

THE LEGISLATIVE ASSEMBLY OF MANITOBA  
8:00 o'clock, Tuesday, May 6, 1975

INTRODUCTION OF GUESTS

MR. CHAIRMAN: Before we proceed this evening, I would like to draw the attention of the honourable members to the gallery, or to the loge on my left, where we have Mr. Willie Adams, a member of the North West Territories Council of Rankin Inlet. On behalf of all the honourable members in this Chamber, I bid you welcome.

COMMITTEE OF SUPPLY - DEPARTMENT  
OF INDUSTRY AND COMMERCE

I refer honourable members to their Estimates' books, Page 30, Resolution 67(c)(1)--  
pass--The Honourable Member for Brandon West.

MR. MCGILL: Mr. Chairman, there's been some mention and some discussion about the items that are contained in the index of the Annual Report of the Department of Industry and Commerce, and these are a list of the payments made under the department's Incentive Grants Program.

The matter of grants to corporations which are in some way related to the government, either in terms of ownership, or in terms of receipt of loans from the Manitoba Development Corporation, is a matter that disturbs me, Mr. Chairman. I feel that it's an area in which we need to carefully re-examine the whole role of government in business. And this matter has been described and discussed in general terms in debates on other topics under other headings. But we come down I think, Mr. Chairman, to a principle involved here that I would hope that some on the other side are concerned about. I'm not sure that really they are, and this is what really disturbs me. We as a Legislature have expressed our concern about conflict of interest as it applies to the individual members. I'd suggest, Mr. Chairman, that in this area there is a danger of a conflict of interest between the government and its competitors in business.

Without discussing the grants in specific terms, or relating them to particular industries, I wonder how the department and the Minister retains an objective attitude to the use of money in this area. I wonder how it's possible for instance if the government has a majority interest, a major equity position in a company in one particular line of business, how they would deal with a competitor in the same line of business who might think that their business was equally entitled to incentive grants. It seems to me that we're in a very difficult area and the more activity this government undertakes in industry the greater will be the problem, the greater will be the difficulty of the Minister and his department in retaining a purely and completely objective position in this respect.

Mr. Chairman, I bring this again to the attention of the House because I think we're embarked upon a trend of a determined policy of this administration to expand its area of activity in industry, in trade, and as long as there are industries competing with them in the province, I question whether there can be fair and completely unbiased treatment in respect to, not only this area but into all areas in which government can assist industry. I have heard the Minister say that it wouldn't be fair for them to deny a seed company incentive grants because the government happens to have a 90 percent interest. I can't accept just as simple an explanation as that. I just don't know he'd deal with an application for an incentive grant if it came from another seed company even in the same city, feeling itself equally entitled, maybe doing a very efficient job, and because of its very efficiency making it somewhat more difficult for the government-owned industry to make a profitable showing.

So, Mr. Chairman, how do you deal with this matter? How does the government intend to act as a neutral and fair arbiter in the matter of the development of industry and commerce in our province when they have the complete authority over the variety of encouraging arrangements that can be produced to assist these businesses. The problem isn't going to go away unless the government changes direction here. Either they, I suppose, to avoid any suggestion that they're not being completely impartial, they might withdraw all grants, and that, you know, would be one way of eliminating any critical comment by people who think they are favouring their own businesses. I'd like to hear the Minister explain in some greater detail how he proposes to assume this role of being impartial in his promotion of business in the province, and yet at the same time encourage the development and expansion of the Province of Manitoba's direct involvement in the economic fabric of the province.

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MR. CHAIRMAN: Resolution 67(c)(1). The Honourable Member for St. James.

MR. MINAKER: Thank you, Mr. Chairman. I thought that we would expect an answer from the Honourable Minister, but obviously I guess the Honourable - well I guess the Chairman--(Interjection)--I would gladly sit down and give the Minister the chance to answer if the Chairman will realize I wish to speak on this subject before we leave it.

MR. CHAIRMAN: The Honourable Minister of Industry and Commerce.

MR. EVANS: Mr. Chairman, I appreciate the Honourable Member for Brandon West's remarks. The fact is it has not been a problem to date. We have been impartial; we take a very rational approach. I'm advised that there have been no problems of conflict of interest with regard to supporting a publicly financed enterprise as opposed to a privately financed enterprise. It has not been a problem, and I don't see it as a major problem, I don't see it as a problem in the future. The fact is we're following the criterion of creating jobs for Manitobans, and as long as that's the criterion I think we can't go wrong.

MR. CHAIRMAN: The Honourable Member for Brandon West.

MR. MCGILL: Well, Mr. Chairman to the Minister. As your role, and the number of industries in which you have equity positions expands, and I presume that that is the direction in which the province is going, do you not think that you will find more and more competitive situations in which there will be two or three industries in the field, and you are the man who says which one will receive incentive grants, how are you going to judge these things impartially? I think you're in an extremely difficult position; your department is placing itself in almost an impossible position in respect to the allocation of incentive grants and the encouragement to these industries with government funds, and doing it in a manner that will not favour the one in which the government has already got a considerable investment.

MR. EVANS: You know, the honourable member can speculate that a problem may arise some time in the future. I wonder how other governments deal with this problem, because there are other governments, including very good Conservative governments that have equity. --(Interjection)--Well, let's not speculate about a problem that does not exist, let's speculate about a - let's not speculate.

MR. BILTON: Let's stay in Manitoba.

MR. EVANS: I simply repeat, Mr. Speaker, that governments around the world have been involved both in some type of equity in industry; you look at western Europe, you look at other provinces in Canada and you see that it's becoming more common for somehow or other the government to be involved in financing of industry. This is true in Italy, it's true in France, it's true in West Germany, it's true in Great Britain, it's true in Alberta, it's true in Ontario, it's true in New Brunswick, and I wonder if the New Brunswick Government has this problem because they have grants such as we do, and I'm wondering whether they have this problem. I see they're getting into various kinds of manufacturing, automobile manufacturing. I know Newfoundland is in various government enterprises, and so on. I suggest that if we have a problem, they have a problem. Mr. Chairman, with all deference, with all the objectivity that I can muster, I tell you that it has not been a problem. We have a set of guidelines which the staff utilize. We are not interested in helping multi-million dollar corporations necessarily. You'll note that the bulk of these grants are to small enterprises, and we do our very best to assist a wide variety of companies that are in need. But having said that, the amount involved is very small indeed relatively speaking, and I suggest that it is not a problem.

MR. CHAIRMAN: The Honourable Member for Roblin.

MR. MCKENZIE: Mr. Chairman, it's a very brief question and I raised it the other night to the Honourable Minister. So therefore half your staff are free enterprisers and half are socialists. Is that correct?

MR. CHAIRMAN: The Honourable Minister of Industry and Commerce.

MR. EVANS: Mr. Chairman, this item we are now discussing is item (2)(c) Science and Technology, and I see that that question is completely irrelevant.

MR. CHAIRMAN: The Honourable Member for St. James.

MR. MINAKER: I'll yield to him if he's not finished.

MR. CHAIRMAN: I wish the honourable members would make their minds up here. The Honourable Member for St. James.

MR. MINAKER: Thank you, Mr. Chairman. Mr. Chairman, we've listened to the

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(MR. MINAKER cont'd) . . . . Honourable Minister this afternoon answer questions relating to the Manitoba Research Council, and one starts to wonder after hearing answers what the role of the Manitoba Research Council is, and what the role of the Minister of Industry and Commerce is, because I would think that the most difficult treasury bench position to hold in this socialist government would have to be the Minister of Industry and Commerce because we know that this government that he is a member of believes in state ownership. So from Day One, the day the Minister accepts the role as Minister of Industry and Commerce, he realizes that the government's policies are contrary to what role that he portrays in his role as the Minister of Industry and Commerce.

MR. CHAIRMAN: The Honourable Minister of Industry and Commerce.

MR. EVANS: On a point of order. I enjoy listening to my honourable friend from St. James but on the point of order it seems to me that the rules of the House are that we stick to the very specific items on the agenda, under the vote. If the honourable member wishes to make these general philosophical broad observations, he has ample opportunity to do it under the Minister's Salary, and I suggest, sir, that he is out of order.

MR. CHAIRMAN: I think the point is well taken.

MR. MINAKER: With all due respect I believe that we're dealing with the role of the Manitoba Research Council, and I would think that that has a bearing on the role of the department and the role of the Minister. If I understood the Minister correctly earlier this afternoon, he indicated that the grants that were selected and approved were done so by a Cabinet, a sub-committee of Cabinet, so one starts to wonder, what is the role of the Research Council because on one hand we have the Minister answering that he is all for small business and the development of small business, and also for maintaining existing businesses in our community. Yet we look at the grants that are being approved, that were approved, and one wonders what and why a committee would approve such particular grants if they were sincere, if the department was sincere in what they state, or at least the Minister states, is their cause and their aim of trying to keep small businesses going in our community, because one just has to look at the Crocus Plant, because we have this department, the Manitoba Research Council, spending money on research on drying whey, and how to do it, and in turn are basically supporting, one would presume, the philosophy of the Minister of Agriculture in the development of a central processing plant for whey and other dairy products in Selkirk.

Now one starts to wonder, Mr. Chairman, where is the Department of Industry and Commerce headed because if, and we have to presume that the Manitoba Government News Service reports correctly and if it's wrong, I hope the Honourable Minister makes the correction, because we have a statement that came out May 2nd - I just read it today, it came in the mail. It says, "To stress assistance to existing businesses." And here it says further down in the report, Mr. Evans said - we'll say the Honourable Minister of Industry and Commerce said, "His department's efforts to promote new industrial enterprises will become less comprehensive and more selective as increasing emphasis is placed on assisting existing businesses." Now I ask you, Mr. Chairman, by promoting a whey plant in Selkirk, does not the Honourable Minister realize what effect it will have on the existing co-operative cheese plants and dairy plants that we have in the province? Is this not existing small business? Is he not aware, Mr. Chairman, of what effect this particular plant will have on industry in the province?

MR. CHAIRMAN: The Honourable Minister of Industry and Commerce.

MR. MINAKER: Is he not aware of the fact . . .

MR. CHAIRMAN: Order please. The Honourable Minister of Industry and Commerce.

MR. EVANS: Mr. Chairman, I would appreciate your ruling on whether the questions that are now being asked are relevant to this specific item under consideration. I would be delighted to debate a whey plant or any other manufacturing facility that may or may not be developed in the province, but he's asking a whole series of questions that are very broad-ranging and philosophic, and are beyond the particular item under consideration. We have staff here, and we have a lot of information here we're ready to provide you with. But, Mr. Chairman, I would like a ruling. The honourable member continues to ask questions which are of a broad philosophical nature.

MR. CHAIRMAN: Order please. The Honourable Member for Morris.

MR. JORGENSEN: On that same point of order. Then I reiterate a suggestion that I made earlier in the debate on the Minister's Estimates, in which I suggested that the next time

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(MR. JORGENSEN cont'd) . . . . the Minister brings the estimates before the House, that he have these items more clearly defined so that we know precisely what we are going to debate. I am of the opinion that they are structured in such a vague way that there's no way that one can differentiate between what constitutes Science and Technology, Food Production, or whatever. And I appeal to the Minister that when he brings his estimates before the House on the next occasion that he has them identified in such a way that we can tell what we are debating. At the present time that is not possible, and the Minister, I think, is using this subterfuge of raising points of order suggesting that we cannot debate on certain items on the estimates, that we'll be debating it on another occasion, and then when that other occasion arises, he will suggest that we debate on other occasions. I'm suggesting, sir, that what the Minister of Industry and Commerce is attempting to do is to forestall debate. He came into this House in the early stages of his estimates gushing and stumbling and all full of enthusiasm, but now that he's confronted with a few questions about the way he's conducting the affairs of his department, now he's trying to find a way to get out of answering those questions.

