

THE LEGISLATIVE ASSEMBLY OF MANITOBA

8:00 o'clock, Monday, May 12, 1969

MR. CHAIRMAN: The Member for Hamiota

MR. DAWSON: I think they've left it up to me to make enough noise for all of them.

--(Interjection)-- I hope you aren't charging this time to me, Mr. Chairman.

Mr. Chairman, I wanted to say that it was very very difficult, as I pointed out earlier, to hear much of what the Minister was saying. I realize that he had lots of papers to present to us, had the allotted time of 40 minutes and couldn't get it done unless he did hurry. But there was one thing, and most of it is done from memory, is the fact that I believe in the 20-point program he presented to us, that as he went along I noticed that every one was a negative approach, there was nothing really definite about it. He says that plans were underway and that we will be doing this or we will be doing that, and he says, I think if I caught it correctly, he said: "The feasibility of a rough fish processing plant and a pet food plant is being investigated; discussions have been initiated...."

MR. SPIVAK: Mr. Chairman, I said that it was under way, and if I'm not correct, I said it was completed.

MR. DAWSON: I thought I understood you to say that the feasibility of a rough fish processing plant and a pet food plant is being investigated. And this is what I was saying, that of the 20 I just happened to jot down, there were 13 of them that were in that manner. One of the things that I thought the Minister said, that his department's professional services' directory will be expanded this year to include management and other professional consulting services. Well, I think in my opinion that there are too many consultants, etc. in the Department of Industry and Commerce now; there's too much duplication of the various jobs.

Another thing I thought that he said was the department would convene a Citizens' Committee along the lines to discuss ways to expand Manitoba's role as a financial centre; and particularly to seek expanded funds for financing capital investment in Manitoba. Now one of the things I wanted to point out to the Minister, in 1966, or '67 I should say, I made somewhat this type of a suggestion to him, and it just came to my attention the other day that this is so true, that Manitoba money is going out of this province in great amounts. For example, there's a citizens' group in Virden that are building two high-rise buildings in Vancouver. The two high-rise buildings that are being built in Ottawa right now is Winnipeg money, and this is the kind of thing that is going on.

The Minister mentioned that there will be a trip to Japan, and I wanted to say that had the Minister had his listening post in Ottawa, I am sure that they would have been included on the trip to Japan with the Minister of External Affairs who went really down for the same purpose as what the Minister is suggesting.

As he went along it struck me as rather strange that the Minister's speech, from what I could hear of it, was very much the same as what we have heard over the last three sittings, or my particular last three sittings too. He gives us the impression that something is always happening in Manitoba, and it's not my feeling that this is true. It seems to me that back in 1957 I attended a meeting - it was not a political meeting, but the former Premier was speaking at that meeting and he was telling us about the state Manitoba was in and all the things that he could do to bring Manitoba to the forefront in Canada. And then in 1962 we went through the same thing, the Conservative platform was the same thing, that Manitoba was on the verge of tremendous expansion, and they made a great announcement about the Nelson River project. Then in 1966 the campaign literature was very much the same, Manitoba was on the verge of tremendous expansion. But the thing that really made me smile was the fact that in 1969 we had four by-elections, and I'll be darned if on the back of one of the brochures it says that Manitoba is on the verge of tremendous expansion.

Now I like to give credit where credit is due, and I know that the Minister has been making efforts to induce industry into Manitoba, but I think that many of the approaches that he has taken are not the proper approaches, and I would like to make some suggestions to him. For one thing, I noticed in his speech that he touched on some of the recommendations of the TED report, and one of the ones that is highly recommended by TED and has been written up by both newspapers in Winnipeg, was the fact that Winnipeg should be one city, and I wondered why the Minister passed this one by, because certainly he must be aware that it would be much easier for industry to establish in Winnipeg if they didn't have the 30 boards that are presently

(MR. DAWSON cont'd) established. I thought that in view of the fact that people on this side of the House have been touting one big city, and many of the people in the city of Winnipeg had, the TED report gave that side the strength to introduce this and yet it was ignored by the Minister. I think we would accomplish something by having one big city. If one had the occasion to visit some of the other western provinces, you'll see that in the city of Calgary there's many things happening there. We have one high-rise building going up and that's the Richardson complex. If you go into Calgary you'll see ten of them being built. So I think the Minister should be pushing for one big city and he has the TED report to back him up.

I think that insofar as the northern area goes, this is something that they pay lip service to and I've said this before, and I don't think the department realizes the potential that we have up north. I don't think they realize that better living conditions are needed, better housing and better freight rates, and I think that they need a true study of the potential that is in the north. I think I mentioned last year that this could easily be done through the University of Manitoba.

The area that I feel the Minister has let down badly is the rural area. This is something that they never talk about - industry in the rural areas. This government doesn't anyway. I think that they prefer to hide the problems of the lack of industry in rural areas, and I'd like to say at this time that I think the government has been working in reverse. It would be natural if you could make the outside of your circle grow, such as building up the north and building up the rural area, that Winnipeg couldn't fail or help but grow. I think the concentration has just been in reverse from what it was in the past. If you go back to 1950 - and surely I don't want to go back to that - but to give you an example, many of these small towns or smaller towns in the rural area were doing very very well and people in the rural area are saying: Well, we didn't have it too bad in the 1950's, we had four and five grocery stores in our town, we had implement dealers, car dealers, we had small businesses going, big businesses going. If you take a look around the rural area now, this isn't happening, and I think the government has made a mistake. They should have continued to develop the rural and the north, and the centre, which is Winnipeg, couldn't have failed to grow.

Now when the Minister was talking about the TED report, when I read the TED report I detected an inference in the TED report that the Department of Industry and Commerce was being criticized indirectly, and I gathered that this must be true the way the Minister came back and gave us all the figures in the early part of his presentation - I think it was the first quarter of his presentation - where he started defending himself by saying that he had accomplished many of the things that they had already suggested, and surpassed many of the things already. So I think that where the TED report doesn't criticize the department outright, if one reads it very carefully you can see that the inference is there, that the things that should have been happening in Manitoba have not happened.

I noticed, Mr. Chairman, too, that the TED report suggests some changes in the Manitoba Development Fund, such as making the records of the Development Fund accessible to members of this House or a committee of the House. But if it had been me, I think I'd have gone a lot further with the TED report. I think that they should have had a lot closer look at MDF because it's my feeling that with the Manitoba Development Fund, they don't know what the right hand is doing or the left hand is doing, and I want to give you an example of what I'm talking about.

Some years ago, not too many, about eight years ago there was a processing plant in Boissevain which processed turkeys, and because of the lack of business in the southwestern part of Manitoba this processing plant was forced to close. Well, after it closed, the group got the idea that maybe one in Brandon could be operated and operated more efficiently and made to go. Well I'm not criticising the group in Brandon because I think people that are interested in getting industry try everything they can. But what happened was that when the one in Boissevain folded up, they went down and they bought the machinery and they set it up in Brandon, and they went for about approximately 385,000 from the Manitoba Development Fund with in excess of \$70,000 of local money. The point I'm making here is that if it couldn't operate in Boissevain on the small scale that it was on, surely to goodness somebody should have advised the people in Brandon that it can't operate on the large scale that you envision. To make matters worse, the reason why this one in Brandon didn't go, Mr. Chairman, was that it lacked the produce in that area. Well, as I said, to make things worse, there was a farmer in the Oak Lake area who had an operation and was producing a thousand chickens in a week, and he felt that his operation was moving along successfully. He was sending all his

(MR. DAWSON cont'd) stuff to the Brandon processing plant, and to make a reasonable profit he felt that he had to expand his business. So he came to MDF and asked to borrow some money, and he was turned down.

Now the point I'm making here, you have a business sitting in Brandon that is going broke because of lack of produce; there's a man sitting in Oak Lake who is strongly backed by the community, etc., asks for a loan from MDF, all his produce is going to Brandon processors, they turn him down. So I feel that there's a great lack of communication with the MDF. Had they first of all advised Brandon that this operation will never go, it probably wouldn't be closed today; but once it was going, had they helped this man in Oak Lake, who knows, the thing might be going today.

It's interesting to me to read you a portion of the letter, Mr. Chairman, that this man wrote. He says that he and his wife "started a poultry business, and as poultry was all we could afford to stock our farm with, this built up into a surprisingly big thing. Unfortunately, as expansion was required, we could not afford to expand with the demand for our poultry. We operated this business for about five years and it got to a point where a thousand roasting chickens a week was not enough to meet the sales demand. Besides this, we were getting orders for thousands of birds for custom killing. We approached Manitoba Development Fund, we had several meetings with members of the MDF Board, all to no good. It seems that we as country people knew nothing; our government knows it all.

"I might mention at this point that letters were sent on our behalf from the Oak Lake Town Council, the R. M. of Sifton, and people in this community who wanted to see this industry progress in Oak Lake also sent in petitions. We seen Mr. Watt several times but that of course was always useless. We were employing five people steady," he goes on to say, "and if we could have had the proper facilities we could have been employing at least 10.

