous occasions.

MR. CAMPBELL: I wonder if the Honourable the Minister would furnish me with the particular brief that contains that argument. I have a good many of them but I do not have that one.

MR. EVANS: I think it must be in the presentation that was made. I'll see if there's a copy available of the proceedings. There's a stack that high and no doubt a copy could be made available to my honourable friend.

.....Continued next page



MR. PAULLEY: Mr. Chairman, I did not know that I would be back in this debate on the estimates until I entered the Assembly just as the Honourable the Minister of Industry and Commerce was making some reference to the fact that I had said previously that I regretted very much the fact that he, as a Minister for the Province of Manitoba, would be suggesting that we should be using rail lines outside of the province for the transportation of commodities. Now my honourable friend said, in effect, that if we of the new party expect to get support of the farmer then we must support him; and he said that he was firmly for the farmer of Manitoba. I want to join him in that, that we too are firmly for the farmer of Manitoba and western Canada; and that we have not, insofar as either the new party or the CCF Party, suggested that there should be any tinkering at all with the Crow's Nest Pass rates. I want to once again, and I've said this before in this Assembly, that as far as I am concerned, as Leader of the CCF Party here in Manitoba, albeit that I may be an employee after sessions and in between Sessions of the Canadian National Railways, I make no apology....

MR. EVANS: On a point of privilege, Mr. Chairman, if I may. I did not intimate that what you said had to do with the Crow's Nest rates, but rather in connection with... east rates and the competition from Buffalo to Boston.

MR. PAULLEY: That's right. I'm coming to that. So I want to say, Mr. Chairman, and reaffirm the position that we have taken to help the farmer of Manitoba and of Canada. When the Honourable the Minister suggests that we should use outside railroads for the transportation of products in order to overcome some possible increases in the costs of transportation between here and the Atlantic, I say, Sir, and I repeat, he's doing a disservice to a large segment of the workers here in Manitoba. Now then, why do I say that? He and his government, and others as well, have criticized the railroads because of their costs of transportation. I do not presume to stand here and defend the railroads at all, but I do suggest this, that on each and every occasion, or practically so, that the railroads have attempted to curtail unprofitable lines, there is a hue and cry from the population in some corners. Just recently in the Province of Manitoba hearings were held in many towns in which the railroads, both of them, asked for the permission of the Board of Transport Commissioners to withdraw service from uneconomical lines. The public representatives, members of this Assembly, protested it, notwithstanding the fact it appears as though the railroad established their case of the loss of revenue on these lines. There is one in particular and I just forget the line -- I believe it was from Beulah to somewhere else -- (Interjection) -- Hallboro -- that it was established I believe the railway was losing \$40,000 a year on the operation, but notwithstanding that, I believe in this particular case it was ordered that the line should be continued in operation. The Government of Manitoba through its Minister has asked that the Canadian National Railways, in result of its northern operations, should reduce its rates downward in order to facilitate the growth of northern Manitoba. Now then, Sir, my honourable friend is a businessman.

MR. EVANS: If the honourable gentleman will let me refer to that. We asked the Royal Commission to investigate the advisability of assistance from the Government of Canada to establish northern development rates in the same way that development rates have been established in other parts of the country. From the beginning of the transportation development in the country, all the way from canals through the inter-colonial railway in the Maritimes through the Canadian Pacific Railway and others, it has been an object of government policy, of Federal Government policy, to devote funds through transportation facilities to the development of the country, and it was in pursuance of that and not asking the Canadian National Railways to assume the cost of that.

MR. PAULLEY: Mr. Chairman, with all deference to my honourable friend, I have before me in the Minister's report of his department for the period ending March 31st, 1960, starting on page 56 and then further on page 57, a copy of the submission by the Government of Manitoba to the Canadian National Railroads respecting railway freight rates in northern Manitoba. Now whether or not they only told the Canadian National Railways about this, that they were going to further them into the Federal authorities in respect of the northern development I don't know, but I'm only using the statements that are contained in the Minister's own report and his appeal to the Canadian National Railways. But, Mr. Chairman....

MR. EVANS: The honourable member is referring to something entirely different and I would like the privilege also of clearing that point up. That our approach to the Canadian National..

MR. PAULLEY: I wonder if the Honourable Minister would let me finish?