MR. CHAIRMAN: The Honourable First Minister.

MR. SCHREYER: Mr. Speaker, the Honourable the Member for Morris is perhaps in the least position of anyone here to speak in the vein he has because he for certain does have knowledge of the rules, and moreover had some knowledge of the past practice of the House in terms of the consideration of estimates.

The format of the estimates of the Department of Industry and Commerce is in the traditional format. If it is agreed - and I understood it was agreed with this and other departments that the consideration of the Minister's Salary would be left to the end. That being so, what is before the House is line by line consideration, and it is a longstanding practice that goes back, I can swear, at least 17 years, and I suspect, I suspect far beyond that, to deal with the specific of each line by line item. We are now on science and technology and therefore it is not in order, unless the honourable member wants to flout and ignore all past practice, it is not in order to talk about matters other than science and technology. If one wants to deal with other items, they can await the appropriate, some appropriation, or wait until the Minister's Salary is considered. Clearly that's the way the practice has been for many years.

MR. CHAIRMAN: The Honourable Member for Morris.

MR. JORGENSEN: Mr. Chairman, may I suggest that that is precisely what the Member for St. James is talking about, science and technology. He's talking about the involvement of the Manitoba Department of Industry and Commerce in the question of developing government programs and technology to deal with what they consider to be the priorities of government, and included in that group is the question of the whey plant, the proposed whey plant at Selkirk. I suggest to you, sir, that the remarks that are being made by the Member for St. James are completely in order under this item. Now, the Minister can't have it both ways. We're either going to deal with it here or we're going to deal with it later. And I don't really care which. But when we get to that particular point then the Minister has continued to suggest that when we get to food industries, that is the occasion that we can discuss these things. But I am willing to bet you, sir, that when we get to that particular item the Minister's going to find another reason why we can't debate this particular subject on that particular item. Now, if the Minister isn't going to give us the assurance that under Food Industries we're going to be able to debate all of this, and debate it properly, then we're going to debate it on the occasion when we feel is appropriate, which is right at this particular point--(Interjection)--

MR. CHAIRMAN: Order please. I would refer honourable members to their Rule Book, Page 17, Rule 31. "No member shall revive a debate already concluded during the Session." And I think we've already discussed the whey plant under the Department of Agriculture.

--(Interjection)--

MR. JORGENSEN: I'm going to challenge that kind of a ruling.

A MEMBER: Right.

MR. JORGENSEN: I don't care how many times we've discussed that whey plant in this House, when we have an occasion to discuss it a second, and a third and a fourth time, we're going to continue to discuss it, as long as it is appropriate to the items under discussion. And I suggest to you, sir, that under the Department of Industry and Commerce, and in the report of the Department of Industry and Commerce, there is sufficient evidence that the department is pretty much involved in the whole question of that whey plant at Selkirk. And under those

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(MR. JORGENSEN cont'd) . . . . circumstances, sir, we have the right, and indeed we have the obligation to discuss that particular project, whether it be under this item or whether it be under the item under Food Industries is the only question now that is open for debate. If the Minister insists that we discuss it under Food Industries, and if you, sir, decide that that's when we'll discuss it, fine, we will discuss it on that occasion. But to suggest that we do not have the right to discuss it, simply because it was mentioned once before, sir, is a proposition that we will not accept on this side of the House.

MR. CHAIRMAN: The Honourable Minister of Agriculture.

MR. USKIW: Well, Mr. Chairman, I believe that the Member for St. James was indulging in discussions far beyond the item within the estimates of the Minister of Industry.

The member was alluding to the effects of a proposed plant on existing plants. He wasn't referring to the technological aspect of that plant or research aspect of it, he was referring to the impact of the building of a plant on existing plants, which is completely out of context.

MR. CHAIRMAN: Order please. The Honourable Member for Swan River.

MR. JAMES H. BILTON (Swan River): Mr. Chairman, on the same point of order. I think there are faults on both sides of the House, and we on this side, Mr. Chairman, have picked up that word "technology" and it has been dwelled upon by members on this side, and the Minister under that title has been answering questions for the last hour. So the faults lie both ways, and I believe, Mr. Chairman, if you make a ruling on what the Honourable Member for Morris had to say, I think we'll get along with the business of the House.

MR. CHAIRMAN: The Honourable Member for St. James on the same point of privilege.

MR. MINAKER: On the same point of privilege, that with regards to the Honourable Minister of Agriculture, what I was referring to in my opening remarks was the fact that under the Manitoba Research Council--(Interjection)--his interpretation of what I was suggesting. The Annual Report, 1974, there is an item--(Interjection)--

MR. CHAIRMAN: Order please. What is the point of order? The honourable member, what is your point of order?

MR. MINAKER: I might suggest, in all due respect, that in the annual report, 1974, Department of Industry and Commerce under Manitoba Research Council is an item relating to the whey - it's called the "Optimization of Whey Management" - it's on Page 58, the whole concept - my understanding of the concept of the Manitoba Research Council is to assist new business. I am now trying to point out to the Minister and his department what effects these types of programs might have on existing businesses. And this is what I am leading up to, and if it's within the realms of the rules of the House, which I understand it is, I would like to continue at this time . . .

MR. CHAIRMAN: Order please. I would refer honourable members to Page 59 of their rule book, 59 and Page 60, and I wish honourable members would go home this evening and have it as required reading. We've had points of order and points of privilege raised in this House which are nonexistent. There has been no points of order and no points of privilege before this House. Order. I think the Honourable Minister said that this should be discussed under Resolution 68(b). Am I correct?

MR. EVANS: Mr. Chairman, that is correct, Food Industries.

MR. JORGENSEN: Mr. Chairman, I just draw to your attention one specific question, and let you be the judge. In the report, the annual report of the Department of Industry and Commerce, on Page 54, under the heading Manitoba Research Council there is listed a number of projects that the Manitoba Research Council is involved in. Included in that group, and I read for your edification, sir, "4.3.7. Optimization of Whey Management in Manitoba. A grant of \$17,000 in March 1973 to Professor R. R. Pereira, University of Manitoba has resulted in the examination of drying techniques for whey concentration, stabilization of the product so it can be used for food and feed, etc. The technology developed in this project will make important contributions to utilization of the whey from Manitoba cheese manufacturers."

All I ask you, sir, is to determine whether or not the discussion of that particular item comes under the Manitoba Research Council, and if the Manitoba Research Council comes under that particular item Science and Technology. If you rule that it does not, then the debate is out of order. If you rule that it is, then the debate is in order.

MR. CHAIRMAN: The Honourable First Minister.

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MR. SCHREYER: Mr. Chairman, in a situation or circumstances like this clearly honourable members on both sides should want to avoid the kind of unthinking stubbornness that leads to no good result. Clearly the Minister has indicated that rather than discuss it under 2(c) it can be discussed under 3(b). Well now is this something upon which to bog down in debating points of order, etc. I would merely remind the Honourable Member for Morris that my recollection is very clear that if an honourable member wanted to make a point, or to ask questions under the estimates with respect to any given item, if the Minister whose estimates were under consideration simply indicated that it would be more convenient to deal with it in some other place in those same estimates, there was never any argument raised. On the other hand, if the Minister does not indicate that the matter can be discussed elsewhere then the honourable member would be right and correct in persisting. So what is the problem? If it's not dealt with here it will be in the next appropriation.

MR. JORGENSEN: The problem, sir, is that . . .

MR. CHAIRMAN: Order please. Order please. I am going to rule that this item will be discussed under Rule 68 (b) because this House has to get on with its business. The Honourable Member for St. James.

MR. MINAKER: Mr. Chairman, I wonder if the Honourable Minister of Industry and Commerce would confirm that this afternoon he stated when a question was raised by the Honourable Member from La Verendrye, when would we discuss the Manitoba Research Council, and if I heard the Honourable Minister correctly, and I hope he would confirm this, that he said it would be discussed under the section that we're dealing with right now, Science and Technology. Now would he confirm that so that we may know whether or not we can continue to discuss the roles of the Manitoba Research Council.

MR. CHAIRMAN: The Honourable Minister of Industry and Commerce.

MR. EVANS: Mr. Chairman, the point I was attempting to make was that this item, and I've stated it clearly this afternoon and honourable members recognize this, that we were discussing here essentially the activities of the Manitoba Research Council, which involved many types of industries, including food industries. And I am not arguing that we shouldn't debate the assistance to the food industry by the Manitoba Research Council or the scientific and technological aspects of the food industry. What I was objecting to, Mr. Chairman, was that the Honourable Member from St. James for many minutes, for about five minutes, departed from his discussion of our technological assistance program and went on into a philosophical discussion about economics and politics, a very generalized discussion. And that is what I'm objecting to. As far as the discussion of the whey plant is concerned I'm not objecting to that in the context of the activity of the Science and Technology Branch or the Manitoba Research Council of the department, that's my point.

MR. CHAIRMAN: The Honourable Member for Morris.

MR. JORGENSEN: Mr. Chairman, on that same point. Under that particular item the Manitoba Research Council there is listed first of all, Organization, Executive members, Technical Committees, Staff, and then get this, for the edification of the Minister of Industry and Commerce - Philosophy. And he is now charging the Member for St. James for embarking on a philosophical discussion. Well what is this item "philosophy" contained in the item under Manitoba Research Council if it isn't to discuss the philosophy of the department with respect to research and things like that. Well you know the Minister is trying to weasel out from answering questions and involving himself in a discussion on this particular subject.

MR. CHAIRMAN: The Honourable Member for St. James.

MR. MINAKER: Thank you, Mr. Chairman. I will now hopefully have the opportunity to discuss the role of the Manitoba Research Council and its effect on existing businesses and future businesses, and I would think that that would fall under the particular item that the Honourable Member from Morris indicated was philosophy, which is indicated right under that section.

Mr. Speaker, after listening to the Honourable Minister this afternoon answering questions relating to the activities of the Research Council, one starts to wonder what is this government using the Research Council for. I suggest, Mr. Chairman, that they are using it a number of ways, and one can almost wonder if it was not on the realm of pork barreling. And one can define pork barreling in many ways; one can define it with advantages taken by the knowledge or involvement of a political party as an individual, or a company, or an industry,

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(MR. MINAKER cont'd) . . . . and one could almost interpret it too as that of an adjacent branch of government, because this is a concern that we have on this side, it is not whether or not we are opposed to the Research Council assisting government-owned facilities - I would think that the government would realize that the basic philosophy that our party has is one that we would rather have the individual, the citizen, and the person in Manitoba develop the industry on his own rather than use public money to do so, so we know that we are opposed to basically government-owned facilities anyways. But what our concern is, where do we find out when there is an actual authentic decision made by the government to assist a government-owned facility because it needs the help, or it can use the assistance, or when it does it because it would become politically embarrassed to show the loss that that company would have, or the failure that that company would lead to. That is one area that we are very concerned about and our honourable colleague from Brandon raised this particular point in his opening remarks tonight. This is where we are concerned.