"We wanted to borrow \$40,000 to bring this poultry industry to where it should be, but it seemed that we were talking too small for the Manitoba Development people. They set up a plant in Brandon costing in the neighbourhood of \$385,000 with taxpayers' money and this plant isn't even in operation. But of course they would never admit their mistake in this. By the way, I was forced to close down too, and it wasn't because of lack of business."

So the point I'm making here is that if only somebody had talked to somebody else we might have had the Brandon processor still in operation; we might have had this farmer still in operation as well. I think that the Minister has to make sure there's better communication in the Fund.

The second point I wanted to make was that I firmly believe there wasn't enough produce in that area to support that plant so it should never in all probability have been started in the first place. Now I'm not saying that MDF should not take risks because I believe that MDF should take a little more risk than what they're doing. I feel that the idea of local people being forced to guarantee some of the loans to get an industry into their town, or a business into their town is wrong. There have been many people burnt, such as the situation in Reston and the Brandon processors which I've just described. There were people that were keen to get some industry going in there and they've lost in excess of \$70,000.

I'd like to suggest to the Minister of Industry and Commerce that he adopt an entirely new concept in inducing industry into Winnipeg and the north and the rural areas. This is what was so disappointing to me, as I had heard rumour in the corridors that the Minister had a great speech to present to us today. It was confidential and it was secret, because he had some great things in this speech. One of the things that I thought the Minister was going to have in this speech was the suggestion that was made some time ago that I would like to repeat, and this is the idea of attracting industry by giving forgiveness grants on loans.

Now this is not a new idea, I know it's been tried in other parts of Canada and it's working successfully. The thing is that when the Minister can induce, or his staff can induce an industry to come to Manitoba, they tell him that if you want to borrow \$500,000 we'll forgive half of that over six or eight years, or else we'll forgive it all. I'm not sure what the formula should be, but I'm certain that it's an inducement for industry to come into Manitoba. And then again it's also a way that the Minister can suggest various points in Manitoba that do need assistance. I am told that in one province that the forgiveness type of loan payment is much greater if you settle in a rural part, or undeveloped part of the province, than if you came into the city. For example, if you wanted \$500,000, if you went out to a rural area that is suggested by the Minister and his staff, the forgiveness grant would be a lot larger than if

(MR. DAWSON cont'd) you came into the city of Winnipeg.

Now I happened to see a newspaper clipping a week or so ago where it shows how this is working in the Province of Ontario. The Minister of Industry and Commerce there announced that the Ontario Development Corporation loan of \$500,000 would be granted to a paper company to expand its facilities. The project would create 47 new jobs initially, rising to more than 90 within two years. This company manufactures paper, and the interest-free loan granted under the province's equalization industrial opportunity program will not have to be repaid, providing the company meets the conditions that were outlined when they applied for the loan. Now this is one of the things that has really helped Ontario. It has helped them very much to develop areas that are not too successful.

Another suggestion that I would like to make to the Minister is one that could assist us in keeping the people that lose their jobs through an industry closing up. In many instances we see a large plant like the refinery in Brandon which has closed up, which cost in excess of 50 jobs. These people decide that "there is nothing for me in Manitoba: I have to make a move - I might as well go to B.C. or Alberta." But if they were given some enticement to stay in Manitoba, such as money to help them replace themselves, and what I'm suggesting here is a grant for moving, that we lose too many tradesmen who may be laid off a job and they decide, "Well I'm laid off the job now; I might as well leave the province, go for higher money." But I'm sure that if the Minister had a grant for moving that you might be able to say to him, "Well, you've lost your job in Brandon. We'll pay the expenses of moving you to the north or to Winnipeg or to some place, with the same type of job, and if you stay there for a year or two, you in turn won't owe us any money," or else it could be a loan or something, but it would be a way of keeping people, educated people I'm suggesting, in the province.

The Minister had mentioned about he's expanding his -- I believe he mentioned -- once again I have to say that I thought I heard him say that he was going to expand his department for promotion, advertising etc. Well I was looking through the tourism budget for what is expended on advertising the province. It struck me then that if one added up the two, you'd come up to \$1,250,000 approximately that the two are presently spending, and I wondered if the Minister had ever considered combining one office for the promotion of Manitoba, not only for tourism but in the way he suggested that he's going to start promoting Manitoba by advertising industrial parks, etc. I think that one office to handle the promotion for tourism and industry could be established in Manitoba and you could probably have an auxiliary office overseas, because I think it's important we have one there, and maybe one located in the U.S.A., but my point is that with the amount of promotion money that is spent with just those two departments, and I'm sure there are other things that we are paying for through advertising and promotion, that it may be time for the Minister to look at one office to be doing this, an office that could save considerable money.

The Minister, I believe, touched on international aspects for the airport here, and I was certainly pleased to hear that. I think that he's got a strong case to have an international airport in Winnipeg. The government are introducing a bill, I believe, that will exempt international flights that touch down in Winnipeg, will exempt them 2 cents a gallon on their gas. Well this is some incentive, I'm sure, for aircraft to land here. It's not really any help to us as people in Manitoba but it's a step that I agree with. He may have to give something away here to get the flavour of an international airport but I'm sure that the arguments to have international flights depart and land in Winnipeg are certainly strong enough now, just from the small area that I know, with the hockey teams that are coming from overseas and are forced to land in Montreal first, or else the ones that are going from Canada are forced to go from Toronto or Montreal. There is a small argument there but I would imagine there might be anywhere from 1,000 people that would leave Winnipeg if the opportunity was here.

At the same time, I think that one of the things that the Minister should be pressing for in this international airport that we have in Winnipeg is a duty-free shop. It's something that could be used even if we didn't have international flights because the stuff that people purchase could be in bond and it could work well. I mentioned this in Tourism and Recreation and the Minister of Tourism and Recreation suggested that I mention it once more to the Minister of Industry and Commerce. I don't know if he wanted to infer that you two are not talking or not, or if he just wanted me to say it again; I'm not sure.

While I'm on the subject of taxes I think it's no secret that one of the reasons why it's very hard to induce industry into our province is the fact that the taxes we have are much too

(MR. DAWSON cont'd) high. Now just one example that I could tell you about - I'm sure the Minister is familiar with the fight for the Rivers air base. One of the arguments that I have heard when we've gone down to Ottawa is the fact that this is one province that never seems to give any concessions to military bases, and they say, "For goodness' sakes, you've got five of them in Manitoba," and the first tax they slap on, they always send us the first bill. Now I don't know if their argument is a strong one but I certainly think their argument is strong from the point of view that if we want them to stay here as industry until such time as we do attract industry, we should be thinking of ways to give them concessions. Maybe their hydro bill tax could be eliminated, or their telephone tax, etc.

Another thing that is bad for service people who come into this province is the fact that the Minister of Finance insists on collecting the sales tax on their new cars. Even if they bought it today and are going to take it overseas, he still wants the tax. Other provinces, I know, exempt the service people from the overseas countries that are in here. They exempt them from the sales tax on cars. It's a small thing but all these things add up when they start talking to one another, and they say, "Who wants to go to Manitoba?" I've heard it so many times.

One thing I was going to mention was the estate tax. I see that there is a bill introduced, but I'm very very confused by the bill. There's so many interpretations of it as one reads it. I'm sure that the Minister of Industry and Commerce realizes that the rebating of the estate tax can certainly be an asset to Manitoba to entice and induce people to come to our province, but I wondered, while I'm on this estate tax thing, if the Minister himself understands the bill as it has been presented to us in this House. Is my interpretation correct on this bill, that should the only way that the estate tax will be rebated is if the federal government will replace the amount of money that is rebated each year from the federal coffers, they will replace it from federal coffers? What I'm saying is, that if there's we'll say, \$4 million rebated, 75 percent of that would be three million rebated back to the people, does the provincial government expect the federal government to replace that three million that they are saying they are going to return to the taxpayers? Maybe the Minister could give me the information on that, because if what I'm saying . . . the way I interpret it, it's certainly fraud on the part of the government when they give out their press releases and infer that this tax is to be rebated by them, they're prepared to give it up.

Mr. Minister, I noticed one of the daily papers, and I think it was the Winnipeg Free Press, had a large insert a couple of weeks ago regarding the new buildings. I don't know who inserted it, if this is a promotion piece of the paper for advertising or if it's a promotion piece of the Minister and his staff, but in this they have some of the new buildings that are going up in Manitoba and pictures of things that the Minister has reported to us in the past, but when I was looking over this list I thought, well, you know, the opposite can be true too. It's true that the Minister is entitled to some credit. We have some new buildings in Manitoba and some new industries, but I began to compile a list just myself about some of the things that I've noticed in Manitoba that have disappeared, and I'll just read them off here. You'll be amazed at the number of jobs that this has caused Manitoba people to lose.