MR. EVANS: I had hoped, because my honourable friend is referring to a remark that I made and he had one interpretation of it, I think it's my privilege to correct the misunderstanding. The government approached the Canadian National Railways with this proposition, that there were opportunities for reducing certain freight rates to the north which would result in additional traffic and additional profitable traffic for the Canadian National Railways on that line. They agreed to the proposal; have reduced some rates accordingly, with the result that we anticipated.

MR. PAULLEY: Very good. Very good. It shows co-operation on the part of the authorities of the railway in this area and I'm sure we all appreciate it, but the point that I'm trying to establish, if the Minister will allow me, the point that I'm trying to establish is simply this, and I started out by saying that he is a businessman and he must realize and know that some portions of his business are unprofitable and it has to have some profitable avenues of revenue in order to overcome the unprofitable ones. I suggest to my honourable friend that this is what's happening in the railway business the same as it is in ordinary business -- that they must have it. Objections have been raised, and an alternative by my honourable friend suggested that in order to overcome some possible increased revenue accruing to the railroad in respect of grain rates to the eastern ports, that they should be transmitted by other railroads outside of the province. -- (Interjection) -- I object. I object to this Assembly or any other assembly persistently and consistently trying to bankrupt what has been the saviour and the developer of the Dominion of Canada for political reasons. That's what I object to.

We hear, time after time, opposition to the granting of any subsidy to the railroad industry. We've heard it time after time. My honourable friend the Minister a moment ago, or was it the Honourable the Leader of the Opposition -- I'm not just sure which -- I believe it was the Honourable the Leader of the Opposition a moment ago was explaining in reference to the Crow's Nest Pass rates and the profitability or otherwise of that operation, that due to the increased size of the boxcars and due to the dieselization programs of the railroads and allied factors which are helping to make stable the income of the railroad, that they are fighting for their very life and it may be possible to still make a profit on the likes of the Crow's Nest rates, or justify that rate that is there. But I suggest, Mr. Chairman, that this is only being done at huge capital outlay by both railroads and that the Government of Manitoba should not suggest that there should be a further depletion of the sources of revenue. Costs have gone up in all operations and the railway is fighting for its existence today, and it is doing all within its power in attempting to curtail unprofitable lines; in attempting to put into use all of the advancements that it is aware of at the present time in the railroad transportation business.

And another point, my honourable friend wants to tell us that we shouldn't buy made in Canada goods, buy made in Manitoba goods, and yet advocate the policy in this respect. That's why I raised it, Mr. Chairman, at the time I do, and that's why I repeat now, I'm not attempting to be an apologist for the railroad. But I do suggest this, that we should not jump to such alternatives as my honourable friend suggested because of some possible recovery back to the railroad. I suggest that there is one answer to the whole question of railroad transportation in Canada which would be the nationalization of the railroad industry in Canada. Through a method like that, it might be possible to overcome some of the extra costs through unprofitable duplications in lines. But I do suggest, and I suggest it in all sincerity, that the employees of our railroad transportation industry in Canada have been hard put, that no longer do the hamlets and villages of Manitoba and western Canada, as a result of the progress of railroads, have groups of employees working in their roundhouses and their sidings as a result of the endeavours of the railroad to bring their business onto a practical basis in the light of the advancement of science. I repeat again, I think that it is totally wrong when the Minister of Industry in this province, which has already felt a considerable impact as a result of unemployment, to suggest that the business of the Province of Manitoba and the railroads of Canada should be diverted southward.

MR. EVANS: My honourable friend may have no compunction about sacrificing the interests of the farmers to the interests of the railways, but I have.

MR. PAULLEY: .....sacrifice to the farmer at all and I think, Mr. Chairman, that it can be properly said in this House that as far as the well-being of the farmer in western Canada

(Mr. Paulley, cont'd.)...and the Province of Manitoba, they will receive far more support from this corner of the House than they do opposite.

MR. EVANS: It seems a very difficult way of bringing help to the farmers. I would point out to my honourable friend that the only language that the railways understand, and this is admitted on their part, is the language of competition. In the east where there is competition between other modes of travel, the rates are lower. In the long-haul traffic, where there is no effective competition in certain classes of goods, there has been no reduction and the costs have indeed been furnished by these same western farmers, at least on the return haul, even though not on the Crow's Nest rates themselves. When an opportunity presents itself for the Manitoba farmers and the farmers of the west to enjoy some element of competition, they should have it and I say they should have it; and we should not artificially deny them the one small advantage that they've been able to find, of competition, to help keep their freight rates low. If my honourable friend is so immersed in his defence of the railways and of labour that he wants to sacrifice the interests of the Manitoba farmer, let him do so -- let his Party do so.

