

THE LEGISLATIVE ASSEMBLY OF MANITOBA

2: 30 o'clock, Wednesday, April 3rd, 1963.

Opening prayer by Madam Speaker.

MADAM SPEAKER: Presenting Petitions.

Reading and Receiving Petitions.

Presenting Reports by Standing and Special Committees.

Notices of Motion.

Introduction of Bills.

HON. GURNEY EVANS (Minister of Industry and Commerce)(Fort Rouge): Madam Speaker, I beg to move, seconded by the Honourable the Attorney-General that Madam Speaker do now leave the Chair and the House resolve itself into a Committee of the Whole to consider the Resolution standing on the Order Paper in my name.

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

MR. EVANS: His Honour the Lieutenant-Governor having been informed of the subject matter of the proposed resolutions, recommends them to the House.

MR. CHAIRMAN: Resolution No. 1, that it is expedient to bring in a measure to establish a Development Authority for the purpose of furthering the economic development of the province and to establish an Economic Consultative Board to advise the Development Authority on ways and means of achieving the purposes of the Development Authority, and to provide, among other matters, for payment from and out of the Consolidated Fund of moneys required to be expended for the purposes and objects of the Development Authority and The Economic Consultative Board including (a) honoraria for members of The Economic Consultative Board, and payment of expenses incurred by the members of The Economic Consultative Board, and by members of the advisory committees established by The Economic Consultative Board; and (b) payment of remuneration for staff of the Development Authority and The Economic Consultative Board.

Resolution be adopted.

Resolution No. 2.

MR. RUSSELL PAULLEY (Leader of the New Democratic Party) (Radisson): I wonder if the Minister is going to outline the proposal that he has before us before we adopt the resolution.

MR. EVANS: I didn't know that anyone was requesting the information so I shall be delighted to do so. After our discussion which took place the other day on two other similar measures I looked up Beausiesne and I thought perhaps the committee would like to have before it the information that I obtained then at Beausiesne's fourth edition, citation No. 250, sub-paragraph 3 -- (interjection) -- 216 or 217 I think -- 216 of the fourth edition. And the paragraph reads -- the first part of it is all that applies -- is "the object of the resolution recommended by the Crown is to give the House first opportunity to discuss the advisability of making a certain expenditure. The details of the projected measure are not then disclosed and debate is confined to the resolution which should not be lengthy, although care must be taken that the terms used are sufficiently wide to cover the whole of the bill which will be subsequently introduced." Well, it's my hope to give an extended explanation and reason for bringing in each of these four measures at second reading in each case, but it is right now to give a general outline of the purpose of the bill and I want to assure the honourable members that both at second reading and then in committee stage afterwards, that I would welcome every opportunity to provide information and to give our reason for bringing in the measure.

This first resolution deals with the reorganization of the Manitoba Development Authority. The present Manitoba Development Authority Act will be cancelled and replaced by the measure that will be brought in. The main object is to bring to the Manitoba Development Authority, the second tier of it as it were, the advice and assistance of people from the business world, including business men, labour, agriculture and others; it's to broaden the advice and assistance available to the Development Authority itself by this means. This is a measure which we think will benefit the economic development of the province. There are no large expenditures contemplated. All the staff work will be done as it is now by members presently on the staff. It is

(Mr. Evans cont'd) provided, however, that if it's decided to do so, honoraria may be paid to the members of the Consultative Board and if it's required to engage incidental staff or professional assistance not available from the department, that this can be done under the Act.

MR. GILDAS MOLGAT (Leader of the Opposition) (Ste. Rose): Mr. Chairman, I thank the Minister for the explanation and obviously when we get the bill we'll have more time than to see exactly what it means. My comments today actually are pretty well those that I made the other day on the two previous resolutions that came before us and the one that's going to follow. These are all tied in together and it seems to me that there are no members in the House who don't want to see industry progress in Manitoba and everything done that can be done within our resources to increase our industry and thereby our employment. The whole question revolves around what is the best way of doing this and whether the proposals of the government are the right ones or not we cannot say until we see exactly what the bill is going to be; and I'm prepared until the bill is presented.

I would repeat to the Minister, however, the suggestion I made the other day, that in view of the fact that these are four companion resolutions I believe, and eventually bills, that they're very closely tied up I would think to the Report of the Committee on Manitoba's Economic Future and very closely tied up to his estimates that we should, after we get the bills, the printed copies, be prepared to hold them together and give the members some time to go over them in detail and see them as well under his estimates, when we come along to his department, so that we can have a comprehensive approach to this. Our concern, as I said the other day, is that we do not proceed to duplicate here in the province work that is being done and should be done by the Federal Government; and secondly, that we don't duplicate by setting up more boards and commissions, work that can and has been done in the past by the department and can continue to be done by that department.

MR. PAULLEY: Mr. Chairman, I'd like to say a word or two in connection with this resolution. I appreciate very much the Honourable the Minister of Industry and Commerce reading out to us from Beausheue but I think that there is sufficient within the third paragraph of Citation 250 which will allow for a little more than he indicated.

I criticized the department the other day in respect of a couple of resolutions that were before us at that time, Mr. Chairman, because I felt that they were duplications of services already being rendered by the Province of Manitoba at the present time and I raise the same point to some considerable degree this afternoon, for when one reads the report of the Honourable Minister's Department of Industry and Commerce on page 7, we find that responsibility of the Industrial Development Branch at present constituted within the department -- "it is the responsibility of the Industrial Development Branch to assist and encourage established Manitoba manufacturing firms in production of new or improved products; secondly, to foster the development of new domestic and export markets for products produced in Manitoba plants and to serve Manitoba industry in many general and specific ways." And it goes on to say in the report that the work of the branch has been intensified in order to attract to Manitoba new investment capital in the form of manufacturing plants from other parts of Canada, United States, the United Kingdom and Western Europe, so as to better supply the growing Western Canadian market for processed and manufacturing products.

Now then, Mr. Chairman, I note that in the speech that was read by His Honour at the opening of the Session, that reference was made to the establishment of an Economic Development Authority and a Product Development Fund. Now I don't know whether it's in this particular resolution that will be contained reference to the Development Fund in the Province of Manitoba. The other day when I was speaking on the resolutions that the Minister was proposing, I made mention of the fact that we are going to, in my opinion, get into a rat race with all of the provinces in the Dominion of Canada in respect of industrial development to the same degree that apparently we have here in the Province of Manitoba at the present time on the municipal level. And to substantiate this, Mr. Chairman, I want to refer to the budget remarks made by the Honourable J. L. Brockelbank in the Province of Saskatchewan, which province is in the process of setting up a similar organization to which the Minister refers in his resolution before us today. But however, Mr. Chairman, in this respect there's a little bit more information, and I appreciate the fact that the Minister states that when the bill is introduced and on second reading there will be more information before us for consideration at that time,

(Mr. Pauley cont'd) but I do want to point out that the Province of Saskatchewan, who I might say incidentally, Mr. Chairman, are often criticized because of their approach to industry, are setting up a corporation similar to that that I visualize of the Minister, but I'm wondering whether here the Minister is going as far. I want to quote from page 24 of the Budget Speech of the Treasurer of Saskatchewan: "We are proposing, Mr. Speaker, to establish a Saskatchewan Economic Development Corporation which will make three types of loans of assistance to new industries in the province, grants, loans and provisions of sites and buildings. The corporation will make grants to assist manufacturing industry in establishing of new plants. These grants will be equal to 10 percent of the cost of eligible machinery equipment which is purchased for these purposes;" and then further on in the report -- I'm not reading it all, Mr. Chairman, "The Economic Development Corporation will pay one-third of the cost of approved market and economic feasibility studies for new and expanding industries. It will pay one-third of the cost of technical research leading to the development of new manufactured products, and then the Development Corporation will make grants to assist in the training of labour force for new and expanded manufacturing operations." Further on in the report of the Honourable Treasurer of the Province of Saskatchewan mention is made that in order to finance this program in its initial stages honourable members will be asked to grant two millions of dollars to the new Corporation. Now then it seems to me, Mr. Chairman, that while the resolution that we have before us is broad and while the Minister has pointed out to us the citation in Beuchesne, I think in all due respect that if we're going to attempt to parallel what is going on in some other provinces in the respect of industrial development, and establishing development authorities, we should have more from the Minister, more information even at this stage as to what we are dealing with. Because I'm sure, Mr. Chairman, that you will appreciate as will members of the committee that while it's right in some respects of the Honourable the Minister to say that these matters can be discussed on the form of presentation of a bill on second reading, it is only in the committee stage where we have an opportunity of attempting to assess the significance of the resolution that is before us. And I want to ask the Minister whether or not the resolution that we have before us in the absence of any concrete proposals as to what this development authority will mean; in the absence of any indication of the over-all cost in setting up the corporation; in the absence of any stated sums or approximate sums which the Province of Manitoba is going to contribute in order to have industry set up here in Manitoba -- I wonder whether the Minister would not expand on the explanation that he has given us.

I appreciate very much the Minister stating the other day when we were talking of the first two resolutions in connection with the future industrial development in the Province of Manitoba that he stated that the costs were already within the estimates of his department as listed and that we will be considering in a day or two. I wonder, Mr. Chairman, whether this is also true in respect of the expenditures that are going to be required to set up this development authority, because I state this, Mr. Chairman, that if the answer of the Minister is going to be the same in respect of setting up this development authority as it was on the first two resolutions, namely that the finances are contained within this year's estimates that we are considering -- if the amount of money that the Province of Manitoba is going to expend in the development authority are contained within the estimates, then Mr. Chairman I repeat what I said the other day -- that we're only setting up a glorified commission which will not achieve anything for the development of the Province of Manitoba; and I say this particularly in view of the fact as I pointed out, that at least one other provincial authority in the Dominion of Canada who realize that we're in a real competitive field of industry. All of the provinces are anxious for industrial development, but if -- again I repeat -- the only provision for finances for this corporation are those contained within the estimates that we are considering today, then the Province of Manitoba will be falling far short of what other provinces in our Dominion are attempting to achieve insofar as industrial expansion is concerned and we will not reach the objective of the Committee on Manitoba's Economic Future.

MR. J. M. FROESE (Rhineland): Mr. Chairman, I think the subject matter has probably been well covered by the previous two speakers, however, I'm concerned about the overlapping and duplication of services and I just hope that this new bill, that is going to be brought in will not just be a further duplication. I'd like to see as much of the business of this House remain under the various departments instead of the government agencies.

MR. EVANS: If those are all of the questions, I think in response to the remarks of the Honourable the Leader of the Opposition, I think I shall be able to satisfy him at second reading time, and that at the time of committee on all the questions that he has in mind. At least we can have discussion and debate on them at that time. I would think it would be quite in order for any honourable gentleman to adjourn debate on second reading of any of these bills until they're all grouped. I have no intention of trying to see that they go through one at a time. I welcome the opportunity to discuss them as a whole.

As my honourable friend, the "Leader of the Saskatchewan Party," I can tell him that Saskatchewan is just trying to catch up some small distance that we are ahead of them, and he has made his speech under a complete misunderstanding, so complete that I wonder whether he listened at all to what I said. I said that it was proposed merely to make an amendment to the present Manitoba Development Authority, which has been in existence for some time doing its work -- so as to broaden the base of its advice and to let it carry on the way it's been doing. Well he's aware of the Manitoba Development Authority and what it does and so this is creating nothing new really, just changing it and improving it and broadening its base. I think with regard to some of the other questions that he has in mind, that I will also be able to help him in his dilemma when it's been possible to let him know what the bill is about in each of these four cases; and I'm sure that he'll make an even better speech then when he knows what he's talking about.