It struck me that the Royal Alexandra Hotel is empty; nobody seems to want the place. A large bakery in Brandon closed down. The BA refining station in Brandon closed down. There were 50 jobs there and I understand that the payroll was in excess of \$300,000.00. There's the creameries at Brandon and at Souris that have closed down. There's the Canadian Salt at Neepawa that closed down, and of course we have the San Antonio Gold Mines that folded up and I think there was a community of 600 people involved in this. I remember reading about the House of Mark Mills, Women's Ready-to-Wear; that it decided to move to B. C., was it? And Ralph Hedlin of Hedlin, Menzies and Associates; they have moved approximately 40 people from their firm. The Investors Trust was sold to the Montreal Trust - another loss. We had the Central Park Lodges of Canada. This was the Winnipeg-based firm which operates about 16 homes, and this was sold to an eastern firm, Tri. Greb Shoes; that was the plant, I think, that either this Minister or the government announced was to be located in the Inkster Industrial Park, and I want to know what happened to this one. Was the story true that was reported in the papers that they wouldn't move in here because the taxes are too high in Manitoba?

Then we had Parkhill Bedding and Furniture Limited - this closed down. This caused, I think I read 160 men were out of work on this one. Then we had the Reimer Express which

(MR. DAWSON cont'd) was sold to Neon Products in Vancouver. We have one of the largest and oldest firms in Winnipeg, in Manitoba - Ashdown's; it was sold to Acklands - this is a Toronto-based firm. Of course, we all know about the Air Canada Overhaul Base, moved to Montreal. And then the Minister announced about the brewery that was to be established in Selkirk called Tartan Breweries. This was announced some time ago, and that never materialized. The Macdonald Airport - there was an announcement on that some time ago and I congratulate the Minister. I see that something has happened to that. I read something in the paper about that last Friday.

The Brandon Processing Plant, it's closed down. Manitoba Pool Packers was sold - there were 120 jobs down there. There's Dueck and Sons, the processors at Niverville; that closed down - there are 80 jobs gone there. There's the Rivers Cabinet and Construction closed down - that was 15 jobs. There's the Fabrigaiters in the same town that went out of business. Now these are just some that I know about and I'm sure if I went around to all the members on this side of the House that they could tell me that there's some in their own area or some in the City of Winnipeg that I don't know about. Then look how many jobs that involves, just from what I read off.

Then another thing that surprised me; while the Minister was on the TED Report I thought for sure he was going to tell us something that we have been waiting for for some time. There were three points that the TED Report recommended be instituted immediately if we were going to get Manitoba moving, and of course this was the creation of the Standing Committee on Economic Development from the House here, and I recall asking the Minister a question in the House: if he was going to institute this committee. His answer was No, nothing to announce. And I had hoped that today in this press report that was supposed to be secret and confidential, that he was going to say that there would be legislation brought in for a standing Committee on Economic Development made up of members from all sides of the House. I'm not sure -- I think the Minister mentioned that he was going to appoint some type of advisory council but, if I heard him correctly, it's not the type of advisory council that was suggested to the Minister in the TED report, and also, the suggestion of TED was that this be done immediately as well.

Then the third point was the establishment of an office in Ottawa on Manitoba Economic Development. This is one that I had hoped the Minister would have started to work on too, but I noticed that he did not touch these three points, and as far as I was concerned in reading TED, these were the three important points suggested by TED that should be instituted immediately. So I wondered, when the Minister gets up to make some replies, if he can tell me what he plans to do in this particular regard, if he plans on doing anything.

MR. CHAIRMAN: Does the Honourable Member for Lac du Bonnet have a question or does he want ?

MR. OSCAR F. BJORNSON (Lac du Bonnet): No, the Honourable Member for Lac du Bonnet would like to say something about the gloom and the doom that comes across the table from us. --(interjections)-- I just cannot sit in my seat and listen to the Opposition, the Official Opposition, say that nothing is happening in our Province of Manitoba. I live in a community that is fast growing; I live in a community that has without fanfare or any other method of transmitting information to you gentlemen, except that they go out and they find the things that make the province grow, and I'm speaking of one mine that has been in existence for many years, the gloom and the doom of Bissett, and the mine there is taken up by a new mine. There has been over \$3 million spent in this mine to mine the most exotic minerals that you have ever heard of, and to hear the belittling of our province - they have only started on this in their \$3 million. They're prepared to spend an awful lot of money. They are mining the minerals that are of the atomic age and they are carrying on with the old Kemaloy Mine and they are operating right now, let me tell you; they're operating in our village where they have an executive that were compassionate enough about the people of Lac du Bonnet that they built 12 houses for their executives, they're building 12 more for their executives; they could have built it at the mine. They didn't want to move the children from the mine, which is 65 miles from Lac du Bonnet. They decided that they would make this mine a success. They have spent these millions of dollars; they have put the compassion in this way, that they are building their homes in the Village of Lac du Bonnet. Lac du Bonnet is growing to beat '70, believe me, and I'll tell you that this gloom and doom of losing their jobs does not apply to my constituency. I have visited the mine. I visited it many years ago when they were looking for a different mineral, but today they're getting the minerals that are going to change our concept of

(MR. BJORNSON cont'd) everything, believe me, and these people are prepared to put the money in. They're doing it quietly, without fanfare, without any big noise about it. They're building this mine. They put the \$3 million in today; they will put more money in. They have only started.

Tantalum Mining Company, if you want to know who it is, and I'll tell you they're pretty good people and they're pretty solid, and they're going to change an awful lot of things around in our district, and when you poor-mouth this province of Manitoba you poor-mouth yourself, my friends, because you don't know what's happening around here. You'd better get off your little place in Rivers and visit this mine and see what's happening. I have. I have been to five depths of this mine and I'll tell you, it's changing the whole concept of what Lac du Bonnet is today. And when I hear this poor-mouth business of 15 jobs, they're employing an awful lot of people, my friends. They're paying them real good money. They are getting a product that you don't even realize unless you go down there and see it. May I invite you to come down and see what they're doing? And I'll tell you we haven't said enough about it. We listen to this poor-mouth business of the Liberal Party, they haven't got the guts to come out and see what's happening, and believe you me, my friends, you'd better come down and see what's going on because you'll change your concept of what's going on. You don't know where you talk of when you poor-mouth this province. There are millions of dollars in there. I'm telling you that you don't even know where you speak of when you speak the way you have, and I can't stand in my seat and, having seen all the development, listen to this poor-mouth business of the Liberal Party.

You've got a new Leader. He had better come down to see what's going on in this mine. -- (Interjection) -- Well you bet, and we'll invite him and I'll go with him. I've been down to the bottom of it, the bottom of the mine's high levels, and believe me, they'll change an awful lot of things and they'll change your thinking, which is almost impossible these days. To poor-mouth this province is the wrong thing to do, my friends, and I will not sit in my seat and listen to this. -- (Interjection)--No. Would the honourable member tell me a word over there, please, that I could offend them with? -- (Interjection) -- I don't use that kind of language, but I'll tell you, I'll go with you and I challenge you to come to this mine and see what's happening. I challenge you to come to Lac du Bonnet and see what's happening. -- (Interjection) -- It's going to be still there and it's going to be prosperous and it's going to be a leading light for my constituency. Thank you.

MR. CHAIRMAN: Was the Honourable Member for Hamiota wanting to ask a question?

MR. DAWSON: I wanted to tell the member that I'd be very happy . . .

MR. CHAIRMAN: Well, the floor - I'm going to have to let . . .

MR. DAWSON: No, I wanted to tell him I accept his invitation.

MR. CHAIRMAN: Oh, you're going to accept his . . . okay then.

MR. DAWSON: I wanted to tell the Member that I'd be very very happy to accept his invitation if -- I hope it's not while there's an election on because I plan on going up there at that time. I wanted to say that, providing he'll accept an invitation down to my area. I think that one of the things that he was inferring is that you have to have something I never said I was going to ask a question. I said I wanted to reply to the man. It seems to me that when you throw a stone into a pack of wolves, the one you hit really howls and it looks like I hit quite a few on that side with my story, but I'm replying to the Honourable Minister and I wanted to tell him I'm very happy to accept his invitation, and I hope that he'll accept one to my area in return, and I wanted to ask one question - I guess it's time to ask it. Who put the money up? Is that provincial or is that a federal deal that you've got going there?

Now, I'll give you an opportunity for the Member for Morris to give you the answer before you stand up. I see he was trying to feed you information - you know, the old Diefenbaker type there.

MR. BJORNSON: I would like to answer the question, Sir. Where it comes from, who cares? What are you trying to separate the thing for? The mine is going to be a success, my friend, believe me, and you don't have to start stick-handling around about who put it there. I don't care who put it there. I know, I know that it is for the benefit of my constituency and that's whereof I speak so vociferously. I didn't hear the question?

A MEMBER: Mr. Chairman, is this over?