One has to look at what effect the government's decision on certain research programs have on existing facilities, and this is why I raised the issue of the whey plant because it's listed right under there, and when we raised the question with the Minister, he stated that there was no economical studying being done on this research work - he almost implied that there was no communication between his department and the Agricultural Department, and at the time when I charged him with the fact that we hoped he was not correct in his statement, that he was going off on his tangents spending money right and left on research work without communication with other departments that were involved in other similar programs.

So one has to wonder how this government is using the role of the Research Council. Is it to their advantage, their philosophy of state-owned companies? Is this what they're using it for, Mr. Chairman, because one starts to wonder when one looks at the report. When one sees some \$46,000 being spent on technical assistance that will be directly beneficial by Morden Foods, a government-owned facility, one starts to wonder what one is doing when they spend \$17,000 on a dry whey research program, what impact is that going to have on the existing cheese plants, the existing dairies that are now presently in business? So one starts to wonder, what does the Minister mean in his statement that occurred in that News Service release on May 2nd that his department . . .

MR. USKIW: Will the honourable member submit to a question?

MR. MINAKER: Fine, when I'm finished, if the honourable . . .

MR. USKIW: Well then, Mr. Chairman, I have to raise a point of order . . .

MR. MINAKER: Mr. Chairman, I think the Honourable Minister realized that I do not interrupt people when they are speaking . . .

MR. USKIW: Well, Mr. Chairman, then I have to raise a point of order.

MR. CHAIRMAN: The Honourable Minister raise his point of order.

MR. USKIW: And that is, there is no connection between competition as between different plants in the province and research. Research can facilitate both a private and a public institution. The information from the Research Council is public information, so how can the honourable member flout the laws of this chamber, Mr. Chairman, by drawing into this debate the possibility of the government building a plant at Selkirk. --(Interjection)-- It certainly is.

MR. CHAIRMAN: Order! Again as I said before there have been no points of order before this House, and I would recommend that honourable members go home this evening, perhaps it should be compulsory reading, Pages 59 and 60, Points of Order and Points of Privilege. There is no point of privilege before this House. The Honourable Member for St. James.

MR. MINAKER: Mr. Chairman, thank you. Getting back to the role of the Research Council. The government has seemed to have used the grants not necessarily to promote new industries, but one almost thinks to compete with existing industries because one looks at modular housing design a \$60,000 project for E. Gaboury and Associates. One would wonder, is that to assist the Misawa Homes that the government is involved in, or is it something in a different, opposite direction. Again one starts to wonder what kind of communication that the Manitoba Research Council has because if the Minister of Industry and Commerce was correct when he said it was a sub-committee of Cabinet, I would surely like to know who the members are in this Cabinet that decide who gets the grants, and why they get the grants. Because it looks like there are many hundreds of thousands of dollars being spent, not to necessarily coordinate new industry in Manitoba and develop it, but it would almost look like to put existing

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(MR. MINAKER cont'd) . . . . industries out of business, or at an edge of being able to compete.

This is what we are concerned about, Mr. Chairman, the role of the Manitoba Research Council. Because again it lies back, it's a political decision where this money goes, and one cannot help but think that if one has the reputation of the governments staked on the Manitoba Development Corporation and many of its industries, it is only natural that one would say to the other in the Cabinet sub-committee, well we'll give a grant to Alphametrics Limited because we have an equity in it, we'll give a grant to Misawa Homes, or we'll give a grant to Flyer, and so on. So one starts to wonder have we lost what was the original intent and philosophy of the Manitoba Research Council, because one starts to think that this might be a very neat way of assisting companies in trouble by giving them dollars without having to show it in the balance sheet of their operating costs.

Mr. Chairman, one starts to wonder if the Minister of Industry and Commerce is not giving lip service, not posturing, in the same way that other ministers are when he makes that statement that they're out to preserve existing industries because one can hardly take that as a statement of fact when one sees the grants that we have before us that particularly in the whey plant area, particularly in the modular housing design, in the vegetable products, one can hardly consider the Minister's statement as fact when we see the money that's being spent on government-owned industries that are in competition with private industry.

So as I suggested earlier in my comments before I was interrupted, that I would suggest the most difficult position in the cabinet of the government of a socialist government is one of Industry and Commerce, and I suggest that the Honourable Minister in all due respect cannot play both sides of the line. He has to be truthful with the industries of Manitoba; he has to create not by research grants but by political climate the encouragement of new industry to come here, and not by giving a \$25,000 grant for research to a company, and then give another \$100,000 loan through the MDC, because that will not establish industries which will be profitable and be here for many years to come. It will produce companies that we presently have that are operating, not with the particular concern that an individual who stakes everything he has in his industry, but one that says, "Well if we don't make it, it's the government's money." But who is the government, Mr. Chairman? It's you and I, and it's the taxpayers of Manitoba, and this is why I suggest to the Honourable Minister that the government review its role it's playing with the Manitoba Research Council because in our opinion it is not one that it is implied to be but one that is actually in ways damaging the encouragement of private enterprise coming in here and establishing, because of their concern of competition from the government, and also the concern that the government-owned facility will have access to many grants which are evident and hidden as well.

MR. CHAIRMAN: The Honourable Minister of Industry and Commerce.

MR. EVANS: Well, Mr. Chairman, I'm not going to spend a lot of time on these accusations and observations because simply the facts don't bear out those conclusions that the honourable member has arrived at. --(Interjection)--Yes. I should talk about the philosophy of industrial development. But the fact is, Mr. Chairman, the honourable member has just engaged in ten minutes of insult, not to me, but to about a half a dozen very fine men, citizens of Manitoba who have worked very hard on the Manitoba Research Council. He's just, you know, he talks about pork barreling. All the major projects financed by the MRC have to be approved by the Manitoba Research Council.

I'll read from the same report that the honourable member, --(Interjection)--Yes, I'm going to read, the members of the Council. Now there are some changes, but the people who are now serving are eminently respectable and honourable men who have given of their time and energies to this province. Dean L. H. Shebeski, Dean of the Faculty of Agriculture of the University of Manitoba is the Chairman; Murray Auld, President of Bristol Aerospace Limited; Peter Cain, General Manager of Sherritt Gordon Mines Limited - a real socialist; Mr. W. J. Mitran, who is the President of Parkland Plastics Ltd. at Dauphin; Dr. Moir, who is the Dean of Science, or was the Dean of Science at Brandon University; Mr. A. Pohl, representing the Manitoba Federation of Labour; and Mr. M. Settler, Manager of Harco Electronics Limited. In addition to these executive members, there is a group of four technical committees, also made up of some very fine Manitobans. And I regret, Mr. Chairman, that this House, and this province, has to put up with the diatribe that we just heard, a

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(MR. EVANS cont'd) . . . . complete insult to these people who have approved every one of the major grants of the MRC. Complete insult!

MR. CHAIRMAN: The Honourable Member for Birtle-Russell. Order please. The honourable member state his point of order.

MR. MINAKER: I would like to advise the House that it is my understanding from the comments made by the Honourable Minister of Industry and Commerce today that a sub-committee of Cabinet gives approval to all grants for Research Council, and that was my point in discussion in debate today. That is what I understood him to say earlier this afternoon.

MR. CHAIRMAN: ORDER! Perhaps I should read this to the honourable members. I think I will.

"Points of order are questions raised with a view of calling attention to any departure from the standing orders or customary modes of proceeding in debate or in conduct of legislative business, and may be raised at any time by any member whether he has previously spoken or not. This is from Citation of Beauchesne, 4th Edition, Page 59, Citation 70.

"A point of order may be also raised with respect to the use of unparliamentary expressions. Beauchesne, 4th Edition, Page 130, Citation 155.

"If the point of order consists of putting a question to a member while speaking it is a mere interruption. If it is a mere interruption, or if it is defective for other reasons, the Speaker shall sharply rule it out. A point of order cannot be raised on a point of order.

"Our Rule 5(1) provides the Speaker shall enforce, preserve order and decorum, and enforce the rules and shall decide all questions of order subject to appeal of the House.

"Rule No. 5, subsection (2). In explaining the point of order the Speaker shall state the rule or authority applicable to the case, see also our rules 29, 36 and 40.

"Matter of privilege: Members sometimes raise so-called questions of privilege on matters that should be dealt with as personal explanation or corrections, either in the debates or the proceedings of the House. A question of privilege ought rarely to come up in the Legislature. It should be dealt with by a motion giving the House power to impose a reparation or apply a remedy. These are privileges of the House as well as of the members individually. Wilful disobedience of orders and rules of parliament in the exercise of its constitutional functions, insults and obstructions during debate, are breaches of the privileges of the House. Libels upon members and aspersions upon them in relation to parliament and interference of any kind with their official duties, are breaches of the privileges of members, but a dispute arising between two members as to allegation of fact does not fulfill the conditions of parliamentary privilege. Our Rule No. 23 provides a motion for ruling, and so on."

But under the rules of our House there have been no points of order or privilege in this House this evening.

The Honourable Member for Birtle-Russell.

MR. GRAHAM: Thank you, Mr. Chairman. Mr. Chairman, I have several questions I'd like to ask the Minister, and I want to start on the Manitoba Research Council with the four technical committees that have been established by the Research Council. I want to ask the Minister if the programs that are initiated are initiated by the four technical committees and then approved by the sub-committee of Cabinet or does the original implementation come from the sub-committee of Cabinet.

MR. CHAIRMAN: The Honourable Minister of Industry and Commerce.

MR. EVANS: Mr. Chairman, all of the projects come from the Advisory Committees and from the Council itself. All of these major projects emanate from the committees.

MR. GRAHAM: Then can the Minister give us some indication - and I just ask for ball park figures - what percentage of programs that are initiated by the technical committee are approved by the sub-committee of Cabinet, or are all of them approved by sub-committee.

MR. EVANS: Mr. Chairman, the procedure is - first of all the honourable members are wrong - the Resources and Economic Development Sub-committee of Cabinet is not involved. My reference to that committee this afternoon was with reference to the liaison that was possible on a project such as the whey plant. I was asked whether there was no consultation with the Minister of Agriculture, and discussion, and I said that that was a forum for a discussion for a project such as a whey plant that has been discussed, but that particular sub-committee of Cabinet is not involved. All of the grants are recommended, are processed by the staff and are recommended after due deliberations of the council and many of the projects do come

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(MR. EVANS cont'd) . . . . through the technical committees, I'm advised. But everything has to be approved by the council and then after a check through Management Committee for administrative financial checking, it goes to Cabinet for final authorization by Order-in-Council. And this, Mr. Chairman, I would say is a procedure that was set up under an Act of 1963 and it's a procedure that has been carried on to this day.

MR. CHAIRMAN: The Honourable Member for Birtle-Russell.

MR. GRAHAM: Then the Research Council is completely free from Cabinet interference to undertake any projects they so desire without any leadership or direction being given by Cabinet. Am I correct in that assumption?

MR. EVANS: Well, Mr. Chairman, when you say completely free, they have to be concerned with technical research projects that have bearing on the economic development of the province and the activities of the council are laid out in the Act and are referred to in the Act.

MR. GRAHAM: But it would not be too far fetched then to surmise that in the occasional instance that Cabinet might give some direction to them and say, we would like you to do a little research in this particular field. That would be quite reasonable, would it not?

MR. EVANS: Mr. Chairman, there are occasions when we have concerns about development possibilities; for example, such as the electric battery automobile and in that case we will ask the staff of the Science and Technology Branch to undertake this. But we're referring to, we've been discussing the grants made by the MRC and as I explained, all of this is initiated by the community I suppose, because the community at large, particularly the scientific and industrial community that's interested in research and development come forth with various suggestions and applications and these are processed. What Cabinet does is really approve the transfer of funds to the MRC so that the Manitoba Research Council can pay out these grants such as those that are listed in the report that the honourable members have been referring to.