MR. PAULLEY: I appreciate very much, Mr. Chairman, the remarks of my honourable friend the Minister of Industry and Commerce. I don't know whether or not I should be flattered because he calls me the "Honourable Leader of the Saskatchewan Party". I appreciate that very much but I don't think that I'm quite capable or qualified to take the lead or step into the shoes of the most outstanding Premier that we have in the whole of the Dominion of Canada, namely Woodrow Lloyd of Saskatchewan -- (interjections) -- but I do want to say, I do want to say this to my honourable friend though, I do want to say this to my honourable friend when he suggests to me that the Province of Saskatchewan is just following the lead of the Province of Manitoba I want to remind my honourable friend that insofar as industrial development funds, Saskatchewan out-pioneered Manitoba by a considerable number of years. So if it's a question of who's giving the leadership in what, may I suggest that my honourable friend undertake a little historical research.

I appreciate very much, Mr. Chairman, the fact that the Minister said that this was by way of amendment to the Development Authority. I understood that when I spoke. Now I know from the tenor of the Honourable Minister's remark that I'm not going to draw out of him any further information. I await with great interest the contents of the bill that he is going to propose or the amendments that he's going to propose and I want to assure him that he will be hearing a speech from me as to the deficiencies of his department in respect of industrial development in the Province of Manitoba.

MR. CHAIRMAN: Passed. Resolution No. 2. Resolved that it is expedient to bring in a measure to establish a Design Institute for Manitoba to promote improvement in design and quality of the products of Manitoba industry, and to provide, among other matters, for the payment from and out of the Consolidated Fund of moneys required to be expended for the purposes and objects of the institute including (a) honoraria for members of the institute, and expenses incurred by members of the institute; and (b) payment of remuneration to persons employed to give professional, technical, or other assistance to the institute.

MR. EVANS: I think it takes only a nod from my honourable friend's head now to get me on my feet instead of the oration that he began with last time. Briefly, the COMEF report has indicated to us that better design in Manitoba will make Manitoba goods more saleable. This has to be done if secondary industry is to provide anything like the number of jobs that will be required to meet the targets by 1975. These have recommended actually that an institute of this type, of a certain type, be set up to make available to Manitoba industry and especially to Manitoba's small industry, the services of people knowledgeable in design, distribution, sales and other factors concerned with merchandising goods, and so we will organize into an institute people from manufacturing, selling and distribution industries in trade in Manitoba and those with special skills in design to bring this kind of advice and assistance to Manitoba industry especially those not able to provide it for themselves. Here again the expenditures are expected

(Mr. Evans cont'd)to be small, that the work as far as the staff and the government is concerned, will be done by my department -- and when I indicated that before I meant to indicate quite clearly to my honourable friend that they're contained within my estimates. He asked that point with respect to the last measure, and perhaps I didn't make it abundantly clear, but within my estimates will be all of the expenditures required for the design institute, with a possible exception of honoraria for the members themselves, or some additional services that might conceivably be required either from professional people or incidental employees. So I look forward here again to a full discussion at subsequent stages of the bill.

MR. CHAIRMAN: Resolution be adopted? Carried. Committee rise and report. Call in the Speaker.

Madam Speaker the Committee of the Whole House has adopted certain resolutions, directed me to report the same and ask leave to sit again.

MR. W. G. MARTIN (St. Matthews): Madam Speaker, I beg to move, seconded by the Honourable Member for Springfield, the report of the Committee be received.

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

MR. EVANS introduced Bill No. 90, an Act respecting the Establishment of the Manitoba Development Authority, and Bill No. 89, an Act for the Establishment of a Design Institute for Manitoba.

MADAM SPEAKER: Before the Orders of the Day, I would like to attract your attention to the gallery on my right hand where there are some 135 students from the Transcona Junior High School under the direction of their teachers, Mr. Manulak, Mr. Basto and Miss Domeski. This school is situated in the constituency of the Honourable the Leader of the New Democratic Party. We welcome you to the Legislative Assembly this afternoon, we hope that your visit will prove to be entertaining and instructive. You see here representatives from all parts of Manitoba in Session, and as you watch and listen to the proceedings we trust that your observations will be beneficial and helpful in your studies and that they will be inspirational to you as individuals. Come back and visit us again.

Orders of the Day.

MR. LAURENT DESJARDINS (St. Boniface): Before the Orders of the Day, Madam Speaker, I would like to direct a question to the Honourable Attorney-General. Now that the Federal Government has removed the remaining import surcharge imposed in 1962, is it the intention of the Liquor Commission to revert price of imported liquor to the levels of last June?

HON. STERLING R. LYON, Q. C. (Attorney-General) (Fort Garry): That is a matter of policy, Madam Speaker, about which an announcement will undoubtedly be made in due course.

HON. STEWART E. McLEAN, Q. C. (Minister of Education)(Dauphin): Madam Speaker, on Tuesday, April 2nd, 1963, the Honourable Member for Inkster asked the following question on Orders of the Day: "In view of the request of the Saskatoon School for the Deaf, that the deaf children of the Greater Winnipeg area be withdrawn because of overcrowding, and since the Department of Education report admits that this will impose a burden on existing facilities here, what plans are being made to provide adequate facilities here in Manitoba?" At page 65 of the report of the Department of Education for the year ending June 30th, 1962, the following statement appears: "The Saskatoon School is becoming overcrowded, particularly in its dormitory accommodation, so that at the end of the year, Manitoba was asked to transfer to the Manitoba school those pupils whose residence is in the Greater Winnipeg area. This imposed a heavy burden on the Manitoba school. This problem of adequate facilities was uppermost in the minds of the departmental officials responsible for the education of the deaf as the year under review ended." It was possible to comply with the request of the Saskatoon school by having the pupils from the Greater Winnipeg area enrolled in the Day school for the Deaf at Winnipeg. So far as it is known, the present facilities in Manitoba while being fully used, are adequate for the present enrollment and we anticipate being able to adequately look after all our responsibilities with respect to the deaf children in Manitoba.

MR. PAULLEY: May I ask a supplemental question to the statement. Will those who are presently in the Saskatoon school, when they come here, will they be provided for on a residential care basis as they were in Saskatchewan?

MR. McLEAN: The children concerned are those who already reside in the metropolitan area of Winnipeg. They're already here in the Day School.

MR. PAULLEY: A further question if I may, Madam Speaker. Are all of those in the Saskatchewan residential school from the Greater Winnipeg area? It is my understanding some are from outside of the Greater Winnipeg area. What of them?

MR. McLEAN: I'm afraid I didn't follow the question.

MR. PAULLEY: It is my understanding that some of those in the Saskatchewan residential school are from the outside of the Greater Winnipeg area. What of them?

MR. McLEAN: They're going to continue in the residential school at Saskatoon.

MR. LYON: Madam Speaker, before the Orders of the Day are proceeded with, I thought the honourable members of the House would wish to have a statement about Hydro and telephone service as a result of the very inclement weather that we have had in the past 24 hours. I'm advised that as much of the southern part of the province was subjected to freezing rain which started early yesterday afternoon, by 1:15 yesterday afternoon, Manitoba Hydro lines became sufficiently coated with ice to cause some interruptions to service in the Letellier, Rosenfeld, Plum Coulee, Winkler and Morden areas. Ice loadings on line conductors also caused interruptions to service, varying from 20 minutes to over two hours. In the Manitou, Elie, Cabot and Oakville districts, crews worked throughout the night removing ice from the lines and restoring service. About 4:45 this morning, as the storm continued, the power supply in the Stone-wall and Gimli Interlake regions was interrupted. Other areas affected today include, Darlingford, Roland and Cartwright. Line conductors with as much as 2 1/2 inches of ice, combined with high winds, resulted in numerous conductor breaks and some broken poles and cross-arms. In suburban Winnipeg an interruption in the Silver Heights and RCAF residential area required about an hour and a half to complete repairs. I can advise the House, Madam Speaker, that approximately 250 men and 40 pieces of equipment are on the job restoring service and making emergency repairs. Extra generating capacity has been made available at the steam generating stations to minimize the inconvenience to customers who were caused trouble by interconnecting transmission circuits. With the abatement of the storm all customer service is expected to be back to normal some time this afternoon.

And with respect to the Manitoba Telephone System, I can report of course, the same conditions affected their service, largely in southern Manitoba in a belt running from Killarney through Pilot Mound, Manitou, Morden, Winkler and slightly north to the Carman area. As of 11 o'clock this morning there were 250 poles on the main routes alone which were down and which were being repaired by work crews. The ice was so thick on some of the lines as to disrupt transmission in those cases where the lines were not snapped or where poles did not break. Crews have been out since the storm began yesterday. All wires in most of the areas were restored late last night and then with the renewal of the storm some of those wires have been down again today. But I can tell the members of the House, Madam Speaker, that the MTS advise that all crews possible have been out in the field since last night and this morning and that the main areas of service still affected are in rural Manitoba outside of cities, towns or villages.

MR. MOLGAT: Madam Speaker, I'd like to thank the Minister for his very timely report. I would like to report briefly, Madam Speaker, on a matter of national interest that went on yesterday, and I would like to assure them that the national services that were being provided in Winnipeg yesterday were highly successful in spite of the weather.

MR. PAULLEY: Madam Speaker, I wonder if the Honourable the Attorney-General would permit a question in respect of his statement. Was the disturbance caused by the invasion into Manitoba of a national figure?

MR. LYON: That was only probably one of the civil disasters that struck the province.

HON. J. B. CARROLL (Minister of Welfare) (The Pas): Madam Speaker, before the Orders of the Day, I'd like to lay on the table of the House a Return to an Order of the House dated Friday, March 29th, Order No. 16, on the motion of the Honourable Member for Elmwood.

MR. ELMAN GUTTORMSON (St. George): Madam Speaker, before the Orders of the Day, I'd like to enquire from the Minister of Mines and Natural Resources and the Minister of Industry and Commerce when the Order for Return that I submitted some time ago will be tabled?

MR. EVANS: tell me what the Order is?

MR. GUTTORMSON: The Order that I requested from you was dealing with the tenders

(Mr. Guttormson cont'd) . . . that you accepted on the Grand Rapids, the one with building materials -- plywood and all that material.

MR. EVANS: I will enquire and see that my honourable friend gets it as quickly as possible. I haven't received it yet.

HON. CHARLES H. WITNEY (Minister of Mines and Natural Resources)(Flin Flon): Madam Speaker, with respect to the Order affecting my department, it is being prepared at the present time.

MR. MOLGAT: Madam Speaker, before the Orders of the Day, I'd like to address a question to the Attorney-General, following the question of the Honourable Member for St. Boniface regarding the prices for the import of liquors. Could the Minister indicate how long after the imposition of the surcharge -- what spread there was between the time of the imposition of the surcharge and the increase of the prices in Manitoba.

MR. LYON: I couldn't at this moment, Madam Speaker, without consulting with the Commission. There was a period during which stocks -- previously purchased stocks were utilized before the prices were raised.

MADAM SPEAKER: Second reading of Bill No. 19. The Honourable the Minister of Education.

MR. McLEAN: Madam Speaker, with your permission and the leave of the House, I would still like to have this stand until the other bill is before us.

MADAM SPEAKER: Permission granted? Agreed. Adjourned debate on the proposed motion of the Honourable the Minister of Labour. The Honourable the Member for Elmwood.