MR. CHAIRMAN: I take it that everyone accepts the invitation. The Honourable Member for Elmwood.

MR. DOERN: Mr. Chairman, that's a hard act to follow. Apparently we've had some

(MR. DOERN cont'd) mud-slinging and we've gone to the bottom of the mine so I'll attempt to get back to the surface.

I would like to begin in discussion of the Department of Industry and Commerce by commending the Minister for his efforts in the past year. I don't always agree with his program or with his attempts to bring industry to Manitoba, but no one can fault him for his enthusiasm and his dedication to do so. He certainly is the personification of the drummer boy and the man who attempts to lead us into the Seventies.

I would also like to pay tribute to this department which has been built up in terms of personnel, and they have been acquiring I think some very capable people and they have also acquired a number of awards in the past year.

Specifically I would like to mention Mr. Rex Grose, the head of the Manitoba Development Fund, who is one of the more capable and dynamic civil servants in the province, who received an outstanding award last year, presented by the provincial government's Trade and Industry Council, winner of the 1968 Canadian Industrial Development Award, which he received in November last year. It's an award that's been established to honour a Canadian citizen who had made a most significant contribution to the industrial development of Canada in the public interest, and he is the second Manitoban to receive that particular award.

Mr. Chairman, it was very difficult to follow the machine-gun rapid fire delivery of the Minister only a few hours ago as he gave us his introductory report of the department, full of statistics, but although I listened to the statistics, the underlying thread and the underlying philosophy when compared to what the situation in the province is, does not accurately mirror the situation. I also noted that he apparently contradicted himself in terms of his philosophy, and I intend to deal with this later on, because he called for a very heavy government involvement in the industrial and economic development of Manitoba, and then he seemed to disregard it entirely in a later section.

We had the COMEF Report established in 1961 and now we have the TED Report which was set up in 1967. I would like to deal basically with the recommendations of the TED Report which is undoubtedly compulsory reading for any person interested in this province and its future and for everyone who is active in public life, and I intend to use and trust the government's own figures and own statistics. I might say that the report is very well written and researched, but the criticisms of the government that are contained in the report are obviously muted and there is really no outright condemnation although there are stresses at times which indicate that perhaps, instead of coming out and accusing the government, that some of the criticisms have been toned down. The main question really, in terms of this report and all this work that went into it, is simply: is it another report or is it a blueprint for economic development?

MR. PAULLEY: Mr. Chairman, I wonder if you might ask the mumblers and rumpers opposite just to desist a little bit in order that even those that are close to my colleague may hear what he is saying?

MR. CHAIRMAN: I was just paying too much attention to the speaker to hear the rumbings.

MR. PAULLEY: Well, the mumble-rumble even came over this side; it may not have gone to the south; it certainly came over to the west.

MR. CHAIRMAN: Maybe we could just ask the talkers in the back row to keep their talk down a little lower.

MR. DOERN: Thank you, Mr. Chairman. I think that what we really need and what has been called for and what I call for is very simple: we need a clear commitment from the government that it is going to carry out the major recommendations of this report. Mr. Chairman, when you look at some of the recent speeches of the Minister of Industry and Commerce and the Premier, there seems to be, if not a disagreement, at least a difference in emphasis. The Minister of Industry and Commerce recently spoke, in early May I believe it was. One of his statements, I can't just find for the moment, let's see -- to a Winnipeg service club; he said that if Manitobans follow the lead of the Targets for Economic Development, then the province will be second to none by 1980. And then he says that the Ted Commission Report is accurate in its target setting. "The question really is whether it has been an academic exercise in crystal ball gazing." Well, he puts it very well.

And then we look at what the Premier himself has said and we look at the major recommendations and I'm afraid it's not too encouraging. The Premier spoke to the TED Commission

(MR. DOERN cont'd) banquet, the testimonial dinner which I was present at, along with some 600 people, and he said that he was taking the following steps - and these are undoubtedly the right things to do but it certainly is only a mere beginning. It doesn't come anywhere near what the major recommendations of the report are. He said, for example, he's writing the Prime Minister and sending him a copy of the Report. Well, I think that's good and I think that's useful, but I can't get excited about that. That's very routine. Secondly, he says they're going to investigate and plan a uranium enrichment plant in northern Manitoba. Well, that's more exciting; that's a step forward. Third, they're going to propose a ministerial committee. That's probably a fairly good step. And finally, he's asking his department heads to review the report.

Well, Mr. Chairman, when you compare that to the major recommendations set out in the TED report, it just doesn't even scratch the surface. For example, the TED report calls upon the Premier to become personally involved in the industrial development program. In other words, they want him to get involved in the major projects. They want him to go out and negotiate and lend the prestige of his office to major projects. Well, I think that's good but that's not enough. The Premier really has to give a commitment that he will carry out the recommendation. And I must say at this time that I am rather concerned about the government's whole approach because it would seem that, whereas the Minister of Industry and Commerce is calling for economic expansion, the Premier is calling for holding the line. When we read of the Premier's statements on government policy, the emphasis is on cost cutting; the emphasis is on de-emphasizing the government's role in the economy. At the very time when the TED report and all indications point to heavier government commitments to develop this province, the Premier is talking about cost cutting and he's talking about cut-backs, and I think this is an area that has to be very carefully looked into because the Minister of Industry and Commerce is "Going to Beat '70" and the Premier may be going backward in the sense of trying to cut back to the early Fifties.

So if there's a conflict there, then I think it augurs very poorly for the future, and I think that when the Premier is looking into this whole question - he's doing a great deal of talking now about conferences and cut-backs, boards that examine expenditures, and holding the line and everything else - I think he must be aware of the fact that if this causes a slowdown in Manitoba's economic growth, then he will be responsible to that extent. If he is acquainted, and his Cabinet is acquainted with Keynesian economics, they start cutting back the public sector, then we may have, in effect, the beginnings of a down-turn. I don't say this will be the beginning in itself, but I say that if there is a slowdown and the government contributes, then they will have to bear that responsibility. If the Premier only listens to the taxpayers, they will tell him to cut programs; many of them will tell him to cut programs. But at the same time he must listen to the experts and he must listen to the economists and the people skilled in industrial development, because they provide the balance. We can't just cut taxes and say we're going to get economic growth. It doesn't work that way. So I say to the Premier that he must give us a commitment and that he must outline specifically his program; that we want a clear definition of goals and priorities and plans, and we want this not a year from now but we want it now. The question really is: is he giving economic development the highest priority, because economic development supports our tax base; it will ultimately determine the social services that we can offer; and we can only provide equality in living if we attain economic development so that we're able to underwrite the cost of our social programs.

Mr. Chairman, the Member for Hamiota touched on some of the major recommendations. I would like to go into several more of them and into more detail on them. One of the most vital called for in the TED report, there are five major recommendations. The creation of a new Standing Committee on Economic Development is the first, and this is a legislative committee that is recommended. And I think that this is essential, that we have a forum where we can have intelligent debate, not just in the few hours remaining of this Session where we get up for 6 or 8 hours and the Minister takes up a third of the time and we take up two-thirds, and in a short space of time we in effect deal with our province's future. I think we need a place, and I think the Standing Committee is the answer, where we can have public submissions, where we can call in people from the Department of Industry and Commerce, people from the Manitoba Development Fund, and where we can call in as well the regional development associations. These people now are communicating to the Minister by letter and by phone calls. I would like

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(MR. DOERN cont'd) to hear them come before a Standing Committee and discuss openly their problems, because I submit this is not being done at present. If the Minister is getting communications from them, and if when he disagrees with them they get a letter back, and that's perhaps as far as it goes. I think they need a sounding board and an opportunity to speak to the public. In addition, the Minister, it has been suggested - and I think he sort of made this today, and I think this is a desirable thing - he should outline each year in a major address the plans of the department, the plans for the economic development of this province, and report on the achievements of the past year. This is not a public relations job, this is not our government information services achieving this; this is a straight factual clear report on what's happening. Another body that would have an opportunity of appearing at a Standing Committee would be the Advisory Council, which I would like to deal with later.

So on the first point, we've pressed the government on this before, they've brought in new recommendations. When are we getting a Standing Committee on Economic Development? Is the government considering this now, and if so, when are they appointing it? Because I think it's not good enough to let this drag. If we wait until the next session it'll be too late; it'll get buried and it'll probably stay on the shelf, and I think we need this Committee established now.

The second major recommendation in a block of five made in TED that I see no action on is the Advisory Council on Economic Development. This was to be a permanent five member committee exclusively from the private sector which will report to the Minister. And I think this should be made up, not only of businessmen, because businessmen will play a key role and probably the Chairman will be a prominent member of the Manitoba business community. But I think in addition to business we could use representation of labour and probably representation from the university. These are to be the idea men. The Advisory Council is supposed to recommend priorities. They're to review the annual reports of the MDF and the Department of Industry and Commerce, and they are to report to the Standing Committee. Well the question is - where is it, and when are we going to see this appointed? This should fit in pretty well with the views of the Minister. Does it fit in with the views of the government? Are we going to get this Committee?