MR. PAULLEY: Mr. Chairman, I object! I object to the Minister suggesting and repeating that I am not a supporter of the farmer of Manitoba.

MR. EVANS: Well, you tell us how you are doing it.

MR. PAULLEY: Furthermore, Mr. Chairman, I just want to say this on this question. My honourable friend mentions the question of competition and areas in which competition can be met, and in these areas where there is competition, freight rates go down. And what are those areas? The most fruitful areas that the railroads ever had -- the transportation of small articles and lightweight articles. I want to ask my honourable friend where is there any competition to the railroads for the unprofitable transportation of bulk products. -- (Interjection) -- Products? For the education of my honourable friend, I would say the transportation of what; the transportation of coal; the transportation of iron ore. Is the trucking industry, which is subsidized by this Legislature and every Legislature in Canada, in the competition for these products? I say, Mr. Chairman, to my honourable friends opposite, it's a truism that while we're spending millions and millions of dollars on roads, we're only spending them and we are subsidizing the trucking industry by virtue of that, because of the fact that we're building super highways of six and eight inch reinforced concrete at public expense in order that the huge box-cars may create competition to the railroad. That's where competition has come in. And yet, more and more, the railroads are being placed in a position where their sources of revenue is ever having to come from the transportation of heavy and bulk commodities.

I want to say to my honourable friends this, too, that in its fight for life, the railroad industry in Canada have entered into the trucking business. They have bought up trucking companies. Yes, most of them. Over the great objections of the trucking industry itself, they're attempting, through their modernization of their equipment, to bring about such services as piggy-back transportation across Canada. They're fighting for their lives, but I say, basically, the fields of competition that my honourable friend is talking about as railroads against trucking is only in the very lucrative fields that the railways once had, and that we are subsidizing them in the construction of super highways. Even though the railroads have got into the business themselves, and it is true that they have, they're still faced with the problem of maintaining their own highways because of the opposition of any abandonment of those lines. So I say that there is a defence; and I say that the railways have their backs to the walls. If you take the cream away, to use the words of the Honourable the Minister of Agriculture, take the cream away from the farmer, what have you got left?

MR. EVANS: I think there are one or two points that I should discuss with my honourable friend. In the first place, how does he account for the fact, which is firmly established before the commission at this time, that the railways' net revenues are always highest in years of large crops. It seems rather to undermine the....

MR. PAULLEY: That doesn't answer my question, Mr. Chairman, because that is the time in which they had more transportation of the crops.

MR. EVANS: Well now, perhaps my honourable friend would let me continue for a short period. Perhaps my honourable friend didn't have a chance to read the Manitoba submissions, or he would have realized that Manitoba had a positive proposal to offer on these occasions to

(Mr. Evans, cont'd.)...help the net position of the railways, pointing out the very large losses indeed on passenger traffic -- large and increasing losses. The Manitoba proposal was that such lines as are declared to be maintained in the public interest, should be subsidized from the public purse. Attention was drawn to the fact that the commuter services in Eastern Canada are a very heavy burden on the freight shipper and on the captive freight shipper, the long-haul shipper out to Western Canada where these flat rate percentage increases have raised our costs of transportation several multiples of the rate at which rates in Eastern Canada have been raised. It was proposed that the municipalities, that are served by those commuter services, should be the ones to provide the subsidy necessary to keep them going if they are in the public interest. Manitoba proposed, also, consideration for branch lines which, if unprofitable, should be continued in operation if they are required in the public interest, or if it is decided that they are required in the public interest, they should be subsidized by a rate provided by public funds. That's a reasonable consideration of the position of the railways. Manitoba made positive suggestions for the improvement of the situation in which the railways find themselves, in every aspect where there was a justifiable claim by the railways. But we will not deny western Canada, in any of its aspects, the advantages of competition or the advantage of any industry or any section of the people or any group of workers. We believe that Manitoba's interests come first and we're going to defend them.

MR. GUTTORMSON: Mr. Chairman, on Page 262 of the Public Accounts for the year ending 1960, there's an item under 7 (d) (1) listing fees for railway freight rates of \$45,000. Could the Minister tell us who these fees were paid to and how much did each individual get?

MR. EVANS: I think if my honourable friend asks that question in the Public Accounts committee, we'll be glad to get it for him.