MR. S. PETERS (Elmwood): Madam Speaker, in the Throne Speech, we read one of the paragraphs, it says: "My Ministers also report that an inquiry committee has recently been convened to consider particular problems of labour-management relations and employment standards in the construction industry. Representatives of management, labour and government will direct their attention to the solution of current and anticipated problems in this area." Madam Speaker, we all know that during the last session of the Legislature when we were dealing with a certain bill in the industrial relations committee, the problems of the construction industry, and I am very happy to see that the government is setting up this inquiry commission to inquire into the problems of labour and management in the construction industry. But what amazes me, Madam Speaker, is why the government wants to jump the gun and introduce a bill dealing with the Fair Wage Act, which is dealing strictly with the construction industry. We go to the report on section 2, page 2 of the COMEF report, and what do they say there: "Greater management, labour and government co-operation is essential to attract higher levels of employment and a faster rate of growth." The trade commission that went to Europe reports of their findings there, that in most of the countries they had good relations with management, labour and government. And that's what we're trying to do here now. I think that the government is jumping the gun when they want to bring in this bill dealing with the Fair Wage Act. If they're really serious about having harmonious relationships between the government and labour and management, I would respectfully suggest to the Minister of Labour that for the present he should withdraw this bill because he might tell me that he has full agreement with management and labour, but I can tell him that he doesn't have it because I just spoke to some people in labour, just as recently as this morning, and he doesn't have the full co-operation of labour. I think this would be a tragedy to at this time bring in this legislation, and I would again ask the Minister that at this time to withdraw his bill till we get the full report of the Inquiry Commission. If this government means what it says, that it wants harmonious relationships between management and labour, this is what he ought to do, because you're not on the right path. I'm trying to give you some good advice.

MRS. CAROLYNE MORRISON (Pembina): Madam Speaker, I wish to move, seconded by the Honourable the Member for Winnipeg Centre that the debate be adjourned.

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

MADAM SPEAKER: The adjourned debate on the proposed motion of the Honourable the Minister of Agriculture. The Honourable the Member for Rhineland.

MR. FROESE: Madam Speaker, during the interval that this bill was adjourned, I had the time to check into the Wheat Board Money Trust Act and to inform myself on the bill more thoroughly. I note that through the bill now before the House the principle is being changed.

(Mr. Froese cont'd) Formerly the Co-op Promotion Board was an administrative board administering the trust funds of the Wheat Board Money Trust Act; now, through this amendment, it becomes a trust and loan agency and I feel that this is quite a change, and as a result I have a few questions. I also noticed in the amendment that this bill provides for the setting up of a permanent commission or board to investigate the laws relating to co-operative organizations in Manitoba and in other provinces in Canada and that the same "shall" report. I as yet have not heard of any report during the period of time that I've been in this House. I'm just wondering how often this commission does report and whether these reports are being made available to the House.

In the amendment that is before us, changing this board, or the work of this board from administering a trust fund to a trust loan service I notice that the loans that are being made will also be guaranteed by this same agency. It seems to me rather a strange thing and I'm just wondering whether this is also being carried on by other agencies. Then I also notice that the bill provides that it be made retroactive to July of 1961 and here again I just wonder, since this amendment also provides for not only farm organizations but also co-operative organizations now, whether this isn't -- this particular amendment providing that it be retroactive, is there to pay for the commission that worked out a report on farm organization.

There are some provisions that are more or less the same as contained in the amendment and in the former Act and some of these provide for the grants to organizations such as colleges and I'm just wondering whether this will also apply to institutions other than those in Manitoba.

MADAM SPEAKER: Are you ready for the question?

MR. HUTTON: If no one else wants to speak on this bill I would like to attempt to answer the questions that have been raised. I would first like to recapitulate on the financial standing of these moneys. At the present time there are \$145,000 invested. There is \$15,400 cash in the bank. The Act as it's presently worded provides for the promotion of agricultural based co-ops. The first of the guarantees that were made by the board in the northern area of Manitoba was in 1961 and for that reason we are recommending to the House that this retroactive feature be in the bill to more or less cover the program that has been carried on since that time. I should emphasize that a loan was not made; it was a guarantee and that guarantee was guaranteed by the Province of Manitoba so that at no time have the funds of the Co-op Promotion Board been in any jeopardy. I might say in the first instance because every one of these investments that they guaranteed and backed up has proven successful; and secondly, because the government was standing behind the Co-op Promotion Board. Loans totalling \$34,750 have been guaranteed to date by the Co-op Promotion Board. Twelve thousand of these loans have expired leaving \$22,750, and there are several more of these loans which will expire shortly. No guarantees have been required to date as I pointed out and we don't foresee such a requirement in the future but nevertheless you have to be prepared for any contingency. I might point out that all this time the Fund has been earning interest and what is more important -- what is the most important of all is the Co-operative Promotion Board and these moneys have been used in a most invaluable way in helping our fellow Manitobans amongst the Indian and Metis.

It has been asked who the present members of the board are. They are Mr. Roy McPhail of Winnipeg, Mr. D. W. Richmond, better known to many people as Don Richmond who is associated with the Manitoba Pool Elevators, Mr. Fred W. Downing, Winnipeg, and Mr. Jim Mants of Winnipeg and who is associated with the United Grain Growers. Mr. Mants is a very recent appointment to the board and I can report to you that this legislation has not been brought before you without the consent and approval of the Co-op Promotion Board. It was only after it was discussed with them that we are seeking this amendment. I might point out to you that the grain trade is well represented by Mr. Don Richmond of the Manitoba Pool Elevators, and I have also pointed out, although Mr. Mants being a recent appointment was not associated with this decision, nevertheless it carried the unanimous approval of the members of the Co-operative Promotion Board.

I'm not going to argue that it probably strikes off in a new direction, but maybe it's about time we started striking off in some new directions in Manitoba. What makes us think that just because a thing was done -- how long ago? -- almost two generations ago -- that we should live with this and abide by these high sound ideas in time and for all time to come. I think that it's a wonderful thing, and the only way that I know of that the Co-operative Promotion Board and the

(Mr. Hutton cont'd) co-operative movement in Manitoba through their Co-operative Promotion Board can work in partnership with the government and our brothers and sisters in northern Manitoba. I think if you take into account the accomplishments that have been made in the short time that we have been operating on this basis, and when you take into account the possibilities that this approach offers, I suggest to you that even though we are breaking with precedent here a little, that there is plenty of ground and justification for reaching out hand in hand with the people of Manitoba to promote co-operatives, consumer co-operatives and producer co-operatives and credit unions in northern Manitoba, and so I recommend it to you and ask you for your support.

MR. M. N. HRYHORCZUK, Q.C. (Ethelbert Plains): Madam Speaker, I'd like to ask the Minister a question. When did the government start spending the funds for purposes other than authorized by the Act?

MR. HUTTON: We never spent any funds.

MR. HRYHORCZUK: I understood that the Honourable Minister just told us that there was money spent for certain purposes and he named them.

MR. HUTTON: There was never any money spent. The loans were applied for at the banks and the Co-operative Promotion Board underwrote these loans, or guaranteed these loans. In the one case of Norway House they guaranteed the inventories and the Manitoba Government in turn guaranteed the Co-operative Promotion Board; so at no time were any moneys advanced by the Co-operative Promotion Board. As a matter of fact they were drawing interest all the time, but it was -- you may say that why bring the Co-op Promotion Board into it at all? I guess I'm speaking twice, but for this reason -- the reason we want them in there is that, as I've pointed out, we have an opportunity to work with partnership with the co-op movement which is the right way to encourage and promote co-operatives.

MADAM SPEAKER: The member for Rhineland.

MR. FROESE: May I ask the Honourable Minister one question? Does the government propose to assist in the development of a rough fish processing plant under the provisions of this Act?

MR. HUTTON: I don't know.

MR. E. R. SCHREYER (Brokenhead): answer questions. If it is I would ask him to explain why it was found necessary to include a retroactive clause. Maybe you answered it but I didn't hear you. Did you?

MR. HUTTON: Yes.

MR. SCHREYER: I'm sorry.

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

HON. DUFF ROBLIN (Premier) (Wolseley): I beg to move, seconded by the Honourable the Minister of Agriculture and Conservation that Madam Speaker do now leave the Chair and the House resolve itself into a committee to consider of the supply to be granted to Her Majesty.

Madam Speaker presented the motion and after a voice vote declared the motion carried and the House resolved itself into a committee with the Honourable Member from St. Matthews in the Chair.

MR. CHAIRMAN: Item 1. Passed.

MR. HUTTON: I just want to answer some questions, Mr. Chairman. In the case of the \$9,000 indemnity payment, the premium was \$1,488.55 and that was for a total coverage of \$19,226.50. -- (Interjection) -- Oh

I think somebody was asking about, I think it was the Honourable Member for Lakeside that wanted a little information on quality production in hogs in Manitoba -- some explanation why we weren't doing any better. Well it's a matter of real concern to the department and the reasons why we are introducing a policy to encourage a source of breeding stock superior to what we have had in the past -- but just for the record, I'd like to point something out, that a very large bulk of our -- and he was asking the question of why farmers didn't weigh their hogs and weren't more careful about their weight -- and maybe the best answer to that is the fact that we have so many farmers in Manitoba, even yet, who raise relatively small numbers of hogs, and so the cost of installing a scale may seem like an uneconomic move on their part. Just to give some idea to the committee, of all farms reporting in 1961, oh, probably 90 percent

(Mr. Hutton cont'd) or better had less than 50 hogs on the farm and maybe -- I'm not saying this is the exact reason, but it is a consideration to a farmer who is going to set up a weighing procedure in his operation -- a relatively few number of hogs being sold he might consider this a rather costly item.

MR. NELSON SHOEMAKER (Gladstone): Mr. Chairman, when we were dealing with the estimates for Mines and Natural Resources, I asked the Honourable Minister of Mines and Natural Resources what the program was in regard to the pothole pay for farmers -- I think that was the term I used. I was unable at that time to find the newspaper reporting the program as envisaged by the Federal Government. I now have it before me, and the Minister of Mines and Natural Resources said that the time to bring that up would be under the Minister of Agriculture's estimates. Now perhaps he would rather deal with that under ARDA, or is there an item -- would that come under the ARDA program?

MR. HUTTON: Mr. Chairman, I propose to deal with ARDA under Administration because the Provincial Co-ordinator for ARDA programs is attached to the first item now, so

MR. CHAIRMAN: Item 1 passed.

MR. SHOEMAKER: Mr. Chairman, did I understand the Minister to say that he preferred to deal with it now, the ARDA program, on Administration? Does the Minister intend then to outline more fully the ARDA program at this stage?

MR. HUTTON: I can. You'll notice that the salaries in Administration are up from last year and this is to provide for the salary of the Provincial Co-ordinator for ARDA who has been appointed to co-ordinate the efforts of the different departments of the government and in the development of our resources, both our human resources and our natural resources. There are few of the ARDA programs that fall entirely within the jurisdiction of any one department. For the most part, Industry and Commerce and Mines and Natural Resources and Agriculture are involved in many of them, jointly, and at times the Department of Education is involved and certainly -- there is consultation with the Department of Health for instance, and in certain cases with the Department of Welfare, and certainly with Municipal Affairs. So we have to have some means of co-ordinating our efforts and this is the work of the ARDA co-ordinator, who by the way, is Mr. Ted Poyser who has been associated with us in the Soils and Crops Branch for some years.

I gave you quite a detailed run-down on some of the provisions that were being made for programs in this coming year. The fact that we had signed a general agreement, a master agreement which all the provinces signed with the Federal Government, this provided for the signing of project agreements or further general agreements under the master agreement and these provide for project agreements under various headings of alternative uses of land, soil and water conservation, rural development areas and general research. We were very fortunate that the Federal Government being anxious to get some impetus behind the rural development technique offered to pay the entire costs of one rural development, or programs in one rural development area in each of the ten provinces. This is going to enable us to move ahead at a faster rate than would otherwise have been possible, in developing programs on a regional basis, on a rural development area basis.