. . . . continued on next page

(MR. DOERN cont'd.)

One of the most important recommendations that I think directly reflects on this government, and it'll be interesting to see what happens to this, is to establish an office in Ottawa, an office of Manitoba Economic Affairs. This is a pretty good idea and I don't think the Minister has touched on it. The suggestion is that we have a senior Minister, or Deputy Minister rank, who will be in Ottawa with some senior specialists, and their role will be to explain to the Federal Government our position on economic development. They will establish contact with the Federal Government; they will attempt to get Federal contracts for Manitobans. This is something that we're not getting enough of. There are all sorts of Federal contracts, defence and other, that are going by the board because Manitoba is not there to pick them up. These people could be there, they could work through the department and notify local firms to bid on these contracts. Also, we simply need the liaison between the provincial and the federal departments and agencies.

Another suggestion that I make, which fits in with this, is that we really need contact with our Members of Parliament. I think one of the key advantages of having an office there would be to take our own 13 MPs and to clue them in and to give them information, and to put pressure on them to make sure that Manitoba's voice is being heard. We're a key part of Western Canada, and if we want the voice of the west to be heard, we have to hear the voice of Manitoba in our national affairs. So this is a good suggestion. Let's appoint them and let's do it soon. This government continually complains about Ottawa. They continually say that there's no communication. They're continually attacking the Federal Government. Here's a suggestion which is in a report they supposedly buy; let them establish an economic office and let's start communicating with Ottawa. But the question is when? When will it happen? I think it should happen very soon.

The other two recommendations the Minister touched on in his comments, the fourth suggestion that we have applied research and development for industry, and that we give support to the University of Manitoba. The university has proposed that they set up an institute for development and applied research, and it may be possible to acquire federal funds for this project so that the burden won't fall on Manitoba taxpayers. Here's an opportunity to get the academic world involved in our economic development. They have all sorts of people. They are now experimenting with programs of inter-disciplinary research and development, so let's use our campus people by putting them in a program of applied research, research directed at Manitoba; research that is Manitoba oriented. We don't necessarily need studies that don't deal with our province. We can't necessarily apply them. So the question is - the Minister has hinted they're going to make some move in this field, but it's pretty hard I must confess in the two hours at dinner to read the Minister's report and to fully comprehend what he's proposing, but I detected something in that area.

And finally on the fifth point, that there would be an investment promotion through the Manitoba Development Fund and the Department of Industry and Commerce. I would like to leave that for a moment to deal with the Manitoba Development Fund itself. But one thing I would point out that is underlined in this document that is relevant to this debate, that is relevant to some of the bills before this House, is that the TED Commission warned that we should avoid the incentives race. All this talk about giving concessions to industry done on the basis of wholesale giveaway programs is very dangerous, and the TED Report warns of this type of race that is going on throughout North America. This sort of thing should only be looked at providing that it is researched, carefully evaluated, and then some financial investment or financial concessions made. To simply jump into the program and sell our province down the river and give away all our natural resources is very dangerous indeed, and I'm afraid that too often in the past we've acted out of panic -- (Interjection) -- and still doing it as my friend from Churchill points out, doing it in Northern Manitoba in some instances. So we want to get value for our money and we want the benefit from our natural resources, and we won't do it if we give massive concessions. We may be able to do it if we carefully study and research and then make either concessions or investments, or undertake public investments and equity investments and so on.

So these are the five major recommendations, Mr. Chairman, of the TED Report. This I suggest is the heart of the report. The government has pointed a finger at numbers 4 and 5. It is going to take some small action in the fourth and fifth point but there is no mention that I can detect of points 1 to 3, and there's 60 percent of the major recommendations not being examined. So I say to the Minister, is this another report? Is this another report followed by

(MR. DOERN cont'd.) another report, or is this a blueprint, and if it's a blueprint, then let's see when we begin construction.

Mr. Chairman, I would like to deal for a few minutes with the Manitoba Development Fund. There were about seven major recommendations in regard to the Development Fund and I will just mention them in passing. Some of these apparently the government is going to act on, but I think on the key ones I still see no indication of action. They talk about new activities for the Fund in 1980, and they outline a program. First, to adopt a more aggressive policy toward capital supply. Second, research to develop major projects. Third, financial packaging and counselling. Fourth, leasing of plant and equipment. Some of this is going to be done. -- (Interjection) -- He did or you did? He did. (5) Providing managerial assistance to firms in which it has an investment. (6) Financial support to export of manufactured goods. (7) The creation of a new P. E. P. program - Pilot Enterprise Program. Well if he said it I don't think he said all of it, and if he said it I think some required -- (Interjection) -- You didn't say it? -- (Interjection) -- You said all of them. You mentioned them all. Well o. k.

The point is, did you mention the key ones, or are you going to implement what I think are the key points? Until now the MDF, according to the TED Report and according to the Fullerton Report at the back of the annual report of the Development Fund, has been very conservative, and this is an admission that anyone would make who is familiar with the situation. So the question really is, are we going to move out in bold new directions? Now the Minister has indicated some directions we're moving in, but I think the big question really is, are we going to go in to higher risk investments? Are we going to look at some of the smaller firms? Are we going to, in some cases, do things on our own, and in other cases get back some of the profits, because we're taking a risk. The government program, if you look at what the Minister says and you listened to his speech this afternoon, he talks about free enterprise and he says only private enterprise can do it. He blows the horn.

You know, Mr. Chairman, we're often accused of talking in cliches but this government talks in cliches; they talk in Adam Smith's terms which I think are about 200 years old. All this pious talk - all this pious talk about the private sector creates the jobs, not the government; the private sector creates high paying jobs, not the government; the private sector locates and expands in rural areas of the province, not the government. Mr. Chairman, that's absolute nonsense. The private sector is certainly a very key part of the sector, it's certainly very dynamic, but it is in partnership in this province with the government. The government has always had to play a role in this province and this government is playing a role. This government is underwriting programs; it's doing research; it's going out and dragging businessmen in; it's taking businessmen on trips; it's underwriting the cost of business; it's making productivity studies. It's doing all these things. It's loaning money to business; it's giving money to business. The Federal Government is doing this. All of these things - all of these things are being done for the private enterprise system. Well as far as I'm concerned, that doesn't mean pure free enterprise. It's obviously mixed. We live in a mixed economy. Nobody in North America that I can determine thinks that they live in a free enterprise economy. It might be largely free enterprise. -- (Interjection) -- There's a member at the back there who believes that. . . (Interjection) -- A just society.

Mr. Chairman, if we're doing all of this, we're so heavily involved that we're doing everything for private industry except getting a piece of the action. I think it's only reasonable that if we're going to take the risks, underwrite the programs, point to the programs, invest in the programs, let's get some of the returns. And this is where the MDF program comes in, the equity capital, a share of the profits.

Also, it's quite obvious, Mr. Chairman, in the whole TED Report that the Minister is not just talking about the private sector, he's talking about a consensus of opinion between business and government and labour and so on. We're getting this kind of approach. It reminds me of Scandinavia. That should send shudders up the Minister's spine because they're a Democratic Socialist Government there. I see it sent shivers up the Liberals' spine as well. -- (Interjection) -- They don't have any spine. Well that's my backbench which is commenting to your backbench. Can you give me a word that I can use on them?

MR. DESJARDINS: I think there should be a little bit of decorum if you

MR. DOERN: Mr. Chairman, these suggestions about a role -- shall we call a break for 60 seconds while the Liberal Party puts itself together?

MR. DESJARDINS: Never mind putting themselves together, would they leave my briefcase alone. I'll get one made of

MR. DOER : It's obvious they fell apart on the weekend.

Mr. Chairman, I'd like to deal with some of the other suggestions made about the Manitoba Development Fund, the suggestion that these programs which are talked about in the TED Commission Report, which were recommended, could be financed apparently from their internal resources, that a lot of the programs suggested could now be financed by the MDF if you took their net earnings, providing the government took certain steps, and one is eliminating their debt servicing charges and also allowing them to plough back their investment. Maybe the Minister could answer this for me, I'm not too clear on it, but when they show a profit, I gather that that money is taken from them and ploughed back into the government. Perhaps you could deal with that when you're making your comments.

But the main point ending up the section in this report, the final sentence is the key to the Manitoba Development Fund: "The hope and the necessity of an announcement by the government that it will go forward, signalling to the public and the business community the dedication of the government" - that's the key phrase - "to the crucial task of building a stronger economy to which all of the Commission's recommendations are addressed." It's the government's commitment which is behind this report which will ultimately get this province moving or not.

I asked the Minister at the conclusion of his speech whether or not in fact they were going to do anything in regard to equity investment, and I referred to Part II of the Manitoba Development Fund Act. That section is available and it's been available for a number of years. When is the government going to use it? We certainly use it indirectly. Hydro is one of the key dynamic forces in this province. That's a public thing; that's public money that's going to help develop this province. If we can do it in that area maybe we should be looking at it more in terms of northern development.