MR. GRAHAM: Well once the Council has then accepted a project, I would like the Minister to give us some indication of how they arrive at a particular individual or firm to do that project. Are they all put in a hat and a name drawn out or what method is used for the selection of a recipient of these grants to do the research projects?

MR. EVANS: I would say that in every case, or just about every case, the project is initiated by an individual, a group or a company that itself is interested in this particular technological development and you can see from the bulk of them that were shown here for 1973-74, it's in the report, Page 55, the Annual Report of the Department, year ending March 31, 1974, to which members have been referring, you'll see that many of them have been to the University of Manitoba. "Cost and Effectiveness of Sewage Treatment Lagoons in Southern Manitoba." This was carried out by Dr. Sparling, University of Manitoba. I'm not familiar with this particular project but I imagine he came forth with the idea and made an application to the council.

"Use of Rapeseed and Fababeans in Human Foods," another project by Messrs. McDonald and Vaisey of the University of Manitoba. I don't know either of the individuals but this is a project that's related to the use of fababeans and rapeseed.

Another one, "Vegetable Production in Greenhouses." This was an experiment that took place in Thompson and Churchill trying to grow primarily tomatoes and cucumbers, I believe, in northern communities.

"Timed Release System for Pest Control" - Professor LaCroix, University of Manitoba - 22,500.

"Prototype Electromagnetic Current Transfer" by another university team, a project involving the designing, producing and testing on Manitoba Hydro lines a new instrument for the protection of high voltage AC transmission lines.

Then there's a grant to the Glenlea Pilot Plant, this is from MRC to the Biomass Energy Institute, a detailed study of the basic characteristics of an integrated anaerobic fermentation to examine the economic value of the methane production and the characteristics of the residual fertilizer.

And there have been other grants in other years along these lines. A great many of them, as I said, are in the university but not all of them, and as I said, it therefore has not been a problem as to deciding who shall carry out the particular project. The MRC has to satisfy itself that the individual or that group has the capability. I refer to one, it's not in the report, it was approved last year. A project of the City of Brandon, Brandon Sewage Project.

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(MR. EVANS cont'd) . . . . The city engineer in Brandon as the Honourable Member for Brandon West perhaps is aware of, has developed a very innovative sewage treatment plant that is considerably less costly than the conventional sewage treatment plants, but it's a matter of proving it out and it's a matter of doing various biological testing over a period of time. Well this money is going to a group at the University of Manitoba that is going to be engaged in the taking of samples over a period of time, analyzing them and providing us with the results. And if the results are positive, that is positive in the sense that they will show this system developed by the city engineer at Brandon is a feasible one, then I would say that we will in Manitoba be saving many many millions of dollars in the years ahead by implementing this type of system something that's very very attractive in terms of cost saving.

MR. GRAHAM: Well then the various projects that are listed here, those that have a dollar figure on them I would assume are initiated by the individuals involved and those that have no dollar figure are probably from the University of Manitoba. Is that correct?

MR. EVANS: No, that isn't the case necessarily. I believe these other grants, some of them have been carried out in co-operation with the University of Manitoba but you can read these and they give descriptions of who's involved.

MR. GRAHAM: Mr. Chairman, I've read them all and I was quite concerned. Some had a dollar figure on them and some did not and I was wondering if those that did not, where we could find the dollar figure, where the province through the Research Council was making their input or whether the money that was being used was entirely federal or came from some other department of government. Could the Minister indicate, for instance, we'll take one here, 4.3.11 Peat Moss Utilization. "A research team led by Professor Gallop has examined the possibility of using Manitoba peat moss as a filter for industrial wastes and sewage." The cost of that project, has that been borne by the university or is it through a federal grant or is it moneys put forward by the Manitoba Research Council and is not accountable in this report?

MR. EVANS: Mr. Chairman, I'm advised that this is a Manitoba Research Council grant.

MR. GRAHAM: Can the Minister tell us how much the grant was?

MR. EVANS: I don't have the information . . . Yes, Mr. Chairman, I will undertake to give you that information.

MR. GRAHAM: Can the Minister tell us why some projects then have the figure in them and some do not? If it's consistent, I would suspect if he can get it for some he should be able to get it for them all and they should all be published.

MR. EVANS: Well, Mr. Speaker, I suspect that those that don't have a dollar figure beside them - now I'm just making the assumption, I'm going to check it out - but I suspect that those that don't have dollar figures beside them we're referring to those that were possibly approved in previous years and the work was being carried on in this particular fiscal year.--(Interjection)--Yes, I'm advised that that is the case, that that is why. So they would have been listed previously.

MR. GRAHAM: I would refer then to 4.3.15 Modular Housing Design. The total \$60,000 project then will be spread over several years with an initial phase of 13,000 being this past year alone. Could the Minister indicate if that is a five-year study, a three-year study or a two-year study?

MR. EVANS: It is an ongoing study, Mr. Chairman. We're not aware precisely how long it will take but it's a two or three year study.

MR. GRAHAM: On that same study, on the modular housing design, was that program initiated by the Architectural Institute of Manitoba or was it strictly the brainchild of one Etienne Gaboury?

MR. EVANS: We're searching our memories here, Mr. Chairman, and again we can check this out by looking at our files. But we believe the idea originated in one of the technical committees and I'm not sure how--(Interjection)--Yes, I see. And I understand as well this particular architectural firm had some innovative proposals themselves you know so they were . . . you're correct. They're partly initiated, but only partly, I'm advised.

MR. GRAHAM: Well, Mr. Chairman, I just hope that the innovative programs and designs that he has in mind are more successful than the one that was used on the Roblin School which turned out to be a disaster.

MR. CHAIRMAN: The Honourable Member Minnedosa.

MR. BLAKE: Thank you, Mr. Chairman, I would just want to follow up on this modular

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(MR. BLAKE cont'd) . . . . housing design. This particular grant, does that exclusively pertain to the log housing development for northern housing projects?

MR. EVANS: No, Mr. Chairman.

MR. CHAIRMAN: The Honourable Member for Morris.

MR. JORGENSON: Mr. Chairman, I find a rather interesting situation developing on this particular item. As I said, the Minister came in here all blustering and enthusiastic about the direction that his department was heading and reassured members of the committee on several occasions that all of the goodies that were being made available by this particular department were available not only to Crown corporations and to government-developed organizations but to private industry as well. But every time that I have some little bit of a doubt as to what direction this government is going, I always go back to the government bible, the expurgated version of the Manitoba Manifesto, and there we get a very clear picture of what the government is intending and the direction in which they're going. And in connection with the subject matter that was raised earlier by the Member for St. James and the Member for La Verendrye and others concerning the whey plant, I find this very interesting statement, this is a quotation. It says, "If Lever Brothers" - and I find it's rather interesting that this government intends to take over Lever Brothers and start making soap - "Columbia Broadcasting System" - that also is a very interesting proposition and one that intrigues me, but this one here is not so intriguing. This one here is a very grim reality and it's "and Beatrice Foods" - I wonder why Beatrice Foods was thrown in with the Columbia Broadcasting System and Lever Brothers - "can all recognize the profit potential of selected Canadian firms, then surely a Manitoba Crown-holding corporation can do likewise and provide alternative takeover bids. For the MCHC" - that's the Crown-holding corporation - "to take over such enterprises or to engage in joint ownership would insure that the profits remain in the province and accrue to the public sector and that production, jobs and decision making are not transferred abroad." A very noble sentiment.

Then they go on to say. "The MCHC need not restrict its takeovers actually to Manitoba firms" - why limit it to just those paltry firms that we have in Manitoba - "but might also buy out profitable Canadian concerns located in other provinces that were threatening to sell out. The MCHC would insure that when expansion of production facilities occurred, the new facilities would be located in Manitoba and that possibly in the future headquarters would be transferred to Manitoba as well." And I hear the odd chorus of "hear, hear" from the other side of the House, which indicates to me that the honourable gentlemen opposite are familiar with this statement and approve of it. "One can argue that it's simply a beggar thy neighbour policy, the purpose being to gain jobs for Manitoba at the expense of other provinces." This is undoubtedly true, but need that bother them? No. "Giving a rational federal policy on foreign takeover, such an approach would be neither feasible nor desirable, but in the absence of such a policy this approach is eminently sensible for it does make Manitoba better off while leaving none of the other provinces worse off than they would have been in the event of a foreign takeover." Well, you know, these are remarkable prognostications and the essence of the kind of dreaming that the Minister engages in. But then get this - and, you know, essentially what does that mean? What that simply means is that the Department of Industry and Commerce although they have been engaged in providing firms in Manitoba with some technological knowledge and some technical assistance, the government actually looks upon this now as unwarranted, and that they're going to direct more and more of this kind of assistance, and this kind of help, towards Crown corporations only.

And I just quote a little bit further from this document in which it says: "In addition to this the activities of the Department of Industry and Commerce should be changed somewhat so as to complement the activities of the MDC and MCHC, so as to be consistent with the government's opposition to ad hoc subsidization of private firms. The Incentive Grants Program should be discontinued, as well as a wide range of services that are performed free of charge for individual firms. Instead the resources and technical experience of the department would be more profitably employed in carrying out studies on an industry-wide basis, with emphasis on marketing structures, productivity trends and technical conditions of production. This would enable both the MDC and the MCHC to operate on the basis of a sophisticated technical input." And that all sounds so wonderful, doesn't it?

And then they go on to talk about the development of local Crown corporations, and they go on to point out that one of those local Crown corporations would operate in this way:

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(MR. JORGENSEN cont'd) . . . . "Basically these corporations would function in much the same way as a Manitoba Crown holding company, but at the local level." That is, they would seek out profitable investment opportunities in their locality and engage in direct production. Thus a municipal development corporation might set up a retail store to compete with a local monopoly. Now in their terms a monopoly is a grocery store in an isolated community. It may be the only store in the community, and may be that it is the only one that is necessary in order to provide for the needs of that particular community, but in the eyes of this government that's a monopoly and it's got to be eliminated, it's got to be eradicated.

I am wondering now if all of the posturing on the part of the Minister does not lead us to the inevitable conclusions that are drawn in the Guidelines for the Seventies or the Manitoba Manifesto, the unexpurgated version, to the effect that this government is dedicated to the proposition that they're going to eliminate private industry in this province. Notwithstanding all of the protestations on the part of the Minister that he is doing so much to help private concerns in this province, the fact remains, sir, that their dedicated proposition is to eliminate them, and to set up government Crown corporations in each of the areas of this province in order to carry on the business of this province. Sir, if that happens it would be a disaster to this province. Surely to heavens in the light of the experience that we've had in this province, in the light of what has happened over the past ten years of socialism in this country, can anybody now argue that the implementation of the socialist philosophy that the Minister advocates can be anything but a disaster in this province, or any other part of Canada.

And now the idealistic dreams, the nonsensical nostrums being conjured up by this government are nothing more than a disaster for this province, and there is nothing worse, nothing worse, sir, than a Minister who fancies himself as the one who is going to bring the millenium to this province in the form of Crown corporations.

Sir, I am so much reminded and tempted to tell the story of the rancher who was being problemed with wolves or coyotes on his ranch, and he set out a trap to catch them. And then a few days later he was able to report to a neighbour of his that he'd caught one and he said, "You know, I caught one of those wolves but it must have been an economics professor because he had chewed three of his legs off and he was still in the trap." And, sir, that is precisely what the Minister is doing. Chewing all three of his legs off, and he's still going to be in a trap.