Now, I don't think that you -- or maybe I should go over the whole thing again. Alternative uses of land provides for land acquisition; for forestry, wild life, recreation and hay land. These of course, fall under the Department of Mines and Natural Resources. And then we have signed an agreement which provides for a sharing of the cost of our grasslands, seeding down of lands to grass, and erosion control, and this is a partnership between the Federal Government and the Provincial Department of Agriculture. And then in soil and water conservation, the agreements provide for assistance on drainage on the Norquay Floodway, on the Hespeler Floodway and Dumoulin Drain and on the Bottle Creek Drain, the latter two in the Interlake. Then in Research, there is provision made for an economic survey of the Interlake, and this is a project which Industry and Commerce will carry out; another one Research on Community Development; still another one, Education in Rural Developments. This is a project which the Department of Agriculture and Conservation is carrying out. Then there is provision for sharing of the costs on rough fish processing and this program will be shared between Mines and Natural Resources and with the Federal Government. And then of course, there's the research on Land Utilization, and this is a combination of Agriculture and Conservation and Mines and Natural

(Mr. Hutton cont'd) Resources, because of course the Lands Branch with their Crown lands -- controlling the sale and use of Crown and LGD and school lands in Manitoba must be associated with such a research program.

In general research, there's provision for a project for land productivity indexing. Personnel training in rural development -- as we develop our program we develop our personnel, train them for this type of work. Land capability surveys. This again is a combined effort of Agriculture and Mines and Resources. Research into wild life habitat studies -- again, Agriculture and Conservation and Mines and Natural Resources. The reason that you have a combination approach here is because we control the water and Mines and Natural Resources of course have a development of their programs to conserve and develop our wild life resources, and wild life in the province have a real stake in this. Then there's research into recreational potential and research into research co-ordination. Then of course there was a contribution to the COMEF report; research into primary agriculture, into agricultural products processing, into water resources, and commercial fishing, outdoor recreational resources Manitoba, and the Manitoba livestock industry.

I'd like to make this statement, and then I will have these statements distributed to the members for their perusal at their leisure. I might point out that if the honourable members opposite are a little bit confused about what ARDA is, I understand it, because ARDA is a very difficult thing to define. Actually there is no legislation in Manitoba covering ARDA; the legislation is federal; and really all it does is enable the Federal Government to throw its financial resources behind the provincial programs, many of which are already in existence, and to enable them to undertake further programs to develop their natural resources. This is really what it boils down to, and of course as you know the federal legislation is very broad, so that the scope of their work can take into account the wide variety of resources and conditions that you run into when you go from Newfoundland to Vancouver Island. When we talk about ARDA programs we're talking about programs some of which were undertaken in Manitoba years ago -- ARDA type programs -- and we have in the last four years undertaken such as the southeast development program -- this was an ARDA type program. Our economic land utilization study that we started in, I believe 1960, was an ARDA type program. But nevertheless to get down to this little report and cut this short.

The Agricultural Rehabilitation and Development Act was passed by Parliament in May, 1961, to provide for the rehabilitation of agricultural lands in the development of rural areas in Canada. This legislation enables the Federal Government to enter into agreements with the Provincial Governments and public and private agencies including universities, for joint undertakings together with related research in the following fields; the alternative uses of land that are presently classified as marginal or of low productivity; the development of employment and income opportunities in rural areas in forestry, recreation and other resources activity and secondary industry as well as in primary agriculture; the development and conservation of the water and soil resources of Canada. The legislation is based on investigations of the Canadian agricultural industry and farm areas which had indicated that in spite of beneficial technological changes and changes in the nature of, and an increase in the demand for farm products, not all farm areas were able to adjust to new conditions in the industry and take advantage of the benefits of the changes which had occurred. Studies have shown that many of these areas have low productivity soils from the standpoint of arable use. However, trends of demand on resources suggest that there is an obvious need for a change in land-use which would help these areas. ARDA is intended to help promote this change. In order for the Federal Government to assist in rural development in Canada it was necessary to execute a general cost-sharing agreement with each of the provinces. This general agreement was also necessary to set out the terms under which the Federal and Provincial Governments might co-operate in rural development under ARDA. The general agreement was executed on behalf of the Province of Manitoba by the Minister of Agriculture and Conservation on October 1st, 1962, and provides that the Federal Government will pay one-third to one-half of the total of the Federal and Provincial Government participation in ARDA projects.

Five sub-agreements to the general agreement have been executed to provide an administrative base for the ARDA program in Manitoba. These sub-agreements cover the following fields of activity: (1) the alternative uses of land (2) soil and water conservation (3) rural development areas research (4) general research (5) special investigations. Other types

(Mr. Hutton cont'd) of sub-agreements may be necessary as the program develops. ARDA projects in Manitoba by sub-agreement: the alternative uses of land. Under this sub-agreement, projects for better use of land for forestry, wild life, recreation and hay lands are included. During the fiscal year 1962-63 projects approximating \$50,000 in value were completed; and for the fiscal year '63-64 projects totalling about \$166,000 are planned. Recoveries from the Federal Government under the cost-sharing agreement are estimated to be \$24,880 for 1962-63 and \$70,150 for '63-64. Soil and water conservation: projects under this sub-agreement include soil and water conservation, floodway reconstruction and drainage programs. In 1962-63 projects to a value of \$290,000 were completed and it is expected that the value of projects during '63-64 will approximately \$662,000.00. Recoveries from the Federal Government are estimated to be \$145,770 in '62-63 and \$309,500 in 1963-64. Rural Development areas Research: Projects under this agreement include educational training of rural development personnel, general economic studies of specifically designated regions and detailed business opportunity analysis of resource based industry; land utilization studies, community organization studies and population studies in such regions. The Interlake region is the first one in the province to be designated as a rural development area under ARDA. Activities under this agreement involve expenditures of approximately \$38,000 in 1962-63 and for the '63-64 will be of the order of \$122,000.00. Recoveries from the Federal Government will be \$19,300 in respect of '62-63 and are estimated to be \$61,300 for '63-64.

General Research: Activities under the general research agreement are similar to those under the rural development area research except that such activities are undertaken on projects dispersed throughout the province and not concentrated in one designated region. In 1962-63 total expenditure on general research approximated \$15,000.00. For 1963-64 it is expected to be more than \$138,000.00. Recoveries in '62-63 will approximate \$7,600 and in '63-64 are estimated to total \$67,000.00.

Special agreements: In addition to the programs under the regular sub-agreements outlined above, ARDA assistance was provided under a special agreement to the Committee on Manitoba's Economic Future for the completion of several studies related to future agricultural and other resource development in the province. This work required a special agreement because of the temporary nature of the committee and because the committee's work was specially financed. ARDA assistance during the fiscal year '62-63 for this special work amounted to \$29,500.00. Since the work has been completed and the committee disbanded this special agreement has expired and will not be renewed.

The ARDA program in Manitoba is co-ordinated through an inter-departmental co-ordinating committee on ARDA composed of representatives from a number of departments and agencies. The committee was formed to act in an advisory capacity in regard to ARDA matters. A Provincial ARDA co-ordinator and an executive group selected from the main committee direct the general administration of the provincial program. The inter-departmental committee also maintains liaison with the Federal ARDA administration. In the prairie provinces the Prairie Farm Rehabilitation Administration acts as an agent for the Federal ARDA administration in day to day operations. The direction of projects assisted by the ARDA program is the responsibility of the department concerned in the respective fields of resource activity, such as agriculture, water conservation, forestry, adult education, industrial development, etcetera. For instance, activity on water conservation will be directed by the Department of Agriculture and Conservation and activity concerning rural industrial development would be directed by the Department of Industry and Commerce. The effectiveness of the ARDA program will depend to a very large extent on the degree to which communities and local organizations participate in the planning and the implementation of projects. The provincial government will play a role that is generally advisory in nature. The ideas and initiative of the communities and their organizations and people are required in order to obtain the full benefits of the program. Suggestions as to the ways of developing local participation in the program are contained in the brochure appended to this statement. That brochure you have already received -- that's it. The brochure also includes details of the kind of activity which may be assisted under the ARDA program; and I might say that that is just the first of our material that we have written and edited, published. There will be other information made available as time goes on concerning these programs.

Would one of the pages please make these available to the members.

MR. SHOEMAKER: Mr. Chairman, in consideration of the size of the proposed ARDA areas, it would seem to me that it would be most desirable and almost a necessity to have a district co-ordinator, if that is the proper term, in each of the proposed areas. I mentioned last evening that it appears from a letter that the Neepawa Area Development Corporation have recently received from the provincial co-ordinator of ARDA, that the proposed district in our part of the country takes in Portage, Neepawa, Carberry. Now the president of the Neepawa Area Development Corporation states that he questions the possibility of getting together such a large group as the Portage, Neepawa, Carberry area and associated communities. It would seem to me that in an area that size you would be dealing with probably 25 municipalities and probably 150 aldermen or councillors and reeves plus probably an equal number of directors of Area Development Corporations and I know how difficult it is to get a compromise with a group that size.

I would like to refer my honourable friend to page 6 of the yellow booklet entitled "Can ARDA Help Your Community?" In the second paragraph it says, and I quote "A further community responsibility is that differing objectives of local organizations in resource development should be compromised so that one voice is heard speaking for the community rather than several opposing factions. It is difficult for senior governments to act as a referee in local disputes on a program."

Now I understand fully what the import of that sentence is, and it would seem to me that it would be most desirable to have the province appoint a co-ordinator or a director, or call him what you may, in each of the envisaged districts, and he would be a very very busy man if he did nothing else but, the first year or two, put forward an educational program. I know that local councils, boards of area development corporations, are now more or less at a loss to know where they should go or to what department they should go if they have a problem. And that is outlined and reiterated on the top of page 6 of ARDA too, when it says "There are many avenues of support of rural development programs available to rural communities in Manitoba." And they cite an example -- for example, "a community may receive support for water development through the Water Control and Conservation Branch." Assistance -- as the Honourable Minister has said, you can go to the Department of Industry and Commerce, to the Mines and Natural Resources. Well, the problem is, where do they go, and I think a co-ordinator could survey the entire area and the problems as envisaged by the men in that area and be of great assistance to them. On page 3 of the same report, right at the bottom, it says, "The rural community that wishes to develop a soil and water conservation project should first consider applying for assistance under PFRA, as there is lower capital cost to the local community on these projects that qualify as PFRA projects." Now, I think one of the problems that the Neepawa Area Development Corporation see right now -- should we go to PFRA, should we go to ARDA? In fact, they have made application, I think, to ARDA. Should we go to the Soil and Water Conservation Act? Where should we go? And I suggest, Mr. Chairman, that it would be most desirable to have a director, co-ordinator or an advisor placed pretty centrally in each one of the proposed ARDA areas.

MR. CHAIRMAN: Item 1 passed.

MR. MOLGAT: If this is the item where we're limited to ARDA, then I would like to ask some questions of the Minister on the statement that he made on the report. I thank him for giving us this list of projects; this is very important to the committee because it's the only way that we can assess really what's going on across the province in this regard.

I note that in the cost-sharing agreements that the arrangement is to vary between one-third to one-half, that is the federal share varies between one-third and one-half of the total cost, I understand. Is that correct? I wonder if the Minister could indicate to us what is the decision on the amount, is it by type of project or is there a "rule of thumb" used, or is it just each project to be discussed, and each project to be assessed? This of course is very important insofar as our relationships with Ottawa and also getting our fair share by comparison to other provinces. If it's negotiation in each case, it seems to me that that might not be the fairest system than a rule of thumb that we could know in advance would be much more satisfactory.

MR. HUTTON: To answer the question that the Honourable Member for Gladstone raised, I think he's -- a very good question. I'm happy that I've got some kind of an answer to give him. We don't propose at the present time to establish field personnel in the sense that we would have a regional director, but we do envisage the ag rep taking a leading role in these rural development programs. As a matter of fact, we are anticipating that the Federal Government will share in the costs of some of our ag reps who will be key men in the rural development program. As a matter of fact, your own ag rep at Neepawa is amongst these. I would think that an ag rep who has been working with the people in the area and who knows the resource fairly well, and if I may say, has the confidence of the people in the area, is a man well-qualified to give the kind of leadership that is required. I don't think that we can go out from head office and organize these resources and the people and tell them what's good for them. The whole emphasis on initiative in ARDA programing is on the local people, and if it's something they want to do and something they believe, and if their program can be substantiated by the research that is done in the area, the soundness of their program can be substantiated. Then I think the chances for it going over the top to success are much greater than if it's something that we merely recommend to them as being something that's going to happen.