MR. NELSON SHOEMAKER (Gladstone): Mr. Chairman, we are under Item 8 are we not? -- (Interjection) -- Civil Defence? We're still on Civil Defence? Well, we're still on Industry and Commerce anyway. Good! I have before me, as has every other Member, the Annual Report for this department and I note under the heading "Manitoba Development Authority", and I guess we're still on that item, on Page 51 -- "Co-ordination of Policy Respecting Resorts and Recreation Facilities." This comes under the Manitoba Development Authority, Mr. Chairman, and I quote: "The Authority examined the entire question of development of outdoor recreation facilities and co-ordinated the government's policies for the development of resorts and recreation facilities throughout Manitoba." Now, I'm glad to know that they have done that. The question is now, under what department do we find it? I take it, it would be under the Honourable Minister of Mines and Resources.

MR. EVANS: Well I think the very nature of what the honourable gentleman just read out indicates that it co-ordinates the functions performed by several different departments. The functions still remain under the departments. The co-ordination is done by the Development Authority.

MR. SHOEMAKER: Mr. Chairman, the question is, we can discuss resort areas and such under the Minister of Mines and Natural Resources.

MR. EVANS: Yes.

MR. SHOEMAKER: Thank you.

MR. EVANS: The Honourable the Attorney-General has a matter that he would like to read onto the records tonight. I see that we have one minute. I wonder if the honourable members would allow this reply to be placed on the record even if it took a minute or two longer than 11 o'clock?

MEMBERS: Agreed.

MR. LYON: Mr. Chairman, this is in response to a request by the Honourable Leader of the Opposition, and I believe the Leader of the CCF Party, for a copy of the original letter from the Minister of Justice to myself upon which the first Manitoba brief was based, which I read to the House the other night with respect to the Constitutional Conference. I have now received his oral authority to make these copies available. I thought it should appear on the record that I'm passing these to the page and that he will deliver a copy to each of my honourable friends opposite. Mr. Chairman, is there any need to put the actual copy of the letter on record?

MR. FROESE: If it is not being put on the record, could I have a copy as well?

MR. EVANS: Mr. Chairman, I suggest it's now 11 o'clock. We must be nearing 65 hours but we haven't exceeded it, so I move that the Committee rise.

MR. CHAIRMAN: That just leaves you with the one item.

MR. EVANS: Unless the honourable gentlemen would wish to ask any further questions, but I think really the Manitoba Development Fund has been dealt with quite fully under other headings.

MR. CAMPBELL: Mr. Chairman, I concur in that view. The Development Fund has been, as far as I'm concerned, it was dealt with quite fully and I have no objection at all to the other one being considered, but if any of my colleagues have, I'd bow to their wishes, but in that case I'd be quite willing for us to go on a little bit past eleven because I think we have taken quite awhile on this and we may as well pass the other item.

MR. PAULLEY: Mr. Chairman, I've just had a very quick caucus meeting and we would be agreeable to that. I think there is only -- what is it, about two items to pass -- providing the Honourable the Minister of Industry and Commerce doesn't get up to explain what it is all about. I think we have had quite a lot of discussion on it. If he gets up he might just start something once again that would even get me started, so I suggest that we pass them.

MR. EVANS: I'll resist the temptation to say what came to my mind.

MR. CAMPBELL: As a completely unbiased observer, I would say that it's pretty dangerous to have either one of them get up.

MR. CHAIRMAN: Well the Minister can go and have a good night's sleep knowing that his estimates are through. The Committee rise and report. Call in the Speaker.

MR. CAMPBELL: I think, Mr. Chairman, that it was agreed that tonight there would be a statement made as to what would be taken up after Public Utilities.

MR. CHAIRMAN: Yes.

MR. EVANS: I very much regret that I'm not in a position to make the statement. Now I could ask the Leader of the House if he would make a statement before the Orders of the Day tomorrow. Perhaps that would suit my honourable friend as well. I'm sorry I don't know or I would say.

MR. CAMPBELL: That will be fine.

MR. CHAIRMAN: The understanding....

MR. EVANS: I wonder, Mr. Speaker, if you would pardon me one second. I've just heard from the Honourable the Minister of Health and Public Welfare that his estimates will follow those of Public Utilities.

MR. CAMPBELL: We'll finish both up tomorrow then without any trouble.

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

MR. MARTIN (St. Matthews): Mr. Speaker, I beg to move, seconded by the Honourable Member for Cypress, that the report of the committee be received.

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

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

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