What he is doing, for the sake of pursuing an ideological dream, is going to ruin the efforts and the endeavours, the money and the investment, the energy, of all those private people in this province who have put so much into the development of this province. The Minister has got some explaining to do because he has certainly not given an adequate explanation of his activities in this department under this particular item, and in the light of what is contained in the manifesto, the true and honest version of the manifesto, not the version that was edited in order to sound appealing to the public, but the real one that was presented to this Cabinet and the one in which they honestly and sincerely believed, they have simply got to explain to this House precisely what their philosophy is with respect to industrial development and private development of industry in the Province of Manitoba.

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MR. CHAIRMAN: The Honourable Minister of Industry and Commerce.

MR. EVANS: Well, Mr. Chairman, I'm not going to try to respond to those inflammatory blustering statements of the Member for Morris. You know, he concerns himself with what will happen to private enterprise in Manitoba, you know what will happen to private enterprise in Manitoba? How we are going to ruin the economy of Manitoba. It's proof positive, he's got proof positive. I don't know what his proof is, but I suggest it's really in the honourable member's imagination, and what he really perhaps dreams about at night he would love to see happen.

But, Mr. Chairman, the fact is that if any department - I think the honourable members across would have to agree - if any department is the department that is geared to help the private sector, the businessman of this province, it's this department. I think he would agree. And - well he sees no evidence - well if he sees no evidence he either needs a correction of glasses or new glasses, or maybe perhaps he doesn't wear glasses, I don't know, but the fact is, Mr. Chairman, that his own leader has criticized my ministry for spending more money to help industry and commerce in the Province of Manitoba than he spent when he was Minister of Industry and Commerce in 1969. Oh he did, and I would refer you, sir, to Hansard of this year, to Hansard of last year, where the honourable member - I know for sure last year the Leader of the Opposition said that he would cut the budget of the Department of Industry and Commerce in half, he would cut the department - I hope the press note this, you know, because I notice they're very good at sometimes reporting my friends across, but I would like them to get this point that the Leader of the Opposition, the former Minister of Industry and Commerce in the province for nearly three years, said - and I would invite them to check this in Hansard - that he would reduce the budget of this department in half. And I say, who is the friend of the small businessman in this province. We've got more programs to help business than the former government ever thought of. We've got more programs, more efforts of helping the small and medium-sized business enterprise in this province than you could ever imagine. And we're being criticized because our budget is too big. At the same time I point out to you that we're spending less percentage-wise and in absolute terms on advertising and promotion than was ever spent. We've got more funds for transportation research, more work in the field of energy development and energy research, more on industrial development research, and more in trade promotion, and so forth and so on. And the Honourable Leader of the Opposition said we had too much money, and he'd save the taxpayers of this province money, he'd cut the budget in half. So don't give me this nonsense of us not caring to develop the private sector in this province.

And I'd like to remind honourable members that this issue of government enterprise, you know, that government owning business is not a criterion of whether you are moving to the left or to the right, because there's all kinds of historical evidence, incurred evidence, that governments of both left and right engage in state ownership of industry.

A MEMBER: That's what bothers me.

MR. EVANS: That's what bothers you. Okay. I would like you to, --(Interjection)-- You're not disputing what I've said. You could look in Newfoundland, you could look in New Brunswick, the Brickland Auto Plant in New Brunswick, look at Quebec, there are all kinds of examples under every party, under every party in this country, under every party --(Interjection)-- Well I can't hear all the honourable members who are now speaking from their seat. I would only . . .

MR. CHAIRMAN: Order please.

MR. EVANS: I would only point out this, that government ownership of industry is not the determining factor of whether you're moving to the left or to the right, or whether you're bringing about a greater amount of equality for people, or greater distribution of income. That is not the criterion. The honourable members rave on and on about to what extent government is involved in industrial investment and that is not the criteria. Sweden that is considered to be a Social Democratic, or a Democratic Socialist country and has had that type of government for many a year, has only 7 percent of its total industrial sector under government ownership, 7 percent. And I can show you other countries that are very right wing that have - I haven't got the figures with me, but I can show you many other countries that are much right wing in their outlook, very much right wing in their outlook, that have a far greater percentage of government involvement in business. So this to me is a ruddy red herring. You know,

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(MR. EVANS cont'd) . . . . you people are living a hundred years in the past, you're a hundred years in the past. Forget about this issue. You know, you guys haven't got past Adam Smith --(Interjection)-- It's two hundred years in the past, two hundred years in the past.

MR. CHAIRMAN: Order please. The Honourable Minister of Industry and Commerce. The Honourable Member for St. Johns.

MR. CHERNIACK: Am I correct in assuming we're now on the Minister's salary? Is this debate under Science and Technology, Mr. Chairman? We'll be here all week, or year.

MR. CHAIRMAN: The Honourable Minister of Industry and Commerce.

MR. EVANS: The Honourable Member for St. Johns is expressing a concern that I had tried to express earlier in this House, but apparently the sky's the limit so we'll be here all year and we'll talk about it - in fact I have no problem in discussing this and debating this item ad infinitum.

But I just tell you gentlemen that you are antiquated in your thinking when you talk about the issue of state ownership or state involvement whether it be federal or provincial or municipal, in ownership of industry. It's not an issue between the left and the right it's not. Talk to Richard Hatfield the Premier of New Brunswick; talk to Frank Moores, the Premier of Newfoundland; and talk to your friends in Alberta, who just bought Pacific Western Airlines. I think they've probably put more money in government enterprise in the last year - and they've got some other things going too - they've probably put more money in business enterprise in the last year than we have. I don't know what the purchase of PWA cost, Pacific Western Airlines.

You can see it in the investment in the petroleum industry. Governments are now getting involved in the development of the petroleum industry and very good Conservative governments in this country. And well, that's an important industry, very important.

I just say, gentlemen, let's forget about this continual harping on the degree to which the Government of Manitoba has involved itself in equity in industry. The fact is that before 1969, Mr. Chairman, you had plenty of the taxpayers' money going into industry in this province. You had not five million, not ten million but many many millions of dollars. And I would refer you to my own constituency, Simplot, Dryden Chemical, and you look at the amount of equity . . .

MR. BLAKE: You don't like that?

MR. EVANS: . . . I'm saying, Mr. Chairman, that before 1969, if you say what we're doing is socialistic, I say what you were doing was disguised socialism, disguised socialism, and you wouldn't tell the people what you're going. You made it illegal. Members of the Opposition of that time couldn't ask a question of whether or not the MDC put a dollar into this particular enterprise, or a dollar into that particular enterprise. We were forever told that it was illegal. You could not ask that question, you could not get an answer.--(Interjection)-- Well that is true. And the reason you have so much debate now about the MDC is because we are making this information available.

MR. CHAIRMAN; Order please. I think I read out, and that is a point of order when an honourable member is speaking. Making noises from the seats and interrupting is a point of order, and I'm calling the House to order. ORDER. The Honourable Minister of Industry and Commerce.

MR. EVANS: Mr. Chairman, I did not mean to get into this discussion beyond the MDC but honourable members continue to move in this direction. But I simply repeat, "Come on let's get into the 20th Century. Come on, do the people of Manitoba a favour." I think they're really tired of this, they're really tired of it. Let's get on with the job of creating jobs for our people, let's get on with the job of raising the income levels of our people, let's get on with the job of providing employment opportunities all over this province. If it can't be done by the private sector well damn well let's have it done in the public sector. Well let's do it. The Honourable Member from Minnedosa, who is making some facetious remarks hear, hear, I'm sure he'd be the first guy to line up if we said we can recoup the Minnedosa distillery. We think we can use the MDC and - actually the MDC was used in the first place so this was before we took office. The MDC got that thing going, or the MDF as it was called--(Interjection)-- Oh ho, yes it was, and you know that.

MR. CHAIRMAN: Order. Order please. If the Honourable Member from Minnedosa

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(MR. CHAIRMAN cont'd) . . . . wishes to make a speech I will recognize him, but when the Honourable Minister is finished, otherwise I suggest he take a walk in the hall.

MR. EVANS: I suggest, Mr. Speaker, that if the honourable member was told that there could be an enterprise of 50, 75, 100 jobs, or what have you, or even 25 jobs, and that the MDC was going to establish it, a feasibility study was done and we thought we could set up an industry, a viable industry in Minnedosa, the honourable member would be the first one on his feet saying, "Go to it boys." And there are examples of this. I make no apologies about the decision that this government made a few years ago to go into Morden Fine Foods Limited. It was going to be cannibalized by the Canadian Cannery Limited, going to move the equipment to Hamilton, rightly or wrongly we decided we would try to save it. Now maybe we were wrong. But you can't fault us for trying, and I don't think the people of Morden would fault us for trying. And what in the hell is wrong with public investment in Morden Foods. What is wrong with it. Nothing. So what do you keep on harping about public investment for. You talk to the people in your own constituency and if it boiled down to whether it be public or private, I don't think they really care. They don't really care as long as there is some useful economic activity, and surely that is what is important.

Mr. Chairman, I apologize for getting a bit off the subject. I want to make reference to the item under review, we were talking about the large grants approved by the Manitoba Research Council, and I just wanted to inform the members that we do make a series of smaller grants and these are in co-operation with the companies, they come along with various technological improvements, research and development ideas, I mention just a few as examples, and there are many: B. Guy Hunt and Company - these are all small grants, I won't read the amounts out or I could if you wish - to develop low protein and gluten free products. Scraba Overhead Door Sales and Services Limited, to have an improved electronic overhead garage door opener. Wort Electronics, these are all private enterprise. The pure private enterprise companies, Wort Electronics with regard to obtaining CSA approval of an amplifier; Sterling Glove Company for a glove stretching and processing machine, Alphametrics, Wave Electronics, and so forth and so on. I don't want to take all the members time but I can tell you that there are many many grants that are made under this RADAP Program, Research and Development Assistance Program, and I would say, I don't know whether they've got an MDC loan or not, whether they've got MDC equity or not, that's immaterial. The important thing is whether they've got a good idea and that we might be able to give them a little bit of assistance in developing it. It's not very much, it's just a little, but it helps.

MR. CHAIRMAN: The Honourable Member for Minnedosa.

MR. BLAKE: Mr. Chairman, I can't resist the opportunity to reply to the Minister when he mentioned the Minnedosa Distillery, and certainly they have received a loan from the Manitoba Development Corporation but I would also like him to be cognizant of the fact of the amount of money that was put in by local people in the form of debentures into that operation when it became viable under the, I suppose the original name of Canada-Manitoba Distillery. It was later sold to Melchers at a capital gain to considerable thousands of dollars to someone who will remain unnamed, but within a period of about two years the distillery was closed down. They were unable to market their product, it became a marketing problem and they were unable to market their product and it has remained closed I think since, oh about October 1971. It opened for three months and then closed again and has remained closed ever since. There is now an active group engaged in the purchase of that distillery and I certainly don't want to jeopardize their negotiations but I understand they are almost completed, whereby a company under the, under a new name will assume the assets and the liabilities of Canada-Manitoba Distillery and will continue to operate that distillery and within a short time erect a bottling plant and bring it into the viable operation that was the original intention, at least so the bond holders were led to believe.