In addition to the ag reps, there will be specialists in the department, our sociologist, Mr. Robert Kristjanson, and several of the members of the Soils and Crops Branch will be working, some of them full time, on the development of these programs, and they will be associated with the local people in the development of these programs.

Now, on the question of whether you should utilize the programs under PFRA or whether you should go entirely to ARDA, the reason that this is brought to the attention of the local people is that you know that under PFRA we have been able to get projects such as the Neepawa Dam, Rivers Dam and others, at 100 percent capital cost to the Federal Government. And therefore, we are drawing to the attention of the local people that they should exhaust their efforts to get this type of 100 percent project before they undertake the cost-sharing program. The fact is that under PFRA in the past there have been projects that would be attracted to the Whitemud area where PFRA would have only paid 50 percent. It's possible that they might be better even there to get PFRA contribution or participation directly than to get a -- than to apply for the same project under ARDA. But nevertheless, we believe that ARDA will lend further financial support to our program. It isn't a substitute. We don't want to use it as a substitute; we want to use it as a further tool in effecting these changes and programs that we want to carry out. I know you mentioned the size of the rural development areas, the fact that they're so large, the fact that there's so many local personnel involved when you take into account all the councillors of the municipalities, the town and cities involved. However, I don't think that because these large areas are set up in the first instance that it means that you have to have the consideration of all the people in the area for a particular project that is of a local nature. I think this is one of the failures in the Watershed Conservation Districts Act that you referred to the other evening. This we are going to try and overcome. But there are matters of research, even when you look at the local projects which cannot be left unrelated to the over-all areas, and it is for this reason that in the first instance we are establishing rather large areas, with the hope that as our administration develops this is not going to stand in the way of projects of the local areas, and their consideration by the people involved and who are going to be affected.

As to the basis for cost sharing. This is set out in the master agreement, the basis for arriving at the cost shares. As a rule, it follows that those projects which are of a local nature qualify for the least amount of assistance, and those that carry with them benefits which can be construed to be national in character qualify for the largest amount of assistance which is 50 percent. For instance, the buying up of lands so that higher land use can be effected qualifies for 50 percent assistance, because it is considered that this is not only in the local interest but is in the national interest. A drainage project, however, which is going to give direct benefits to a local area, would qualify for one-third. Research generally qualifies for 50 percent, because it is considered to carry benefits not only of a local nature but of a national nature.

MR. FROESE: Mr. Chairman, I want to thank the Minister for the sheets that were passed around giving us some information on the various projects, and I notice under the soil and water conservation project there's the Hespeler Floodway mentioned, then two pages

(Mr. Froese, cont'd) further they mention also the sums that they've spent in the past year and the amount they expect to spend in the next year or two, and I notice there's a considerable increase in the amounts that are going to be spent in this year and next, and I wonder if the Honourable Minister could tell us that the work on the Hespeler will be speeded up as a result, that we can expect more work to be done in the next year or two.

MR. SCHREYER: In looking at the brochure I find that ARDA is a little more comprehensive than what I originally thought it was. I had thought earlier that it wasn't much more than having to do with the alternative use of land. I see it's more than that, but I still presume that this is really the basic -- the estimates of ARDA -- and I don't quarrel with that. I would like to ask the Minister -- I understand that this is a program that really works by joint agreement, but as with most undertakings there is usually in one sense or another an ultimate authority or decision-maker, and I would like to ask him if the province is really, is the senior of the two authorities in regard to ARDA or is it really a fact that this is a completely mutual undertaking and nothing is done without mutual agreement and final decision-making.

Thirdly, while I don't have anything to quarrel with the scope of the projects that ARDA will undertake, in the sense of territory I'm not too satisfied. I'm getting the impression -- it's just building up slowly; as we get more information maybe I'll be proven wrong -- but I'm getting the impression that ARDA seems to be concerning itself thus far almost exclusively with the area west of the Red River. I would point out to the Minister that east of the Red River there is much that ARDA could do, since it is fairly comprehensive, and I wish that he and his department would put their mind to that area of the province as well.

Now community pastures don't come under this directly, and in another sense I suppose they are co-related. For the past couple of years now there's been much talk about providing community pasture facilities east of the Red in one or another places. Nothing much more has been heard. I think that ARDA, along with community pastures, that -- would like some kind of a statement from the Minister as to what ARDA will mean for eastern Manitoba.

MR. SHOEMAKER: Mr. Chairman, I agree with my honourable friend that we're very fortunate indeed in Neepawa to have an ag rep who is so experienced in the field of soil and water conservation as we have, and we appreciate very much the efforts that he has put forward ever since the formation of the Riding Mountain-Whitemud River watershed. I think he attended the first meeting there and has followed up very closely since that time. But while it is true that most of the council members, and I think there in the Riding Mountain-White Shed committee it takes in all or part of 13 municipalities -- and while their aims and objectives to conserve soil and water are practically the same, it is the approach to the problem that differs in some cases. That is, the western end you see them saying, well what we should do is build dams at the headwaters and this is the way to control flood and conserve water in my estimation, and that's what we're saying at the west end, whereas at the east end where they have experienced a certain amount of flooding over the years, they are more anxious to have bigger ditches and "hurry it off to the sea" type of thing, and that just points up some of the problems that you run into; and then, in addition to that where the local people in the entire area were expected to pay the cost of each and every project, well then they wanted something to say in what was going to be done first, and when, and so on and so forth.

Now, my honourable friend is in receipt of a letter from the Whitemud River watershed committee dated January 14th, in which they request that the area -- and he's referring to the Whitemud River watershed area, that's the area -- be considered as an ARDA project area, and that the necessary surveys and studies be undertaken by the provincial and federal governments under the ARDA programs. Now the question would be, are they in order to ask for this? Is it proper to ask for this, and if so when the survey is completed can we expect that the engineers and technicians and so on will make recommendations to the committee? Will they make recommendations, and will they channel their recommendations and the requests of the committee to PFRA if that's where it should go, to the Soil and Water Conservation Act if that's where it should go, or to these other departments? I mean, I would expect that they would say to our people, "Well, now listen. We believe you should have a couple of dams on the headwaters and certainly the place to make your request is to PFRA and we will assist you and support you in this regard." Are we expecting too much of the ARDA people to do this

(Mr. Shoemaker, cont'd) type of thing?

MR. HUTTON: To answer the last speaker first, I think what he says about a different approach, the different principles involved in the Whitemud River watershed is true. They're not much different than you and I; probably some element of truth from both approaches, but I believe there was an overcentralization of authority in the existing legislation and this wasn't too acceptable. I think another thing that is required for the Whitemud River watershed and something that will have to be provided, and that is a master plan so the people can see in a concrete way what will be the ultimate objective of their endeavours. And this would be work which would qualify, some with very high priority under an ARDA program, such an undertaking as a study of the total waterways in the area and what is needed to harness them, what is the most economical and most beneficial manner to the local people of harnessing these resources.

I have had it drawn to my attention in reply to your early question about — the question of a director. Of course, all the programs in a given rural development area will be co-ordinated by persons; that is, all the research programs within, say, the Whitemud River rural development area. All these programs, all these research programs will be co-ordinated by a regional director or co-ordinator. Now this, in the early stages will be confined largely to planning, to research, to co-ordinating and maintaining liaison in that area.

To answer the question asked about who is going to be the ultimate authority. Well, you know there's an old saying that he who pays the piper calls the tune, and in this respect I would say that the Federal Government will be the final authority. That is, they are not going to contribute to something unless they approve it; that is to say we may recommend a program to them, but they may not necessarily approve of that particular project or program. However, any program that we do undertake will be undertaken by mutual agreement, because neither has Manitoba any intention of entering into any agreement that we don't approve of, and in all cases our provincial rights are safeguarded by the terms of the agreement.

I might point out that even though there may not be a rural development area planned for the immediate future, for eastern Manitoba, this does not mean that they cannot carry out ARDA type programs. As a matter of fact, the first ARDA program in Manitoba under this government was southeast Manitoba, and this type of program would qualify for assistance just as though it were a rural development area. The building of community pastures, for instance, is an ARDA program, and there has been one built and another is planned, and I understand there is further interest in other areas in eastern Manitoba of community pastures, and certainly they will receive every consideration. I would even go so far as to say that eventually I expect that maybe the whole province will be organized as rural development areas. I can't say that definitely at this time, but we have one already designated. We have resolutions as indicated by the Honourable Member for Neepawa from a number of the municipalities and local governments in the Whitemud watershed including Portage and Carberry, and -- I should put it this way, which includes Portage and the Carberry area -- and it is in the cards that a rural development area will be established in the Whitemud River watershed.

As to the Hespeler, we will endeavor to hurry that project along as much as possible. However, our demands for drainage are pretty keen in other areas as well as that which the Honourable Member for Rhineland refers to. If he talked to some of the farmers north of Winnipeg here, northwest of Winnipeg and west of Winnipeg, all the way from here to Portage, he might find that they were even more anxious for drainage projects, and we have to share the wealth a little bit and look after everybody, and the Hespeler Floodway is a major undertaking. It, when completed, will cost, if I remember correctly, something around three-quarters of a million dollars so it can't be done all in one year; but nevertheless we are going to move ahead with that this year and when we come to the appropriation dealing with drainage and floodway I can maybe give a little better indication of the extent of the work that will be done on that particular project.

MR. CHAIRMAN: Item 1 -- passed.

MR. MOLGAT: Mr. Chairman, I may have missed the reply of the Minister but did he indicate to me in reply to my question the cost-sharing structure and what the policy is? That was -- I'm sorry, I missed it. One of these projects then, the economic survey of the Inter-lake, is not under the normal cost-sharing arrangements, I take it. It's 100 percent Federal?

(Mr. Molgat, cont'd) Is that right?

MR. HUTTON: Some of it. Yes, there are some studies in the Interlake which are being carried on by us and are shared, but in addition to these there are additional studies, one for instance the ranch analysis which I don't believe is listed there, but which I gave you before the Orders of the Day. I think you'll find it in Hansard. There were five projects which were being undertaken in the Interlake in addition to those which are being undertaken jointly by the province and the Federal Government.

MR. MOLGAT: Well here where we have, for example, under Item 3, rural development areas, research, economic survey Interlake, Department of Industry and Commerce, I take it that the notes on page 2 indicating the sharing costs don't apply to that particular project, because this will be one that's 100 percent. Is that right?

MR. HUTTON: The 100 percent projects, I have them here, are general economic survey of the Interlake region, community development project studies in the Interlake, ranch budgetary analysis, ethnic group values in rural development, and Interlake population migration studies. These five -- and I don't think that they are listed in that material -- these would be in addition to the projects which I have given to you.

MR. GUTTORMSON: Mr. Chairman, the announcement of the government, the fact that the ARDA program would be implemented in the Interlake, is of considerable interest. What the farm people want to know is just what this program really means. I mean, how does it affect them and what will it do? I have heard a lot of rough terminology but they still don't know what this is going to mean to them and how it's going to affect them. I wonder if the Minister would give us a grass roots talk on what this is going to do to the farms because this is what they want to know. I have been asked about it and I regret that I am unable to give them just what this program means to them and how it's going to affect them. Would the Minister undertake to tell the House?