So Mr. Chairman, that pretty well brings to an end what I attempted to start out with, because there's so many things that can be dealt with in the TED Report and I hope to have another opportunity later on, but what I'd like to hear the Minister say to us, is there or is there not a clash of philosophies in the government? Does he feel that the Premier is backing him up? Does he feel that he has the commitment to go ahead with the TED Report? I'd like to hear that, because the way I see it, the Premier is going in the cost-cutting direction, he's cutting back, he's emphasizing the conservative part of that party; the Minister is emphasizing the progressive part, and these are horses running in two different directions. So I really fear, and I look with some concern on this government talk. I have no objection and I think it's desirable to review programs and to look for savings, but I fear just the wholesale cutting out of programs and a retrenchment at the very time when we need a commitment from this government to go forward. I would also like to know if the Minister will deal with those five major recommendations that I suggested, and if he is going to give us a little more light on the question of the MDF equity position.

MR. CHAIRMAN: The Honourable Member for Rhineland. Do you wish to speak, Sir?

MR. FROESE: Yes.

MR. CHAIRMAN: Then we can have the Minister afterwards.

MR. FROESE: Mr. Chairman, I don't intend to be very long in my remarks. However, I feel that I should make some comments in connection with the estimates of the Department of Industry and Commerce. It seems as though the Minister painted a very rosy picture this afternoon, basing his report more or less on the TED Report and its recommendations, which I think are more or less - and I think also put forward as following up the COMEF Report which was tabled some years ago. In many respects I think it is a follow-up and just extended for a further period.

A number of the matters that have been raised by the Minister are probably quite valid, and certainly as far as reducing the air fares and getting more lines brought in and that we have greater communication that way, I'm sure is welcome. And I do hope that by the time a year from now when the big exhibition is on in Japan that the Minister will arrange a tour for us so that we can go to Japan.

Mr. Chairman, tonight I want to speak more or less of my constituency and what has been done and what is being done in connection with industry and commerce, and I feel that the people in my area are doing a wonderful job in this connection. To start off with, I would first of all bring you the greetings of the Manitoba Sunflower Festival people. This has been organized and has been going now - last year His Honour the Lieutenant-Governor visited the festival, which I think was quite a success. They featured several items at this particular festival.

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(MR. FROESE cont'd.) For one they have a pig killing or butchering bee, and a few other affairs taken from the old days which are quite interesting also to the younger people in the community. The Sunflower Festival people had a special thing put out last year in that they had a sunflower dollar minted, and I have a sufficient number here for each member present and I would like one of the Page boys to come forward and present each member present with one of these Sunflower Festival dollars. It reads on the back: "Redeemable for one dollar at Altona, Manitoba, until 1970. So they're worth a dollar if they're redeemed before that date. Maybe this is part of Social Credit - I'm not sure, maybe this is Social Credit money. At least I would give thanks to Bruce Gunn who is the chairman of the Festival Committee and who was one time the candidate for the Conservative Party in my riding, so he must probably believe in Social Credit by now and also having a dollar minted like this. It's very nice, and I think maybe the members will want to keep it as a keepsake. The Page boys will be distributing these and they are presented to you on behalf of the Manitoba Sunflower Festival head office in Altona.

The people in this area are active and they are building the community. We have an oil extraction plant which was set up in the 1940's and which has been a going concern since that time. Last fall they celebrated their 25 years of service to the community, and they, being a co-operative, have returned thousands and thousands of dollars in dividends to the members of their organization. It has provided additional crops to the area, not only sunflowers but also soybeans and rape, which are processed at this particular extraction plant. Since we do not have the proper type of soybean variety, very little of the soybean crop is grown in Manitoba. Most of the beans are imported from the United States. I hope that this will be rectified some day and that we will have a proper variety that can be grown successfully in Manitoba. I'm rather sorry not to see the Minister of Agriculture in his seat. I brought this to his attention on previous occasions. I think he should take it to heart and spend more money on agricultural research so that this can be brought about and that the people in this area can - and they would put such a strain to use. The sunflower acreage has gone up and down in various years because of rust and other diseases, but I think it is coming back and that a larger acreage will be grown this year so that the industry can and will remain successful.

We have a large printing firm in the Town of Altona, the D. W. Friesen and Sons Printing Plant. They are a very successful firm and have expanded more than once in their business.

We have CFAM, the best radio station in the Province of Manitoba. It has the finest music of any radio station in Manitoba; it has the best farm programs. This also was brought about by local people in the community and I give credit to them on this count too. Not only do they have that, they have a shoe factory there and they have a garment industry. So we have a number of these businesses and industries going that certainly augur well for the community and are definitely an asset to any community in Manitoba.

We also have in our other communities strong Chambers of Commerce going. The Town of Winkler certainly is no exception. They have what we call and refer to as the "Old-Time Value Days" every year, when they set aside certain days in the month of August generally, and where they really have old-time values as far as their goods are concerned. They attract people from near and far and they're putting up prizes galore that can be won by the people in attendance. They set up other attractions such as the "Dunk it" that the Chamber set up last year and the businesses are participating at an all out rate.

They also have a very active industrial committee which has seen to it that industries were brought into their particular area as well. As a result, they have attracted such businesses as the Triple E which was set up by local people. This is a large concern now building trailers, and they are being sold right across Western Canada and into the States and they are expanding their operations this year again. There is a new trailer industry coming in, building these large trailers that they use for crews such as the Telephone and Hydro people or road construction gangs that will require these homes, trailer homes, and these are now being built by this new established firm.

We have another new industry set up last year in the pre-fabricated metal buildings. They are providing these materials for warehouses and granaries and so on, and I'm sure that this will be a successful venture. The boys, the people that are in this business have made success in other ventures and I have no doubt that they will prove themselves successful in this venture as well.

They have brought in a garment industry which also has been going now for a number of years. We have an implement manufacturing concern, constructing potato harvester truck

(MR. FROESE cont'd.) boxes. This is a special type of box that is required. They're manufacturing sunflower harvesting attachment and harrows and harrow drawbars. These are all items that are being manufactured in the Town of Winkler.

In addition to that we have a cannery there now for a good many years but which is under new management since two or three years ago, and they've added a lot of new equipment to their plant. Last year brought in four new large pea-viners, which are more or less self-propelled and just thresh the beans as they're being cut, so that they arrive at the cannery fresh and will be canned in a matter of hours from the time the beans or peas are cut. There's also a number of feedlots and various other types of business that have been established and brought in. So that these communities are trying hard and I think they are doing a good job. I congratulate the people in these areas and also pay tribute to them for the energy and time that they spend in bettering and improving the community.

But, Mr. Chairman, I'm wondering about this very thing, and I've mentioned it on a previous occasion, I think a lot of these programs, the more recent ones are due to the ADA program, which is a federal program under which certain grants are made when they establish industries of this type. They are a real big incentive, and if it hadn't been for this I wonder whether some of these would have come up. And this not only applies to our area, I'm sure this applies right across the province where you see new industries going up. For awhile you only saw new industries come in to those parts of the country that were in the designated areas and where the ADA program was in effect. We noted that as far as Brandon is concerned you had industries coming to Brandon that did not come there until they had the ADA program going. I know our area was not in the designated area until a few years ago, and until then we did not have the progress that we have at the present time. But what will happen if this should be dropped? And since the Department, the federal Department has been reorganized under which this program is being carried out, I wonder what will happen? Is the program remaining the same - and I hope the Minister listens - that he can explain to us how the future looks and whether this program will be continued indefinitely, Mr. Chairman, and I would like the Minister to definitely give me a reply on this. What is the future in connection with the ADA program? Will it continue on the same basis? I don't think he referred to it in his presentation this afternoon.

The other point is the financial support of the municipalities and towns giving financial support from tax levies. I question this part very much. Maybe it's essential to have this in the interim stage in getting these corporations going, but I feel that the municipalities should not be called on to finance these programs. I think if the government wants these programs to come along that they should be the ones to supply the money. The municipalities have a hard time as it is in trying to keep their taxpayers happy when they are required to place such large burdens on the ratepayers as it is today. Once more, I feel that in order to make a success of this department and of attracting industry, we need a climate where we do not have excessive taxation and where we have people that will be energetic and will want to come along and assist and help to better the province. And I think we have these people; no doubt we have them, and I congratulate them wherever they are working and wherever they are making an effort, and I hope that the department will channel these interests in the right way and that we can keep the province going.

MR. SPIVAK: Mr. Chairman, I think it would be appropriate at this time to try and reply to the three previous speakers. I know that others will want to speak on the debate and I would like to do this as briefly as I can.