That is being done Mr. Chairman, under the free enterprise system, where the company is going public, they will offer shares to the general public throughout Manitoba and western Canada and they hope to have a large shareholder group, they don't want to have a small number of shareholders, they want to have a large number of shareholders which is the true spirit of the free enterprise system in having industry owned by the private sector. Their plans are exceptionally attractive, they are meeting with excellent results throughout the community in the small press releases they have made to date, there has been no general

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(MR. BLAKE cont'd) . . . . press release made. But this is the kind of enterprise that we want to see in Manitoba and particularly western Canada and this is the type of enterprise we want to encourage. I know the MFC loan is up to date and that is one of the few ones in Manitoba that is up to date, I think there are only two in Manitoba and I understand they're both up to date, there are no payments in arrears, and that's a plus in our favour for Minnedosa. But besides that, I hope that the department of Industry and Commerce will encourage the group that are involved in acquiring ownership of this distillery and getting it going again and providing the additional facilities. I am sure that these activities are the kind that the Minister will support by research grants or whatever other funds are provided to people that are interested in establishing businesses in rural Manitoba. Because in spite of what we say about the stay option and everything else, I sometimes wonder if it isn't a little more than lip service that we're providing to this slogan of "stay option" because we see evidences every day of consolidation and consolidation.

We heard today of the public insurance corporation, the head office is supposed to be in Brandon and we all know that's a bit ridiculous, they've got it out there to appease the Minister of Industry and Commerce because he was told that there was going to be a head office in Brandon and kept the people in Wawanesa happy. We all know that it's a bit ridiculous to have the head office there when all the executive people are here in Winnipeg. The Minister particularly mentioned the Minnedosa Distillery and I do hope that his department will continue to support developments such as this and the efforts of the people presently engaged in acquiring this particular facility and enlarging it and providing probably about 12 or 15 more jobs than were originally provided, which was 25, and I can only say if this support is not forthcoming, what we've been hearing from the Minister just leaves us somewhat aghast at the direction which his department might be going.

MR. CHAIRMAN: The Honourable Minister of Industry and Commerce.

MR. EVANS: Just ten seconds in reply. For the honourable member's edification, we have been working for many many months with the group in Minnedosa, in the community, and we are going to cost-share in an economic feasibility study for that facility.

MR. CHAIRMAN: The Honourable Member for Assiniboia.

MR. PATRICK: Thank you, Mr. Chairman, I just want to take a few minutes of the House to indicate to the Minister that if he would perhaps take a different attitude from that of the Minister of Mines and Natural Resources, perhaps he can be of great assistance to the industry and to economic development in this province. Because I know that the Minister of Mines and Natural Resources on many occasions has indicated in this House and he said it's unfortunate we didn't take an equity position in the position of Versatile Manufacturing, and if he only would have . . . --(Interjection)--

MR. CHAIRMAN: The Honourable Member for St. Johns on a point of order. Would the Honourable member state his point of order please.

MR. CHERNIACK: It may be a futile gesture on my part but I made it a point to find out that we're dealing with Science and Technology. I listened to the Member for Minnedosa, I'm now listening to the Member for Assiniboia, I do not believe that either of them were talking on subjects under Science and Technology. If therefore we are not going to follow the agreed upon procedure of dealing item by item, reserving all other matters until we came to the Minister's salary, let's at least admit that that's what we're doing, that we're not following the agreed upon practice that we thought would work out. If we don't give it a chance then we'll never know if it works.

May I appeal to you Mr. Chairman, to be as rigid on this side as on the other and on the Minister as well as on the others, but please try and keep us within the confines of the agreed upon procedure so that we can end up and deal with the Minister's salary in a way that is all encompassing of the department. But now I've been hearing several speeches tonight which I think were, in my opinion, were general and related to the Minister's salary and should have been kept and deferred for that purpose.

MR. CHAIRMAN: The Honourable Member for Minnedosa. Order please. No point of order before the House. I don't know if the honourable member was here before when I read out what consisted of a point of order in this Chamber. --(Interjection)--

MR. CHAIRMAN: ORDER! ORDER! And a persistence of that . . . ORDER! can

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(MR. CHAIRMAN cont'd) . . . . result in honourable members being named and it has been done. I think we've had enough nonsense here for this evening. Let's try and get on with the business at hand. The Honourable Member for Assiniboia.

MR. PATRICK: Thank you, Mr. Chairman. I wish to deal in this area with Science and Technology, with perhaps the Research Institute and some of the other matters. I was just making one sentence and unfortunately the Member for St. Johns got up and interrupted me while I was in the middle of my sentence. All I was saying, that I would hope that the Minister of Industry and Commerce would sort of pursue his own course of direction and not listen perhaps to the member that's sitting right beside him, the Minister of Mines and Natural Resources, because I know the Minister has indicated in this House on many occasions, and he said it's unfortunate he didn't take an equity position when they guaranteed - not made a loan of any kind to Versatile Manufacturing but indicated I believe at the bank they guaranteed a loan, and he said if we would have done that we would have had a very lucrative position in that company and we would have held on to it. And unfortunately I think if the Minister of Industry and Commerce would indicate to the private industry in this province and say, look we're here to help you, we're prepared to offer you assistance in the matter of research, we're prepared to offer you our Research Institute to develop the kind of industry and even we may have to take an equity position for a year or two years, but after we can get the private industry, or the corporation, the company on its feet we'll withdraw and let you go on your own way. And I think that he'll be able to attract an awful lot of industry to this province; he will be able to attract the kind of small investment that he's looking after and naturally not the kind that the Minister of Mines and Natural Resources is talking about, says, because it's now in a lucrative position, I wish we would have been able to hold an equity position to the Versatile Manufacturing, and I think it's an unfortunate position.

I wish at this time to ask the Minister while we're on Science and Technology, I know that the Minister has on previous occasions indicated to this House and he expended at some length that there would be tremendous expansion in the way of prefabricated housing and I would like to ask him at this time, what is happening at the present time at Misawa Homes. I know this was something that the government took great pride in saying that we will solve our housing problem in the province because through prefabrication we'll develop a system, we'll cut down the cost and I know the Minister to the present time has not indicated in response to this what is really happening.

The other area that is very interesting and perhaps the Minister should indicate to the House as well, I know that we are expending tremendous amounts of money, millions of dollars in the way of hydro development and certainly there should have been some action taken or some initiative by the government to develop a type of perhaps electrical industry in this province and I don't know what's happening. Perhaps the Minister can indicate to the House what is happening. I know that the Minister has talked about at some length that they would like to expend or develop a carpet industry, fabricating of furniture and we haven't heard anything from him at the present time. So really, I wish to ask him at the present time what is the attitude of the government, what is the attitude of the Minister, and I'm sure it's probably different from that of some of the other members in his cabinet. I know that he has talked about that we're in a pretty fortunate position, but really you can't escape the fact Mr. Chairman, you cannot escape the real facts that the province of Alberta, the province of Quebec has made it pretty attractive for small industry, for small business to establish in that province or in those two respective provinces and I believe Nova Scotia has made it pretty attractive too by way of corporation taxes and it's pretty difficult, the economics matters are pretty difficult on people and the companies will move to an area where they can make some money, where they can get some return on their investment, and surely this is an area that the Minister has to come to grips with and see how is it affecting Manitoba.

So really I have no argument at the present time with the Minister if he says that he'll take an equity position in a small company or small industry or small business to help it along, when it gets on its feet that he'll say, okay, you're on your own, we'll get away from that position, because really what is happening in Canada at the present time, every province, I know that Premier Lougheed as everybody knows has invested in Western Pacific Airlines and has invested in --(Interjection)-- that's right, and in some other areas. So really, the Minister has a responsibility, and I have no argument if a government invests in an industry to help it,

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(MR. PATRICK cont'd) . . . . to get it off the ground, to get it operating, to get it going and I believe when it's in full operation, it's on its feet, perhaps the Minister says, well we'll pull out, which some of the other countries have done - I believe the country of Japan, the Japanese government has done that all along to develop industry, where the government has taken a position, an involvement in private corporations and once they got those corporations going they took a less active part in it.

So surely the Minister is interested in this area and I would like to see him take a different attitude than that of the Minister of Mines and Natural Resources and I think that he'll be very successful, much more successful than he is at the present time, and all I'm saying is I'm sure that nobody will disagree with him in this House if he takes that position. If he lets the small business and industry and the corporations know that he is prepared to help them, once they get on their feet that he's prepared to say okay, you're on your own, and we're not prepared to hold an equity position, we're not prepared to own that industry, which is much different what the Minister of Mines and Natural Resources keeps saying in this House. And he's repeated that on many occasions. He said it's unfortunate we never took an equity position in Versatile because look at what's happened to the stock. We had an opportunity, he says, but we didn't do it, it's too bad. So I hope he doesn't take that position as his colleague right next to him, because I think that he'll help the industry, he'll be successful if he takes the other position.

MR. CHAIRMAN: The Minister of Corrections.

MR. BOYCE: Well, Mr. Chairman, I have to go back a bit, just briefly, I hope I don't make it a year and five minutes. But really I can't let my friend the Member for Morris, you know, just make his beautiful contribution and then just sit there because he accomplished his purpose. He is usually more successful in sticking burs under my saddle than perhaps he is under anyone else. But if you will go back in your mind's eye - this is a dilemma of mine, perhaps members opposite can help me resolve it - he mentioned that, you know, he casts the doubts in people's minds that the document that he's reading from is some deep, dark, dire secret manifesto that was sneaked around or something. Then he mentions three firms, three rather large firms. Perhaps the member could help me. Lever Brothers and Beatrice Foods. Well the latter is the one that causes me to rise because if you will read what it said, and read in Hansard what the member said was said, you will see that what was alluded to was that if these people from outside Manitoba can recognize economic opportunity, why can't we? And here is a beautiful example of what was being referred to. If people from United States can recognize economic opportunity in the City of Winnipeg in Modern Dairies, which in my judgment was an excellent example of enterprise by the Spiers family in getting this organization, a corporate organization together, doing in my judgment an excellent service for the people in the community, having a viable operation, and we could not locate in our community anyone to purchase this particular firm, we had to rely on somebody from outside of the country to come in and purchase this organization. That is exactly what was alluded to in that particular statement. But the Member of Morris in his very successful debating technique and his manner of presentation, succeeded in casting aside what was mentioned in this particular statement that he alluded to. But if you people will read what was said in Hansard, they will soon see that what he said proved the point.

But really the point I rise on is relative more to the point raised by the Member for Brandon West because he asked the Minister of Industry and Commerce, and this is a concern of mine . . . In going through the correctional institutions for which I'm responsible, I see many labels other than Morden Fine Foods. Now hear again, let me go back just a bit. Here was a corporate entity, Canadian Cannery, who for decisions of their own decided to close their plant in Morden. I do not fault Canadian Cannery for making this corporate decision. Their responsibility is to their shareholders, and their responsibility is to make as much as possible on their investment for their shareholders. I do not fault them for this. But nevertheless relative to Canadian Fine Foods closing the plant at Morden, the government - and I support it entirely - acquiring the assets and deciding to operate that as a facility in the Member for Morden's constituency. And I understand - I'm sorry, the Minister responsible for MDC is not here - but I understand it's just about breaking even.