MR. HUTTON: Well, Mr. Chairman, I'm sympathetic to the honourable member's difficulty in interpreting some of these projects in terms of physical development in the Interlake. I think at this stage it is difficult to tell just exactly how these programs will bear fruit, but for instance let's take this project, ranch budgetary analysis. It can be very effective and very useful in knowing just how to encourage the growth and development of our ranches; the type, size and so forth that is required; what is most economical; how big they must be in order to return a good living and so forth; how best to organize our lands and so forth in the Interlake. It may be that some of these studies will result -- that the ranch budgetary analysis will result in making specific recommendations in certain parts of the Interlake as to what is the best type of an operation to try and develop on the part of the individual; for instance, the Interlake population migration study. It might be awfully useful to people living in the Interlake, businessmen living in the Interlake, to know how people are moving around. From studies that have been made in the Interlake it's found that people move a lot more than we ever anticipated they did, and then some of the programs -- the physical programs that you're going to come up with -- depend on making a study and analyzing that study before you carry out some physical program which may be counter to what our findings will indicate should be the program to follow. I hope I'm not leading you into the midst of a community pasture someplace and leaving you there.

However, in the meantime, it does mean community pastures and the development of those community pastures. It does mean that as a result of some of these studies we may find that it would pay us to drain some lands, or it may pay us not to drain some lands, and on the basis of these studies you can move ahead and carry out some of these physical projects. At this stage, however, it's very difficult to just say what your physical program is going to be unless you carry out some of these studies.

If you want to talk about physical projects, we're going to have a pasture management specialist in the Department. One of the important things in the Interlake is to develop a cheap and economic and practical method of improving the carrying capacity of that land. Such a program will take research and so forth. If we can find a way that is cheap and effective the people can use it. This would be an ARDA type program. Beyond that it's pretty difficult for me right today -- it'll be much easier three years from now -- to interpret, to show you how these programs, or these research programs, will be interpreted into physical developments.

(Mr. Hutton, cont'd)

One of the reasons why the Federal Government was anxious to undertake these five studies in the Interlake was to get some of this background material so we can develop physical programs. They want to get it quickly and they're hoping to get some of it within a year; as much of it as they can in as short a time as they can so we can show the people what we're talking about, but it is -- I know it's difficult; it's difficult for me to explain, as you can see, and it's difficult for you to understand, and it's that much more difficult for people who haven't had the opportunity to be even as closely associated as we have been with this program.

MR. GUTTORMSON: Mr. Chairman, I'm pleased to hear the -- I shouldn't say pleased, but interested to hear the Minister say that he finds it difficult to explain. It takes me off the hook when I'm asked for an explanation and I'm unable to do so just from reading the pamphlet. In other words then, as I understand the Minister correctly, we are not likely to see any physical changes as a result of this ARDA plan for about three years when the studies have been completed. Is this correct?

MR. HUTTON: Yes, outside of those that I outlined such as community pastures, such as our experiments in knocking down the bush and applying chemical spray, or using various methods of, either ball and chain methods or maybe some other equipment that we hope to bring in, or drainage in the Interlake. This is the kind of thing that the Federal Government will assist in, and there will be other programs that will undoubtedly evolve out of these studies that I have outlined.

MR. GUTTORMSON: The Minister has indicated that there's going to be community pastures. As I understand it there's going to be two, the one at Sleeve Lake and the other one in the Narcisse area I believe. Are there any farms presently located in the proposed location of the Narcisse-- if I may use that name for it -- community pasture?

MR. HUTTON: Yes, there are, but I believe that there's only one farm in the area where there has been any disagreement with the owner about purchasing his land, and it is possible in the case of this one individual to fence him out of the pasture so that he doesn't have to -- his property doesn't have to be acquired if he isn't willing to come to an agreement with the Department.

MR. GUTTORMSON: What is being proposed regarding the other farmers who have land or living in that area? Is the Department just going to pay for it and let them find their own way or are they going to assist them to find new locations?

MR. HUTTON: No, we buy the land from the farmer and he makes his own provisions for moving.

MR. GUTTORMSON: Will this same situation apply at the Sleeve Lake pasture,

MR. HUTTON: It's a general policy that we follow. We don't relocate people as a rule. We usually try to reach an agreement on payment which is satisfactory to the owner of the land and then he makes whatever provisions that he deems necessary to find a new spot. However, in many cases when we're buying this land -- you are of course referring to residents, people who have their residence within a proposed pasture area. Well, usually we steer away from areas where there are any great number of settlers. We go into the very sparsely settled areas and try to avoid the necessity of causing people to move. There are two reasons for it of course; one is that you don't want to go into an area where people are thickly settled. It would cause a great deal of dislocation to a great deal of people; and then secondly, it would cost a great deal of money to purchase their homes and their buildings and so forth. We usually try to choose an area where there is a dearth of settlers. In many cases there are none at all living on the land, they're absentee landlords.

MR. GUTTORMSON: indicate how many residents are in this proposed Narcisse pasture and how you arrived at a price for the land? Was it just between the government themselves or was -- how did you reach a price that was satisfactory to both? Just by dickering?

MR. HUTTON: Well, I can't tell you the number of residents within the proposed pasture area. Neither can I tell you the means by which they arrived at a mutually agreeable price, because these responsibilities are the -- these are the responsibilities of my colleague the Minister of Mines and Natural Resources and the Lands Branch which is under his jurisdiction. I would not like to try and answer that question.

MR. GUTTORMSON: I was advised that an ARDA meeting was held and I believe it was Narcisse -- I wasn't in attendance -- and if my information is correct, the people attending the meeting were advised that a lot of this ARDA program depended on co-operation of -- in the program itself, amongst the farmers, that a lot of these programs would have to be initiated by the farming people in the areas themselves, and if there was no co-operation between the people themselves that the program itself would be hampered. Could the Minister advise me if this is correct or have I been misinformed?

MR. HUTTON: No, I think that that is likely true. As I mentioned earlier, it's pretty difficult to go out and tell people all this, and I think it's pretty useless to go out and tell anybody: "This is good for you, and you'd better do it." I think that your chances of succeeding on such a basis would be pretty dim. I think that you have to have the local people come to you, more or less. I think you can go so far, that you can apprise them of the tools that are available to them to work with, but you can't make them use them. They must seize them and then press you, or press us as the case is, for certain projects that they want help with; and we should help them, but I don't think we can go in and do them for them, nor can we certainly go in and tell them that they should do, and hope that it's going to succeed. I think it's a question of local initiative. I think that as a little time goes by and people become familiar with ARDA, and when we are able to develop to the point where we can see the concrete results of an ARDA undertaking, that people will come after the department the way they come after the Minister of Public Works for a road, you see? In this sense, that they've got to appreciate the value of the thing that they want, and there's no use in going out and either giving it to them without them asking, nor is it up to us to tell them what they want. I think that all we can do is try and make the information available to them, and stir their curiosity and their interest, and let them carry the ball from there, and we of course, have to be available to give them the help that they need.

MR. GUTTORMSON: The part that's aroused my curiosity, Mr. Chairman, is the Minister has indicated that he, himself can't really tell us the physical effect of this program until the studies are completed, for the most part that is, and therefore, we'll have to wait and see what these surveys reveal. Therefore, I was wondering, what would be the purpose of this meeting that was held in the area regarding ARDA because would they be able to tell the farmers or the residents anything concrete without having the information from these surveys that are to be conducted?

MR. HUTTON: It's a question of establishing a familiarity between the people and the objects and methods and the approach of ARDA. It's a big educational process. The local people aren't the only ones that are in the process of being educated. You can see the Minister of Agriculture is in the process of being educated in this matter. But, this is the reason, to further the educational process on ARDA. There are physical projects, and I can point to the ones that we have already been carrying out and that we're familiar with, but I'm sure that other things are going to evolve. I'm sure that as a result of the study of the resources in this area, they're going to come up with opportunities. Your colleague from Gladstone was talking about this question of resting areas, of pothole farming and so forth. Who knows, as a result of the next Resources Ministers' Meeting for Canada, the ball may be started rolling where there may be monies made available for farmers in Western Canada who want to cultivate our wild life population, and maybe there are some opportunities for that, depending upon the determination of the resources in an area. I can't project here and tell you what sort of thing they're going to say should be done in the Interlake. I know some of them. I know that we've got to make very much greater use of our grazing resource in the Interlake. I know we're going to have community pastures. I know we're going to have graze. I know we've got to develop some way of developing these lands. But going beyond that, I don't think that I should try to tell you what might happen. I think we ought to wait and see what happens.

MR. GUTTORMSON: I appreciate the co-operation he's given me in connection with this subject. One thing I'd like to ask. Will this -- as I understand it the community pasture will not be expanded this year from conversations I have had with them privately, but what about the Narcisse pasture?

MR. HUTTON: The Sleeve Lake pasture may be expanded by less than two sections this year. This isn't certain, but it may be. There's going to be development of the pasture within

(Mr. Hutton, cont'd) the existing pasture. They want to increase the carrying capacity. The Narcisse pasture will get under construction this year.

MR. GUTTORMSON: One more question. Will meetings be held all through the Interlake to advise the residents of what is being proposed at ARDA? I know some meetings have been held. Are others planned?

MR. HUTTON: Yes, I think you can expect this approach to continue.

MR. MARK G. SMERCHANSKI (Burrows): Mr. Chairman, I'd like to ask the Honourable Minister. It seems to be most confusing to me to try and analyze a statement like on page 3, the Detailed Business Opportunity Analysis of Resource-based Industry. Now I do know that we have a research section under the Department of Industry and Commerce, and I believe that in 1961 they prepared an excellent atlas showing the trend of the population movement, showing the population studies, and when you mention resource-based industry, surely we have enough information on the Interlake area that we know the populations in the various areas, we pretty well know the type of people living in these towns, and is it not a matter of bringing industry into these larger towns or centres and give them employment in order to keep them in that area? Because quite frankly, aside from the fact that you have been discussing the possibility of raising cattle and grazing, the amount of farming in that area has been won at a terrific cost of clearing the land of stone, and I quite frankly am very much confused in phrases such as "and population studies" in such regions. Now surely we have enough statistics that a matter of half a day and you could just about analyze the population trends in this area. Secondly, the resource-based industry, and I'm very much confused on this because, quite honestly, aside from cattle-raising and possibly poultry-raising and hog-raising and some dairying, there is a very limited additional type of farming that can be taken up in this area, and certainly as far as industry is concerned, the only type of industry that you can have in these areas is outside industry brought into this area, and I think that the Department of Industry and Commerce through their research branch have been most active in the last two or three years, and have done a great deal in this area, so I would like to ask the Honourable Minister as to just what is the meaning of a phrase such as "a detailed business opportunity analysis of resource-based industry", because quite honestly I don't understand what type of resource-based industry this Interlake has as a potential. I wonder if the Minister would be kind enough to elaborate on that?

MR. HUTTON: Well, Mr. Chairman, you might more appropriately ask this question of the Minister of Industry and Commerce. This is one of the reasons why we have set up an administration which allows for the proper liaison between the different departments of the government because some concern agriculture and some concern industry -- primarily industry and commerce; but let's just take for instance, the question of poultry in the Interlake. There are two areas in Manitoba which have become in a sense the base of the turkey industry. One is the southeast, where my honourable friend in Emerson comes from, and the Interlake has quite a potential as a turkey-raising area. It has a lot of land which is marginal in the conventional sense, but it still makes pretty good turkey pasture. It isn't too costly; there's a lot of it; you can move the birds around; they can cut down the incidence of disease by this means. But to my knowledge the industry has not -- the production has not developed there to the extent where on present information you could justify establishing the secondary industries associated with the turkey business or the poultry business. I'm not an expert on this, but I would suggest that maybe a detailed study of the potential here for this kind of secondary industry would be justified. I'm not sure that you could sit down with existing information and come to this decision, because it isn't just a question of the resources in the area, it's also a question of the attitudes of the people, and you have to find out whether, if somebody built a turkey eviscerating plant and all the appendages -- for instance, supposing they wanted to, somebody decided that they were going to go into smoked turkey products and this sort of thing -- even though the area has a potential because of this relatively cheap land that's available and that's adjacent to a good grain-growing area, that the adequate feed supply's available at reasonable prices, are the people ready to go into this kind of a thing? If the opportunity was given to them, would the producers produce enough stock, and this sort of thing?