The Member from Hamiota stated in his opening that he considered the statement made by myself as a negative one. I certainly would suggest that it was not negative. It was positive. It was positive in the statistics which indicated the growth, the economy in the province. It was positive when it stated the programs of the department and talked in terms of the departmental reorganization, and it was certainly positive when it discussed the TED programs that would be undertaken by the department.

Now there obviously was some misunderstanding of some of the programs in connection with the TED action, and I'd like to, if I may, just correct one. He referred to the -- when I made the statement of the department's existing professional services directory, that it would be expanded this year to include management and other professional consulting services as suggested by the TED Report, this is a document that is prepared by the department for all industrial groups and for people who would need this information, in which we would list, in the professional directory, the management and other professional consulting services. This is

(MR. SPIVAK cont'd.) . . . one of the suggestions that TED had mentioned.

And similarly, there was a misunderstanding when I stated about convening a citizens' committee. One of the serious concerns of the TED Report was the fact that Manitoba's role as a financial centre should be expanded and that there should be efforts made to try and develop our province as a financial centre for the purpose of highlighting its financial activities and, more importantly, for the ability to bring to this province the management capability and the decision-making for capital investments to make money available for those capital investments in the province.

In his remarks, the Member for Hamiota referred to the fact that a group in Virden were in fact building in Vancouver, and I think he mentioned another community were building somewhere else. And of course this is good, but I should like to point out to him that in the City of Winnipeg, as an example, we have a group from Alberta, Oxford Leaseholds, who have been involved in many of the major developments including Lombard Place. Kemp Investments, which is a substantial holding, a real estate holding, have invested and are expanding in the Winnipeg area. We have the group represented by the Northwest Trust Industry who have just commenced a 36-storey apartment building. We have the Holiday Inns from Montreal who announced an expansion or a proposed hotel and development - some 20 storeys. We also have the Metropolitan Estate Planning Corporation of England, who are now in the process of building a 20 or 30 storey apartment building at the corner and commercial building at the corner of Donald and Broadway. So I think that we can prove pretty adequately that there have, in fact, been investments made in this province in the commercial field outside. But our concern in this province, and I think the concern of TED, was that because we are in fact away, far away from the financial institutions, that there is less opportunity for our people to be able to have easy access for credit arrangements and for capital requirements to allow the kinds of expansion that we want to take place in this province, and for that reason, in attempting to try and build Manitoba as a financial centre, we are trying to achieve this objective and this is the purpose of the Citizens' Committee itself.

Reference was made to the trip to Japan and the suggestion that we should have been part of the Minister of External Affairs' trip to Japan. I'm not sure that I fully understand what he was intending to do. We have problems of wheat, which we are going to be dealing with, and general problems of trade and the balance of payments between Japan and Canada. I'm not sure that we - we were certainly not asked, and I'm not sure of our participation. But let me just assure the Member from Hamiota that the Deputy Minister of the department travelled to Japan last June and made some very real contacts with firms that could in fact be interested in investing in our province, and these contacts have been followed up by subsequent visits by many of the Japanese firms to Manitoba. And our purpose in going to Japan in June will be one, although I would suggest several trips that will be taken in the next year for the purpose of trying to further the opportunities that we feel exist. They exist in the activities, industrial activities of automobiles and heavy equipment, in electronics, in steel, in chemicals, in synthetic textiles and fibre productions.

I also would like to point out to the Member from Rhineland, for his information, that it would be proposed that the department would work with the Chamber of Commerce for a trip to be made, a basic mission as such in October this year or the end of September, where in fact the business community would be invited to make a specific trip to Japan and the far east to be able to establish contacts for trade and for investment opportunities.

Now the suggestion that this government is always saying that something is happening is true, because something is always happening and that's the reason why we say it. And all you have to do is look to the south of the province, look to the southwest of the province, look to the north and look to the new plants that have in fact been created and developed in this province, many a result of the efforts of the Department of Industry and Commerce in one manner or another. Because obviously, and I must recite the basic philosophy here that while a government can assist and help and encourage the investment, the investment decisions are made by corporations and by boards of directors and private individuals who make them in their own board rooms, in their own offices, when they weigh out all the facts that are presented to them, including the information that's supplied by the department, if it's requested, and the information supplied by the communities whom they were dealing with as well as the industrial sector itself. But nevertheless something is happening and we're quite proud of that.

The reference made by the Member for Hamiota to the question of one big city - that I do not think should be addressed to me. The Premier has already written the various Ministers

(MR. SPIVAK cont'd.) and indicated that he would want some basic position paper on the TED recommendations, and I'm sure that the Minister of Municipal Affairs will be dealing with this and will furnish that information to him.

I certainly am not going to suggest that this government has given lip service to the northern area, and I would say to you that the forest development which was criticized so vehemently in this House and which is still to a certain extent the subject of criticism, has been the direct responsibility of the efforts of the Department of Industry and Commerce, and of the former Minister of Industry and Commerce who is now our Finance Minister, and the former Premier, and that this is going to be one of the great boons to the northern area, along with the Hydro development that again is now in the process of being criticized, but whose results will be far-reaching for the development of our northern area.

Now, in dealing with the industry in rural areas; as I indicated in my opening statement, one-third of the new manufacturing establishments took place in the rural areas. And I'd like to refer the Honourable Member for Hamiota and those who may be concerned about the government's commitment to development in the rural areas, to the Manitoba Development Fund Report, to page 20, when it shows the geographic distribution of loans, and it shows loans totalling 16 million and some dollars to Metropolitan Winnipeg and \$45 million to rural Manitoba. It also indicates, on page 8, the firms that were assisted by the fund, and they say that they are located and operating in Brandon and in Portage la Prairie, in Carberry, in Sprague, in Morris, The Pas, in Morden, in Thompson and Selkirk and Boissevain, in Minnedosa, in Winkler, in Steinbach, Altona, Falcon Beach, Moose Lake, Kissing Lake, Lynn Lake, Beausejour, Lac du Bonnet, Treherne, Vita, Child Lake, Roblin, Swan River, Teulon, Clandeboye, Gimli, Betula Lake, Cartwright, Deloraine, Souris, Ethelbert, Bakers Narrows, Carman, St. Martin, Ste. Agathe and Killarney.

I read that very quickly but if you turn to that report you can see it for yourself. And I think that this indicates and shows that there is a fair commitment by this government to try and see that development takes place in rural areas. But there has to be a recognition that we are in fact in a period of change, and if anything, it would be important for the Member for Hamiota and others who are concerned about this to read in the TED Report the references in fact that rural change is a fact of life. But we've made efforts in this department to try and encourage developments in the rural areas; the distilleries in Gimli and in Minnedosa; the saw mill in The Pas; the announcement by Bertram at The Pas; our efforts with the Columbia Forest in Sprague; the Electro-Knit plant in Selkirk; Simplot in Brandon, in Dryden and Brandon, are just some examples of our attempts to try and see that industry does in fact locate in the rural areas and assist them in making the decision themselves.

Now reference was made to Brandon Poultry Products Limited, and although the Member for Hamiota is absent now, I would simply say that this matter is now before the courts and I'm not privileged to comment on this matter at this present time. -- (Interjection) -- Brandon Poultry Products Limited.

The Member from Hamiota talked about forgiveness grants and loans, and referred to a plan which was really the Ontario equalization of industrial opportunity program. I mentioned before in this House, and I would mention again, that this plan was introduced by the Province of Ontario to be effective in those areas that did not qualify under the area development agency program. This was the Ontario government's program to complement the federal program so that other areas that were not included would have some incentive programming. We, as a department, have looked at this and have been concerned about making recommendations, but in view of the fact that the Department of Regional Economic Expansion has now been formed, and in view of the fact that there is a definite commitment that the ADA Program is going to be examined and probably revised, there was really no point in introducing incur estimates at this time a program to be used in those areas that were not under the ADA program now until we know what the federal government's intentions are.

For the Member from Rhineland, I would suggest to him that insofar as the ADA program is concerned, based on the statement of the Honourable Jean Marchand of the constitutional conference in dealing with the . . . department and the White Paper and the legislation that will be introduced, there is no question that the program as we now know it will in fact be changed. Whether it will be expanded, whether it will be altered or whether it will be terminated, we cannot be sure. Our department have had discussions with the officials of the department and we are led to believe that the changes are going to be significant but that they nevertheless will take into consideration our position. I may say as well that we were fortunate enough to have

(MR. SPIVAK cont'd.) the Deputy Minister of the Department of Regional Economic Expansion meet with the directors of the Regional Corporation, where we were able to give him an opportunity of hearing firsthand their comments and their concerns for the various regions of the province itself.

The suggestion made by the Member for Hamiota that the Department of Tourism and the Department of Industry and Commerce combine in a tourism and development advertising program, I think is incorrect. Development is not tourism, and industrial development and industrial expansion is not tourism. They are separate functions and they require a separate emphasis and they are directed to different groups. And I would suggest that the programs that are being conducted now are the proper way in which it should be conducted and the distribution is correct.