Now the Member for Brandon West says that as the government moves to acquire companies and corporations, how are they going to be fair? Well I wonder if the Member for

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(MR. BOYCE cont'd) . . . . Brandon West can tell me, and the Member from Morden can tell me, if I should, you know, do more than tell the people in the organizations for which I'm responsible, when they are issuing purchase orders or putting purchases out for bid, whether they should continue to buy those products which are manufactured outside of Manitoba or perhaps we should buy more from Morden Fine Foods. At the moment I told them to be fair to the Member for Brandon West. I expect people to follow past practices, and follow the usual bid procedures with the brokers, and everything else, but yet it causes me some concern that when I go through the institutions, I see reputable companies, including a plant that's located, primarily through government loans and guarantees and everything else, in Portage la Prairie. You know, it's still a private corporation, and as I say I'm asking a sincere question. So you ask me, what should the government do, and I would ask your advice on this?

But just to finish off - I don't want to make it a year and five minutes - really I thought we were going to pass the Minister's estimates. But nevertheless on my colleague's estimates in this regard, when you ask him the question, what does the government do to intend to be fair? I would ask you what you would suggest that we do relative to be fair when you take it into juxtaposition with the problems of the Member for Morden.

MR. DEPUTY CHAIRMAN (Mr. Walding): The Honourable Member for Brandon West.

MR. MCGILL: Mr. Chairman, I must reply to the Minister of Corrections because he is presenting us with a problem which he said existed, and by his statements he's admitting quite clearly that it does exist, and that it is a problem for him when he places orders for material that is consumed in the correctional institutions of Manitoba. The answer, what should you do, I think is one that the government has to face and the answer quite clearly, I think, is for the government to refrain from being competitive with other industry in the province because you're attempting through the Department of Industry and Commerce to encourage the growth of all kinds of industrial enterprises, and all kinds of businesses in our province. The more you get into it, the more situations you find yourself in, just as the ones you mentioned, the more difficult it will become for you to be objective and to avoid what is an obvious conflict of interest. You have companies that you're supporting, you have companies that you have bought equity positions in, the more you acquire, the more difficult it will become in your business and your capacity as the Minister.

I sympathize with you. I think you're in a tough spot, and I don't know what you're going to do when you come to deal with a bill that will be brought to this Legislature that relates to conflict of interests of the individual members. There should be another bill that would relate to conflict of interests of governments because that's the problem that you've put to us. And I say the only solution I can see under these circumstances is somehow or other for the government to remain outside the competitive sphere of business, because there's so many, so many varied areas in which you run up against that very problem. The answer? It's a tough one, and I don't see an answer as long as this government proceeds to be competitive with private industry.

MR. CHAIRMAN: Resolution 67(c), Science and Technology. The Honourable Minister of Corrections.

MR. BOYCE: Mr. Chairman, just so my colleague will indulge me, just so I understand. Then what you're really saying, rather than deal in broad generalities we have to try and exercise good judgment on specific cases.

MR. CHAIRMAN: The Honourable Member for Riel.

MR. DONALD W. CRAIK (Riel): Mr. Chairman, it is with great temerity that I enter this sort of hard-hitting, wide-ranging, sanguine philosophical debate, but I really would like to deal with something that I think is part of the item under discussion, the item on Science and Technology. I notice in the Minister's book, report for his department, that under the Section on Manitoba Research Council 2.0 Philosophy, it says that "It should be recognized that the Council responsibilities are specifically related to developing and employing technology for economic growth and social development. Such a philosophy recognizes that by giving guidance to the direction taken by scientific activities and by complementing such activities with economic evaluation and manufacturing capabilities, it is possible to strengthen or create a technology-based industrial activity."

Well I couldn't agree more with the objectives of his department, and in particular his group that are preoccupying themselves with science and technology. But having recognized

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(MR. CRAIK cont'd) . . . .it, I want to ask the Minister, and I notice under his research topics, there are research topics also germane to the items in question, what sort of feedback is there from these topics into his objectives of fostering the science-based and technology-based industrial activity. Because what appears to be happening is that we have a whole wide-ranging group of undertakings financed by his department in the many many departments of the university and elsewhere pursuing these activities, and then we come down to the crunch of it, to try and foster this technology-based industrial activity.

Now I refer specifically to the issue this year of the location of the General Electric plant in Brandon. It has always been my understanding in all the time I've been involved in technology, and involved in fact in the activities of this very body that we're examining here right now, that there has for the last 20 years been two very prime areas where there was great growth potential for the new science-based industries. One was in electronics and the other was in chemistry, and those two particular areas have offered all over the North American continent tremendous opportunities for growth.

Now we had a particular case this year where Manitoba having fostered to a very large extent a tremendous development in conversion of DC AC electricity, and vice versa, a tremendous opportunity for the development of a whole technology based on that particular development. And then this year we came to the crunch. We had an opportunity for the establishment of an industry in Manitoba, and as a matter of fact in Brandon, Manitoba, that would have been the nucleus that provided a capability that far exceeds the electronic production capability of the entire existing Province of Manitoba, all at one fell swoop; we have a dedication to doing this on paper by the Minister's department and by all the investment and research activity going on, and it falls flat, the thing goes down the drain. Now what happened? What really did happen? We have an explanation given to us at the Public Utilities Committee that to do so would have been a violation of the tendering system in Manitoba, and at a cost to Manitoba which was higher than the cost of the action that was taken. Well, Mr. Chairman, I don't really blame the Minister for not listening to what's going on. Perhaps he's uneasy about it. But he obviously is not . . . maybe this is why what happened to the industry, maybe he wasn't listening at that time either.

But there's a real gap, there is a real gap in what is the intended direction of the Department of Industry and Commerce and what is actually happening. There was the opportunity of a lifetime to establish, put into action, the many words that have been written in these annual reports, the many hundreds of thousands of dollars, millions of dollars that have been put into the field work by his own staff, the investment and research, the whole thing was laying there right in the palm of his hand. Did the Minister's people that he has had on his staff for all this period of time, and all the research that has been done, specifically on the topic listed here, not advise him that this was a major major major opportunity for the establishment of a once in a lifetime industry in Manitoba.

Now we're not going to buy the argument that the lowest tender had to be taken. We would have bought it until we found that the lowest tender was not taken, it was not taken, and we're waiting for the government to table the documents because we know that the lowest was not taken in this particular case. We know also that the Federal Government insists that the price differential between what was taken and the proposal for Brandon, Manitoba was not very large, it was in fact in their view negligible. All of this adds up to the fact that somebody somewhere must have slipped pretty badly in assessing the potential of that industry and what it could do for the Province of Manitoba.

Now that is germane to this topic here and now. Technology and science-based technology, Science and Technology Division of his Department. Can he explain to us exactly what went wrong in this particular case? Why after all this flurry of activity, all this investment, \$6 million a year he's spending in his own department for an industry that would have provided him with a beginning of 135 people, the type of people that we export every year out of our educational institutions to go and get jobs outside of Manitoba, and growing to 300 a year, all of them highly-trained people that we are capable of producing in Manitoba, all of that has slipped by the wayside in what has happened in the last two months in Manitoba. And we sit here and we wait for you to table the documentation. We asked for it, we keep looking for it, we sense, we have a pretty good idea of what's in it, we know that other statements have been made, and it isn't adding up. What happened that your people were not on top of

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(MR. CRAIK cont'd) . . . .this soon enough, working with the Hydro people to see that this establishment did not take place, to see that it took place in Manitoba? What happened in between? Because there is a great gap there and your department is the gap. You have the responsibility, you've stated it right here, but somehow something happened somewhere along the line, and it was not the tendering system alone that has caused that gap to take place. There was a willing industry, it wasn't one that took government financing to do it, it took some incentive, and some incentives were available at both the federal and the provincial level. The difference, according to the Federal Government was not very significant, the difference between the bid that was taken and the bid that could have brought to Manitoba the long awaited development, and I'm not just talking since you've been Minister of this department. That type of development was the dream of the COMEF report that goes away back into the early 1960s, goes back to 1963. It's right in that report, it's in the report that came later in the 1960s, the Economic Development Report. It's in your stuff, it's in your annual report, it's everywhere, it's been the target for the last 15 years since the science-based industries became the by-word for producing jobs for those types of people that we export from Manitoba every year to go and find a bread-winning role somewhere else in Canada or the United States. And somehow the big slip happened, and it all happened in the last six months. And this is the critical issue of this session, Mr. Chairman, this is the critical issue as to why this department was not on top of this issue and saw that that industry came to Manitoba, and some explanation, some more solid explanation than what we've received so far is due to the people of Manitoba to find out just why.

A MEMBER: Hear, Hear.

MR. CHAIRMAN: The Honourable Minister.

MR. EVANS: Mr. Speaker, I'm not going to engage in an extensive debate here, I just want to make two or three points. Number one, it's extremely bad policy for any government to tie in an industrial development with a particular contract. We were assured by the General Electric people that they were desirous of constructing a plant in Manitoba, period. And I don't think any government should operate on the basis that you are suggesting. It's just very poor practice. But having said that, I can assure the honourable member that we have worked on this for many many months before any bidding or before any opening of tenders, etc. Plans were developed and we were very hopeful that CGE would keep its word. But I don't want to discuss this in detail because I am hopeful that there will still be a plant constructed by CGE at Brandon and there's every reason for us to be hopeful about this.

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MR. CHAIRMAN: Resolution 67(b) (1) - The Honourable Member for Riel.

MR. CRAIK: Mr. Chairman, if I heard the Minister correctly, he said that their activities in the Department of Industry and Commerce should not somehow get itself related to any particular contract. Well, Mr. Chairman, if that is the case, you know, the Minister of Corrections just said that he was dealing with that every day.

MR. EVANS: I didn't say that.

MR. CRAIK: The Minister of Industry and Commerce . . .

MR. EVANS: I didn't say it.

MR. CRAIK: . . . is looking at a particular investment in Gimli that has now, sees \$30 million investment of government funds primarily, almost exclusively provincial funds. --(Interjection)--Name it? Flyer, the whole works which have turned out to be loss leaders. In this particular case you had one of the most substantial companies in the whole of North America looking for an opportunity to develop in Manitoba, that passed a particular crossroads in the last six months. I don't know what he's trying to say, I don't know really what he's trying to say. If I heard him correctly, he somehow said that the Department of Industry and Commerce must divorce itself from capitalizing on a particular contract to see industrial development of Manitoba. That doesn't add up. The whole intent, stated intent and perhaps the government has changed its position, the stated intent when the Nelson River Project was undertaken, that massive project, was to encourage and foster industrial spin-off in Manitoba, a ready-made opportunity to see that that would happen in Manitoba. And here it had the best opportunity of happening in the whole development of the Nelson River Project. So I don't follow the Minister when he says this. Is he saying that the government can't look at that sort of thing, because that was always the stated intention of the previous government to see that there was this kind of spin-off.

MR. CHAIRMAN: The Honourable Minister.

MR. EVANS: Mr. Chairman, I have stated publicly on various occasions and possibly in this House that purchasing power by this government, by the government, was a lever, or could be a lever for industrial development and obviously this is true in the field of electric apparatus, electric products manufacturing. And it is a lever. But the point I was making is that the utility, in this case Manitoba Hydro, I think it is extremely bad practice for the utility to . . . you know we were just lectured a moment ago by the Member from Brandon West about being fair and having an open tendering system, he chastised - not chastised but he was concerned about the Minister of Corrections' statements on the purchasing by the Correctional Institutes and so on, and the same thing applies to the bidding process of Manitoba Hydro. Is the tendering process to be adhered to, when you had half a dozen companies who submitted at considerable expense to each of them, a bid on a very large order, is that to be thrown out the window? You know, it seems to me that this is not the way the tendering process should operate. I'm sure the member is not suggesting that this is how Manitoba Hydro should go about deciding on bids. Particularly when they're advised by their consulting engineers that there was a \$16 million differential in the bids. That's what their consulting engineers advised.