Well, I'm not an expert. I'm not a sociologist -- I took a little at the university, but I've forgotten all about it; it was a long time ago. But there are people who are knowledgeable

(Mr. Hutton, cont'd) in these matters, and they can make reports on the prospects. Taking into account all these various aspects and details and from a standpoint of agriculture, I would give you this as an example of a detailed -- whatever it was; I forget the term you used -- detailed resources of the -- or, a detailed study of the potential for resources of these industries. My honourable colleague here, from the standpoint of industry and commerce, could probably give you some other examples where his department might have interest. Maybe we've got some minerals in the Interlake that could support an industry. Maybe this is where the Minister of Mines and Natural Resources could reply. But I think that there's probably a lot more potential in the Interlake than you could discover in an afternoon study of existing information. I think that there's been a tendency in the past to pass up the Interlake, a large part of it. Well -- and I lived in the southern part of it, but I think that maybe there has been a tendency in the past, because people drove through it, they saw a lot of that stone that you referred to, and they saw a lot of that scrubby bush, and they came to certain conclusions, and maybe they weren't They may have been correct in that time, but I think that it's time that we had a closer look, and we'll take a little longer than one afternoon.

MR. EVANS: if I added a word on this subject? my colleague asked me to -- the trouble with this kind of question is that you don't know the answer till you do the sum, and the object of all these studies will be to find more things for people to work at and earn good livings, and in order to find out what they can do, why they have to find out what materials they have to work with. There are several good examples of resource-based industries that have resulted from studies of this kind, notably among them the Flakeboard Plant down at Sprague, where we began with the proposition that all the pulpwood was being cut out at too fast a rate, the rate of cutting had to be reduced, and yet those people had to find something to do. And so we submitted this study in this particular case to the Arthur Little Company of Cambridge, Massachusetts. They began with a very simple proposition. They said, "Well, you can't cut as much pulpwood, but you've got lots of poplar down here." And we said, "Well, is there any use for poplar?" And they said, "Yes, we believe there is." And they came up with a study that resulted in poplar being used to make flakeboard, and consequently an industry moved in there.

The same kind of study was made in connection with the potato plant at Carberry, because that resulted from a study of a natural resource which turned out to be the right kind of land for growing potatoes, and not only that, but it had water underneath it -- an ideal combination which then enabled the potato-growing industry itself and the consequent secondary industry based on that, to process the potatoes and market them.

In connection with the vegetable-growing industry, there is a certain aspect in which you have to study the people, because there has been some experience -- and my friend in agriculture knows a good deal more about this than I do -- that some people are used to one type of farming which employs large machines and big acreages, and they are not as well adapted to the smaller type of farming, vegetable farming, which is a specialty requiring people with that kind of experience, and to a certain extent, the kind of people who like to do that kind of farming. And so you have to study people as well as resources before you can find out what is likely to be the best kind of industry.

Now, turning to the Interlake, I feel quite sure that there will be opportunities discovered up there. What they are I don't know, because if I did we wouldn't have to make the study. We'd just have to ask me. But there's a surprising little industry has grown up at Souris, for example, just out of an old abandoned gravel quarry, as I understand it. They went into that thing and found rocks that could be polished up and made into costume jewellery. And a very nice little industry -- it's a small one -- but a nice little industry has grown up on that. Who shall say what could be made of the rocks that are taken out of the fields that my honourable friend referred to. I don't know. I don't think he knows; but if somebody looked at them, they might find some kind of a use.

There are other products that are indicated to us that might be grown. For example, a growing market will be discovered, I think, for honey made in Manitoba. And who is to say whether or not there are the kind of vegetation up there which would support hives of bees which would make the honey which would be exported. These are only things that one can take from one's imagination. But we propose to analyze systematically the human resources and

(Mr. Evans, cont'd) the material resources in the area, have the analysis made by people who are used to recognizing opportunities when they see them. When we do, we'll try to develop them into jobs for people to earn good livings at.

MR. SMERCHANSKI: Mr. Chairman, I appreciate what the Honourable Minister of Industry and Commerce has said, and I only want to make this statement. I was born right in the middle of this, and I helped pick a good percentage of these rocks and stones. And the thing is that the Honourable Minister of Industry and Commerce knows full well that there is a Research Branch in his department that works very closely in connection with these matters. And then again we have the agricultural representatives in these areas who work very close with the Research Branch of the Industry and Commerce Department. Now, quite frankly -- and I think I am acquainted with the manner in which the Research Branch has functioned and in the way it has contributed to certain aspects of research and development of new industries. But the thing that puzzles me is that how can you establish industries or come to a conclusion that certain industries will be established by making these studies, because quite honestly, as I said before, that which you have set up in your department of Industry and Commerce in conjunction with your agricultural representatives, and aside from the cattle grazing and dairying and some of those things that are going on there right now, there is in reality very little more that can be done in that area. And the question that bothers me is this. We have the mechanics; we have the method and means by which we can make these studies; we can make these surveys; we can make these research matters, as matters stand now. Why put up another type of a project, or why set up another development, and quite honestly, if you analyze and break down all these adjectives and adverbs, you have to come out with one basic general conclusion, that you must do further study, you must do further research or surveys in this area, and we have the means to do it with now.

This is the thing that quite honestly puzzles me, and I again pose a question to the Honourable Minister of Agriculture as to To me, this is a duplication. I can't see where we're going to add to anything that we already have in existence, and it -- I noted my colleague on my right has been asking certain questions, but knowing this area and having been born in this area, and having established a substantial industry in this area in Teulon, of which we're hoping to propagate more, as the Honourable Minister of Industry and Commerce knows, and aside from these outside things, I think that I know that Interlake country as well as anybody both from the geological standpoint and from the production standpoint, and it just bothers me to know what else can be done over and above what can be done with the machinery that the present government now has at its disposal.

MR. HUTTON: There's a complete misunderstanding here, Mr. Chairman. The Honourable Member for Burrows thinks that because he -- this shows up as a special study, that we're going to set up another organization to do this study. But this isn't -- this is part of the ARDA approach. The same people are going to make the study; the people in Industry and Commerce will make the study. Or they might get personnel at the University of Manitoba to assist them. We're not setting up a duplicate organization here to carry out another study completely unrelated to any other studies that have ever been carried on in the past by Industry and Commerce. Industry and Commerce will do this work. They may draw on the Department of Agriculture; they may draw on the Department of Mines and Natural Resources; they may draw on the University of Manitoba; or they may, if they require, they may draw on the services of outside consultants. What is happening here, however, is that the Federal Government is going to assist us in carrying the costs of this program, because whether you do it with your existing personnel, or whether you do it with outside personnel, there are additional costs involved. You can't get away from this. All that ARDA does -- by bringing this approach under ARDA we get a co-ordinated approach of the various sections of the government that are interested and the University, an outside body, and we get the resources of the Federal Government behind us. But there is no duplication. As I said before, a lot of these programs started some years ago. We could refer to many of our agricultural programs in Manitoba as ARDA type programs, and in addition to those that I have indicated to you we are hoping to sign further project agreements to cover programs that may be under way in Manitoba right now. The added resources made available by the Federal Government, either by way of personnel -- in some cases we work with their personnel in the Department of Agriculture and the same may be true in Industry and Commerce, and get a little more impetus behind some of these projects and studies and get them cleaned up. That's all that is happening. We're

(Mr. Hutton, cont'd) not setting up a duplication or setting up something new.

MR. CHAIRMAN: The honourable member

MR. HRYHORCZUK: Mr. Chairman, if I may -- I've been trying to get in here just for a moment. I'd like to revert to the question of community pastures just for a second. I want to repeat the plea I made previously on behalf of the municipalities within whose boundaries there are community pastures. When Crown lands are leased or grazing permits issued the government takes under consideration the fact that these lands that are leased or given out on grazing permits receive certain services from the municipality such as roads and so forth. I think that the argument for some payment in lieu of taxes to the municipalities in regard to community pastures are just as valid as they are in the private leases. These community pastures have to be serviced by the municipalities within whose boundaries they are found and there's considerable reasonable use of the roads that lead into these community pastures by persons who live outside the boundaries of the pastures. In the proposed community pastures in the rural municipality of Ethelbert and Mossey River I would venture to say, Mr. Chairman, that the majority of the cattle in those pastures will belong to people not living in the municipalities and not contributing in any way towards the maintenance of these roads. Now the manner in which we collect fees in lieu of taxes, shall we say, from the private rentals is to add so much to the rental and then turn it over to the municipality. I would very strongly urge the Minister to take this under advisement and see if some scheme couldn't be worked out where at least the municipalities would, in part, receive some compensation for the moneys that they expend into the maintenance of municipal service.

MR. HUTTON: Mr. Chairman, I've very happy to advise the Member for Ethelbert Plains that this is an accomplished fact. An arrangement was made a year ago with the PFRA in the case of the Ellice pasture, that they would collect 1¢ per head per day on all the cattle that were run in that community pasture and these moneys would be turned over to the municipality as a grant or in lieu of taxes. The federal government has announced -- I think it was about a week ago -- that this arrangement will be carried out all across Western Canada this year and in the future. In the case of all community pastures an additional levy will be made of 1¢ per head per day and these moneys will be turned over to the municipality or municipalities in which the community pasture is established.

MR. FROESE: Mr. Chairman, when discussing the ARDA program before the Honourable Minister mentioned the various programs and the various type of support for the various programs and under the 100 percent programs he also mentioned, if I understood correctly, the studies of ethnic groups. I wonder whether he could enlarge on that.

MR. HUTTON: Yes. The reason for this study is the fact that people are the product of their environment, their experiences, their background, and people respond to different experiences, to different challenges, and if you're going to develop a program for an area and you only take into account the natural resources in the area, and you don't take into account the things that make the people tick, you may come up with a real dud of a program. It may be the best in the world in relation to the resources but it's got to also fit the people. It's got to be something that they'll accept, so therefore it becomes important that you take into consideration the various people and the various communities in an area; that you understand them and you understand how they think and what they will respond to and what motivates them and then come up with a program that has a chance of acceptance by them and which will prove successful. That's really it in a nutshell, as best as I can explain it.

MR. CHAIRMAN: Item 1 passed.

MR. MOLGAT: Mr. Chairman, before we leave the ARDA program, again referring to the report that the Minister gave us, and I think anyone who's followed the discussion this afternoon will agree with the statement of the Minister that it's very difficult at this stage to assess ARDA. I think that this type of a statement given to us each year embodying the whole of the ARDA activities will be very helpful to the Committee in assessing the development of the program. So I would like to clear with the Minister a few points in this report. This covers then I take it all of the ARDA activities, regardless of which Department they come under?

MR. HUTTON: That's correct.

MR. MOLGAT: That's correct. Because as we go through the regular book of estimates, we find Canada-Manitoba ARDA agreement occurring in many instances in different departments, so we can assume that this is the total project.

MR. HUTTON: That's correct.

MR. MOLGAT: Now, on the first page then is the list of what is to be included and the statement is "ARDA operations in Manitoba during the fiscal year '62-63 are shown in the table immediately following." Now that would be presumably pages 1 and 2. That's the -- (Interjection) -- Oh, well this is because I was trying to relate the preface with the material that is here and I think insofar as I'm concerned for the time being if we could have from the Minister, the lists as they are indicated in the preface, that is, what were the projects during '62, '63 and if possible the expenditure on them. Then, what are the planned projects for '63-'64, and the likely expenditure on those. Then for the time being this would give me the information that I require and I would hope that in the subsequent years then the Minister could give us comparable reports year by year in one form, and I think we would get around having to discuss ARDA on every item and in every department and I think that the committee would have a clearer picture of what this project is accomplishing. I imagine that as years go on, this project will probably increase in activity and if we start off on that basis now, I think we would have a much better functioning here in the committee.