The suggestion of auxiliary offices and overseas; as many of you are aware, and the Member for Hamiota may not have been aware, we did have an agent-general for several years overseas. It was the judgment of the department, and I think correctly, that with travel being what it is today, that it was far better to have taken that budget and to use it for other purposes, and to allow those who have contacts overseas to be able to travel when necessary, to further whatever requirements they have in connection with the departmental activities.

So far as a duty-free shop is concerned at the airport, I would suggest and I would agree with the Honourable Member from Hamiota that once we can get Winnipeg to truly become an international airport, that a duty-free shop is necessary and we certainly will work towards it, and I would suggest to him that if he has any influence with the party which he represents, who are in control of this matter in Ottawa, that he use all the influence he can to try and see that in fact Winnipeg does truly become an international air centre.

Reference was made to the fact that

MR. DOERN: Mr. Chairman, could I ask the Minister a question there? Do we make any money on a duty-free shop? I mean, would the airport or the government or the province benefit if we had one, or is it just that we give the concession and . . . for the advantage of tourists?

MR. SPIVAK: I'm not in a position to answer that directly except to say that we've made some studies in the department as to the implication of what a free port area would be, and I would suggest that if we were capable of being able to develop an international air centre in Winnipeg, that a duty-free shop and a free port could seriously, and should seriously be considered. — (Interjection) — The honourable member has asked whether we will make money, if the government will make money. I'm not sure that necessarily the government will make money but I would suspect that many Manitoba products are going to be able to be sold, in which case the economy of the province would be benefited.

The Honourable Member from Hamiota mentioned that taxes were too high, and I would simply suggest that he read the TED Report where I would say the taxes are - not that they're high; the taxes are high but they are average as far as Canada is concerned.

Our location comparison studies have shown that taxes are really truly a small element of the total cost in industrial development. Now if I may, I would like to deal with the Member from Elmwood's statements. I must say that I'm going to wear a button that was presented to me. It's not an election button, it was one that was presented by the Honourable Member for Elmwood who said that I should wear it on my estimates. The button says: Honest Abe of the West. -- (Interjection) — William James had a statement that a great many people think that when they are thinking, they're really thinking but really all they're doing is rearranging their prejudices, and it would seem to me that the Honourable Member for Elmwood who was attempting, in as conservative a manner as possible, to present a doctrinaire Socialist position, has shown some contradictions in what he was presenting. Because the implication of his statement is that government is the main employer in this province - and it is not - and that in fact it is the government and not the private sector that's going to create the jobs in this province.

Now let me make one thing very clear. Insofar as the government is concerned, the basic objectives and goals that have been stated in my opening statement reflect the thinking of this government, that it is not government but it is a private sector that creates jobs, and it's the private sector that's going to be responsible for high-paying jobs occurring. Government public service employees are a small percentage, a very small percentage of a total number of people employed in this province. There are 360,000 people who are employed in this province who are working, and a very small percentage are in fact employed by government. Our function

(MR. SPIVAK cont'd.) as a department in the government is to establish the economic climate which will allow growth to take place, and in those areas where we can assist, to try and lead and assist our people to do the things that they should be doing for themselves. Recognizing our economic development and recognizing the fact that there are so many small business operations in this province, it's our responsibility to create the kind of programs that will assist those small businesses to do the things that they would otherwise not be able to do because of lack of access to and knowledge of the matters before them, or because of lack of access to capital, or because of inability to understand the basic changes that are occurring in their development. Our expertise in this is to try and lead them, and this is basically what we've attempted to do.

MR. DOERN: On a point of privilege, I'd like to explain that I did not in fact say that the government creates all the jobs in this province. I said that the Minister seemed to suggest in his opening statement that it was not the government that created the new jobs; it was the private sector. I don't agree. The government also creates jobs and the government also creates high-paying jobs. It's neither one nor the other but the Minister seemed to deny that the government did any of these things and I was simply trying to correct that.

MR. SPIVAK: Mr. Chairman, I stand to be corrected but approximately 7,000 people are employed in the Civil Service out of a total employment in this province of 360,000, so my first statement that it's a small percentage, I think, stands as correct.

Now, I would like to also state in this House - because there's been some suggestion and innuendo that there's a basic difference in philosophy between what the Premier has said and what I have said, and I must say that it's incorrect. The Premier is committed to the TED Report and to economic development and all you have to do is read his speeches to know that. When he's talked in terms of "holding the line" he does not necessarily talk of stopping economic expansion because they are not contradictory statements at all. Economic expansion can and will take place in this province and frankly, this is going to be the only way in which we are going to be able to have the tax dollars to carry out the programs we now have, let alone any new programs; so therefore, there's no contradiction and he has stated this over and over again and I would suggest to you that in terms of his own involvement that he has in fact been involved in industrial development. He in fact has travelled outside of this country in connection with projects on this, and I would tell you that he's been consulted on every major development that occurs and he's quite familiar with what's taking place. And I say this not in answer to the TED Report, but only for the point of giving the honourable member information in connection with his statement.

Now the Honourable Member for Elmwood read a speech of mine, or read excerpts of a speech of mine and I would like to, if I may, just very briefly for the record, express what I actually stated, and I have a copy - it was at the Lion's Club. I said that the Manitobans who shape that future will not be found for the most part in the Legislative Building or the Norquay Building; rather they will be found in the office buildings, factories, and commercial establishments of Winnipeg, Brandon, Portage la Prairie, Dauphin, Winkler and Thompson. In short, the Manitobans I have been describing are yourselves. What you do now and in the near future will determine what Manitoba is like in 1980. Your actions will determine whether the TED Commission's Report is accurate in its target setting or whether it's been an academic exercise or a crystal ball gazing. And if you interpret that correctly, my reference is to the private sector that are going to be responsible for what's going to take place and not government.

Now, the Honourable Member for Elmwood dealt at length with about four pages that appear in the TED Commission of a report of 550 pages, and he simply indicated that this was the only important and significant thing and he read five items referring to the Legislative Committee, the Advisory Committee and the office in Ottawa. Now I'm not suggesting that these things are not important and I'm not suggesting that they're not going to be given full weight by the government, and I'm not suggesting that action's not going to take place, but my responsibility in this department is to work in those areas of this report in which we can advance the economy of the province, and in the report that I presented in my estimates and in the action that will be taken under TED, I'm dealing with the other matters other than this. I would suggest to the Honourable Member for Elmwood and others who may in fact be interested in this matter, that these are policy decisions that will be made by the government and you will be informed in due time of exactly what will take place, and any suggestion - and I repeat again my opening statement, that the government here is simply going to stand up and willy-nilly make pronouncements to suit the convenience of those who would like to see these specific

(MR. SPIVAK cont'd.) things happen without some direct understanding of the total commitment of the government in the application of TED - is incorrect. There was a suggestion of writing to the Prime Minister about Uranium enrichment plant wasn't a very important thing. Well, I don't know how you initiate the uranium enrichment development unless you do that, because it's going to have to come as a direct result of negotiations between the Minister of External Affairs and the appropriate secretary in the United States Department to see that that technology is available. It's going to require funding which is going to have to come from the federal government, and I don't know how you can do that without talking to the Prime Minister, and I can suggest to you that there already have been conversations in connection with this; that action is under way; but it has to start with somebody doing something and this in effect is what the Premier undertook and did.

Well, I'm sure Mr. Chairman, that we will have opportunities to discuss other items in connection with my statement and I will deal with them after the next few speakers.

MR. DOERN: May I ask the Honourable Minister a question? I asked him specifically about the question of whether the Manitoba Development Fund will get involved in equity capital. I wonder if he'd care to comment on that because that was also a major part of my remarks.

MR. CHAIRMAN: Committee rise and report. Pardon me. Are you going to answer?

MR. LYON: Committee rise.

MR. CHAIRMAN: Committee rise and report. Call in the Speaker. Mr. Speaker, the Committee of Supply has adopted certain resolutions and asks leave to sit again.

IN SESSION

MR. M.E. McKELLAR (Souris-Lansdowne): Mr. Speaker, I beg to move, seconded by the Honourable Member for St. Matthews, that the report of the Committee be received.

MR. SPEAKER presented the motion.

MR. FROESE: Mr. Speaker, before you put the question to accept the Committee's report, I would like to make one statement here and I would also like to present to you a token from the Manitoba Sunflower Festival. Members have already received a token and I would like to have the Page bring to you this token that has been distributed on behalf of the Manitoba Sunflower Festival and its chairman, Mr. Bruce Gunn. They take pleasure in doing so, and at the same time I wish to extend an invitation to all the members and to you, Mr. Speaker, to attend their Festival in the coming year.

MR. SPEAKER: I thank the honourable member for this small token and I would ask him to extend to the honourable gentlemen my good wishes and every success to the Sunflower Festival.

MR. SPEAKER put the question and after a voice vote declared the motion carried.

MR. LYON: I move, seconded by the Minister of Finance, 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 Tuesday afternoon.