MR. CHAIRMAN: Item 1, passed, Resolution 30. Item 3, Agriculture. May I say here, that under the minister's salary, of course we've had a very generous discussion of all departments and that's quite in order because the Minister makes an address on all the branches of his department. Now, when we come to No. 3 Agriculture, you'll see it's under (a) (b) (c) (d) (e) (f). I shall call the letters and the discussion must be specifically dealing with the sub-headings under for instance (a) and (b) and (c). Also I gave that for the benefit perhaps of the two members who may not know of how specific we must be when we get into discussion of the various branches. Item 3 (a).

MR. MOLGAT: Mr. Chairman, under this item, there've been some substantial changes in the course of the year in particular under the sire purchase policy. Could the Minister indicate to the committee why the sire purchase policy was dropped?

MR. HUTTON: Mr. Chairman, sometimes ministers have decisions to make, and the question had arisen as to whether a sire purchase policy was as valuable in terms of what it was evolved to do and designed to do today as it was when it was first introduced, and it was the consensus of opinion in the department -- and one which I concurred in -- that since it was an educational program to demonstrate to the farmers of Manitoba the advantage of using quality type sires in their herds, and having been used for a good many years, I think it's something like a decade or more, that we must come to that point in the development of our livestock industry where by and large our farmers appreciate the value of a good sire in the herd. Although the assistance was much appreciated by both the breeder and the purchaser, one could hardly justify it in the same sense that you could on the initiation of the program, and in the light of the type of program that we must embark upon, if we are going to capitalize on the opportunities that we believe lie before us, we felt that we must set some priorities in the expenditure of available funds, and in the light of these priorities we felt that it was time to discontinue the program.

I'd like to make a statement at this point about the livestock program, prospects for the industry -- the long-range prospects for the industry, and what we intend to do about it at this stage and what we intend to do to help the farmers to achieve a full participation in this growing market. It has been pointed out to this Assembly on earlier occasions that the very optimistic outlook on the livestock business, particularly the cattle business, is one of the highlights of the agricultural scene at the present time. We are aware of this fact. We've looked at the developments in the livestock industry in this province in the past and we've studied the future; and we are now planning and programming for the future.

We recognize that in the past ten years the cattle industry in this country has shown marked expansion, but our concern was to note that other parts of the country have played a greater part in this expansion than we have in this province. Ten years ago our share, the Manitoba share of the national cattle herd was eight percent. Today it is still eight percent. At the same time, Saskatchewan has increased its share of the national cattle herd from 15 to 17-1/2 percent and Alberta has made even greater strides by increasing its share from 18 to 24 percent. We have just held our own, while our sister prairie provinces have expanded their share of the market. All predictions point to a marked expansion in the requirements for beef

(Mr. Hutton, cont'd.) ... in this country over the next few years. Approximately 75 percent of Canada's arable land is found in the three prairie provinces. Indeed, about 77 percent of the cows kept for beef in this country are found in western Canada, so we can see that the primary responsibility, not to mention the opportunity for expanding cattle production, lies here in western Canada; and as I pointed out, we in Manitoba have not expanded our livestock production as have the other prairie provinces. We must see that we take advantage of this opportunity in the future.

Manitoba has some natural advantages over her sister prairie provinces in the cattle business. With the greater assurance of rainfall and thus the greater assurance of a feed supply, the large marketing and meat packing facilities which we find in our midst and our geographical position placing us in a preferred position in supplying large markets to the east and to the south of us, but we are saddled with some historical developments and traditions which have deterred our rapid development in the beef cattle business. These can be traced back to the original Homestead Act and the small farms which were established under that act. We can point out the fact that Manitoba has traditionally kept more cows for milking than for beef purposes, and this has been a strong deterrent to a rapid improvement of the beef quality of our cattle. These are things that we can use as excuses, but I suggest to you that we must take a positive approach and develop ways and means of moving our cattle business ahead, capitalizing on the advantages that we do have.

For this reason, we are embarking on a broad program which we hope will provide for the stimulation and expansion of the cattle business of this province. I'm happy to outline to you a ten-point program designed for this purpose. You are aware that The Agricultural Credit Act will be amended to provide special loans for expansion and improvement of beef cattle herds, that new lease arrangements are being introduced with respect to Crown grasslands. You are aware, too, that the province is arranging for land for six new PFRA pastures in Manitoba in 1963 and that the province is providing moneys for extra facilities in an expanded livestock research program at the University. We are carrying out field trials to determine the best means of removing bush and generally improving their pasture. In addition, you are being asked to provide moneys for a pasture management specialist who can work in this field. You are being asked in these estimates to provide for a provincial veterinarian; another beef cattle management specialist; a feed testing laboratory service; and I'm going to be introducing an amendment requesting increased grants to veterinary service districts. We will also be expanding the beef cattle performance testing program, and in addition we are studying the possibilities of establishing smaller association pastures which will complement the PFRA pastures.

The Agricultural Credit Act in its present form has made an important contribution to Manitoba's agriculture by providing almost \$18 million in the last four years. This money has been used for expansion of farms. We recognize, however, that this program does not adequately provide for financing requirements in areas of low land assessments. We recognize, too, that it is not as flexible as it might be for the development of the cattle business. We will therefore be asking this Legislature to amend this act, providing for special loans up to the amount of \$10,000 to cattle owners on the security of chattel mortgages. These moneys will be used for the purchase of good quality beef breeding stock, for pasture improvements, for fence construction associated with the expanded cattle enterprises, and also for the development of water supply.

Associated with this credit program will be a careful guidance in the development and management of good quality beef cattle herds. The transformation of the Crown land leasing policy from one primary dependent upon year to year leases to the provision for long-term leases upon which cattlemen can depend in developing a sound long-term cattle program will also contribute greatly to the sound expansion of the cattle business in this province. PFRA will be undertaking the establishment of six community pastures in Manitoba this year, bringing to 20 the number of community pastures in this province. The province, in conjunction with the municipalities in some cases, has provided the lands for this tremendous expansion of cattle pastures. Part of one which has been operated by the province, namely Sleeve Lake, I think now the people up there want to call it "Mulvihill", and so it is going to be renamed "Mulvihill Pasture" at Sleeve Lake for the benefit of the Honourable Member for St. George.

(Mr. Hutton, cont'd.) . . . These six, in addition to the five established during the last four years, will mean that the community pasture program has doubled in a five-year period.

The excellent new Animal Science Building was opened at the university, as I related earlier, in late 1962. This excellent facility, built with funds provided by this department, will provide for a much enlarged and intensified livestock research program. You will note by the estimates that you are being asked to approve \$525,000 to operate a research program this year, an important part of this will be used for livestock research. A pasture management specialist is being added to our staff and he will spend full time with farmers to determine and to demonstrate ways and means of increasing the carrying capacity of our lands which are particularly suited to beef cattle production. With respect to pasture improvement, we have been experimenting with a ball and chain and with spraying in respect to brush control and removal. We have also done some work in demonstrating other features and means of pasture improvement such as weed control and introduction of better kinds of grasses, and we think that it's time that we intensified our efforts in this area.

A provincial veterinarian will be appointed to cope with the need for expanded veterinary services so necessary to an expanding livestock industry. Its primary task will be one of providing leadership and co-ordination in developing an overall veterinary program, tying in the veterinary laboratory with field problems and providing liaison between all the agencies involved and the private practitioners and livestock owners. We've been concerned about the quality of our beef cattle. It must be pointed out at the same time, however, that we have many cattle owners in this province who are doing an excellent job of efficiently producing a high quality product, but there are many herd owners who are about to expand their beef cattle enterprise in conjunction with or in place of the small cream producing herds which they have had in the past. We therefore think it is essential that we provide a specialist who can work closely with these people, particularly those who are obtaining credit under the new amendment and provide them with guidance in developing a well managed and high quality beef cattle herd.

A feed testing laboratory will be established at the university to which livestock owners may submit samples of feed for analysis, a service provided at cost. Feeds submitted will be analyzed for feeding guidance, more particularly protein, fibre, minerals, and in some cases vitamins, in order that farmers may utilize their feeds to better advantage in well-balanced rations. Well qualified nutritionists will interpret analysis results and provide an interpretation for guidance to the farmers.

We are also increasing grants to Veterinary Services Districts established under The Veterinary Services Act. The annual grant will be increased from \$1,000 to a maximum of \$1,800 to provide greater assurance that these areas will be provided with veterinary services. I might point out that it will be on a matching basis with the municipalities and local government districts involved.

The beef cattle performance testing program will be expanded with more scales being made available for the purpose, and with a specialist being assigned to work with cattle owners in further developing the program. Performance testing is an essential part of good herd management practice. We believe the smaller pastures may have a place in complementing the larger PFRA pastures and utilizing smaller blocks of land. We are therefore investigating the feasibility of such pastures.

This is the ten point program: credit, long-term leases, PFRA community pastures, research, brush clearing and pasture improvement, provincial veterinary, pasture management specialist, a beef cattle management specialist, feed testing, increased grants to Veterinary Service Districts, expanded performance testing, and a study of the smaller associations attached. These are the ten phases of our new, and we think sound approach, providing the necessary leadership in creating a favourable environment for expanding the cattle industry of this province. Such an expansion will be of great benefit in adding stability to the agricultural industry of this province and indeed to the whole economy. And I think that I should rest.

MR. LYON: Mr. Chairman, if I might have leave of the House to make a further announcement with respect to weather conditions on our power and telephone service from that that I gave at noon, I would make a further short statement.

With respect to Hydro, they have just informed me that it is possible that all customer

(Mr. Lyon, cont'd.) . . . service may not be restored to normal this afternoon, because of course they are finding isolated areas where customer service was down that they had not heard of.

With respect to the Manitoba Telephone System, their further reports now indicate damage that was more extensive than was first indicated. They are aware now of a total of approximately 600 poles that are down and 15,000 scattered wire breaks in southern Manitoba running up to Selkirk. The local service is in place and most of the towns and villages, but a number of towns have been isolated from Winnipeg from a long distance point of view. There are a good list of these towns here: Elm Creek, Starbuck, St. Claude, Rathwell, Treherne, Holland, Homewood, Sperling, Stephenfield, Carman, Roland, Miami, Somerset, Swan Lake, Notre Dame, Plum Coulee, Winkler, Darlingford, Manitou, Pilot Mound, Crystal City and Cartwright. Those are all isolated in terms of long distance from the City of Winnipeg. Extensive damage to rural areas has not been still fully assessed because all the available manpower is presently concentrated on establishing essential communications between the various towns. There are 120 men working in the areas on restoration, with further manpower and equipment presently moving into these areas from other provincial locations. The early restoration to a large degree is dependent on improved weather conditions, and particularly on wind velocity reduction.

MR. GUTTORMSON: Mr. Chairman, may I ask just one question of the Minister? Did I understand that there is 15,000 wire breaks?

MR. LYON: Scattered wire breaks.

MR. ROBLIN: Mr. Chairman, I move the Committee rise.

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

Madam Speaker, the Committee of Supply has adopted a certain resolution, directed me to report the same and asks leave to sit again.

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

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

MR. ROBLIN: Madam Speaker, I beg to move, seconded by the Honourable Minister of Agriculture and Conservation, that the House do now adjourn.

Madam Speaker presented the motion and after a voice vote declared the motion carried and the House adjourned until 2:30 o'clock, Thursday afternoon.