But I say that CGE owed the Province of Manitoba an electrical manufacturing apparatus plant many years ago. It has received tens upon tens of millions of dollars of business from Manitoba Hydro. I believe last year it received something in the order of a \$25 million amount of contracts. They have been very well treated over the years by Manitoba Hydro. They owe us a plant. They owed us a plant a long time ago. As I'm advised, there was a \$16 million difference and apart from the \$16 million costs that could have been involved ultimately to the citizens of Manitoba, I don't know whether that is the price one should pay. Now you can argue and perhaps others will argue about the cost differential but this is what we were advised. But I say on principle, by matter of principle you cannot engage in a tendering system which is subject to reconsideration long after the bids have been opened when everyone submitted those bids in good faith. You've got to be ethical. I mean surely you're not suggesting that Manitoba Hydro act in an unethical fashion and destroy the time honoured system of fair competitive, honest bidding procedures. --(Interjection)--

Well, Mr. Chairman, I don't know whether they took the low bid or not. I'm not suggesting that in any bidding procedure that the purchaser has to take the lowest bid. In some cases the second lowest bid for various technical reasons may be the better option. But certainly the company that did receive the award was, I'm advised by the Chairman of Hydro, \$16 million

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(MR. EVANS cont'd) . . . . cheaper for the ratepayers of Manitoba. But again I say, Mr. Chairman, that I would hope that given the fact that there will be purchases by Manitoba Hydro way into the future, and CGE is aware of this, I would hope that they realize that they should now, with no strings attached, as in the case of Phillips Wire and Cable in Portage la Prairie, is a fine example of a company that had done business in Manitoba for some years, hoped to do business in future, and said we believe, they came around to the point that they believed that it was time that they set up a plant in the Province of Manitoba. And as the Honourable Member from Portage probably knows a great deal of their product is not meant for Manitoba markets. I think the bulk of it is to be exported to other countries of the world. The fine example, a company that acted most honourably and consistently, because I want to say here now publicly that when we engaged in negotiations with CGE to build a plant here there was a clear stated position by the company that it would not be related to any contract, any single contract whatsoever, not one single contract. And that's the way to do business. On the basis of general, on general purchasing power of an agency of a utility, you hope that if this company has hopes of doing business in the future, has done a lot of business in the past, then it makes sense that it should establish something here. We think it makes sense. But to tie in a particular contract to a plant development when it's going to cost the ratepayers \$16 million is very poor practice indeed. And I can assure you I would love nothing better than to see a plant by that company in the City of Brandon or indeed in the Province of Manitoba some place. They chose Brandon, we worked on Brandon and they should have gone ahead as men of honour with their plant.

MR. CHAIRMAN: The Honourable Member for Riel.

MR. CRAIK: Mr. Chairman, I want to deal on two points the Minister made. Number 1, nobody is suggesting that Manitoba Hydro should be in the position of distorting its bidding system, but let's be clear on one thing first. Manitoba Hydro from all the evidence available already did that, they gave the bid to a tenderer for \$2.1 million higher than the lowest bid to do exactly what the Minister says shouldn't be done, to satisfy a local requirement when the tenders were called, Mr. Chairman. No - is the Minister trying to say you can be partly pregnant. Once the tendering system is out the window, which there's every evidence it already was, then the window's wide open for other considerations, so let's say we're not advocating that the tendering system be violated, we're saying the tendering system already has been violated.

Secondly, I'd urge the Minister to table the documentation that took place between his government and the Federal Government to give the position of the Federal Government because the Federal Government has already stated, and the information has come out publicly that there are many things that went into this, including the fact that the final bids were very very close all things considered. The statement you give is \$16 million because that's apparently the figure you want to use as being the difference. In the final analysis the difference between the two tenders, all things considered, is very very small. The two tenders are very close. Now you're saying don't violate the tendering system. We agree. We don't want to see the tendering system violated, but we don't want you to hide behind that argument when it has already been violated, if in fact a \$2 million consideration was given to see that certain things were done in Manitoba already. What we're trying to say is that if you have a science and technology based group which we're dealing with here right now in your estimates and you're paying all this lip service to it in here, you're not prepared to put your words into action. Because this was the spot, the industry that would have done more than any industry has ever done in the history of Manitoba, in this particular area, to establish that kind of an industry that has been the goal and objective ever since the early days of the 1960s, the last 15 years that has been the goal and objective of those who have a particular interest in the science based technology.

So don't try and suggest that for you to have taken any action would have distorted the tendering system. It is already badly distorted. In addition to that we don't at this point accept the fact that there were \$16 million difference, because we know very well that the Federal Government has advised you that the differences in the tenders was very very much smaller than that and that the tenders were in fact reasonably close to one another. Probably as close as the differences you have already accepted in issuing the tender at \$2.1 million higher than the lowest possible tender to already get part of the work done in Manitoba. So

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(MR. CRAIK cont'd) . . . . you're not lily white on this, you've stood by and you've watched that tendering system be violated and now you're saying that to protect your position in not successfully getting this industry that you're going to stand on the grounds of preserving the tendering system. Well it's not going to wash, Mr. Chairman, there has been a bad slip made here in not seeing early enough in the game - which may have been a year ago, it may have been a year and a half ago - that this dream and objective of, stated right here in your book, if that was it then you certainly have some explaining to do on how you missed that one.

MR. CHAIRMAN: The Honourable Minister.

MR. EVANS: Mr. Chairman, I am not going to sit here and accept the honourable member's accusations. First of all, he should have brought this up and perhaps he did, but he should have discussed this when the Chairman of Manitoba Hydro appeared before the Public Utilities Committee of this Legislature and I am advised by the Chairman of Manitoba Hydro that according to their consulting engineers that assisted them in analyzing the bids, that there was a \$16 million difference. Now I can't analyze the bids, I'm not an electrical engineer, I'm not a member of Hydro, but I am advised and I take the word of the Manitoba Hydro, the Chairman of Manitoba Hydro, that there was \$16 million difference between CGE and the company that was selected.

Now the company selected, so it may not have been the very lowest bidder but that is not always the case. You know very well in a bidding system or tendering system the lowest bidder need not be accepted because of certain technical considerations, quality of the material and so on. So I will not accept the fact that there was only a minimal difference. The fact is that there was a \$16 million difference, or at least that is the information that was given to me.

But having said all this, Mr. Chairman, I repeat that we are still working on the matter and we hope that some day that particular company will live up to its promises.

MR. CHAIRMAN: Resolution 67 (c) (1)--pass; (2)--pass; The Honourable Member for La Verendrye.

MR. BANMAN: I wonder if the Minister could tell the House how much of the \$620,000 for Other Expenditures is indeed grants?

MR. CHAIRMAN: The Honourable Minister.

MR. EVANS: Actually the bulk of that is a grant of one type or another from the government to MRC. 180,000 is for Innovation and Product Development. This includes those types of grants such as we referred to earlier this evening to university research projects. Also includes the R & D assistance to the small enterprises, small business which I also referred to a while ago. \$70,000 for technology transfer and dissemination of information on licenses and so on, advice to inventors. \$30,000 to administration of program development and \$340,000 for centres of technological assistance.

You may recall that I referred to this - I don't know whether it was yesterday or today - but we have entered into an agreement with the Government of Canada, the Department of Industry and Trade and Commerce, to establish a Canadian Food Products Development Centre here, with each government putting in \$200,000 per year for a period of five years. So we've got 340,000 for Centres of Technological excellence. This includes \$200,000 for food products. We're also working on the establishment of a health industry development centre, health products centre, and we're hoping to get some federal cost-sharing there. There will also be some money from this 340 for small business technical assistance service.

MR. CHAIRMAN: The Honourable Member for Rock Lake.

MR. EINARSON: Yes, Mr. Chairman, I'd like to ask the Minister in regards to this Enhanced Productivity in Sheep Breeding, ask the Minister if he can give us some particulars as to why he got into that research area and how much money was involved in this program?

MR. CHAIRMAN: The Honourable Minister.

MR. EVANS: I'm sorry, I'm not clear, Mr. Chairman as to which research area he's talking about.

MR. EINARSON: I'm sorry, I didn't hear the Minister's last comment there, Mr. Chairman.

MR. EVANS: I was asking what area he was concerned with and someone has mentioned since then that you did mention the word sheep, and I didn't hear you. Was it the sheep raising project?

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MR. EINARSON: Yes, Mr. Chairman, it's under the Manitoba Research Council and there's another area in which the department has become involved in, and I'm wondering if there's a special breed of sheep. Is this program an artificial insemination program, and what is the amount of money involved in it?

MR. EVANS: Very briefly, I'm advised it's to accelerate the rate of lambing. In other words, it's to increase the lamb population more quickly.

MR. CHAIRMAN: Resolution 60. The Member for Rock Lake.

MR. EINARSON: Mr. Chairman, could the Minister indicate how much money was involved in this program, and how did they decide as to who is to engage in this program.

MR. EVANS: I don't know whether I heard the last part of it. I believe up to approximately \$20,000 has been paid out on this particular project, the particular people involved were the people who came up with the idea, and it was vetted by the Manitoba Research Council and their technical staff and recommended. I might say that with the combination of light control, light control and nutrition, the nutrition of the sheep, thus far there has been a result of increasing the birth, or production of lambs from 1.4 lambs per year to 2 lambs per year.

MR. CHAIRMAN: 67. The Honourable Member for Rock Lake.

MR. EINARSON: Mr. Chairman, could the Minister indicate what blood lines were they. . . I'm just wondering if - he talks about the hormones of in the production area - is it a possibility that they might have been imported, a breeding stock imported from, say, Iceland, or some other country of the world?

MR. EVANS: Well I don't believe, we're using the indigenous stock, sheep stock, Manitoba sheep stock but it was, the, as I said, the technique, the controlled environment, the feed, the nutrition, the nutritional program that was making the difference. So it wasn't a matter of bringing in new breeds from other countries.

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MR. CHAIRMAN: Resolution 67 (c) (2) --Pass. (c) --Pass. (d) (1). The Honourable Member for La Verendrye.

MR. BANMAN: Thank you, Mr. Chairman. I would like to under this particular item draw to the Minister's attention the problem facing some of the manufacturers in Manitoba at present and ask him, No. 1, if his department has done anything with regard to the particular matter and if the matter is under investigation. And I would like to refer specifically to the rather unique problem we're facing in Canada right now with regards to the packaging legislation of both the Federal and the Quebec governments. The Federal Government has enacted legislation I understand which says that packaging as far as consumer produce and goods to be shipped within Canada or goods being imported from outside of Canada have to have both the English and French language printed visibly on the package, they also have to have the description of the goods and also the contents of the package printed both in French and English. And I understand that the federal legislation spells out clearly that it can be in the same size. Now in the last little while we understand that in Quebec's controversial Bill No. 22 Quebec legislators have spelled out that any produce sold in Quebec will have to have the French printing larger than the English printing. This means, Mr. Chairman, that people who are designing packaging for their products in Manitoba, and I've spoken with several smaller manufacturers who this will be a particular hardship to and that the redesigning of packaging could cost one small businessman that I was talking to in excess of \$40,000. We realize that there's only one person that's going to be paying the increased cost of this particular item and that of course is the consumer purchasing the end item. But I would like to ask the Minister if his department is undertaking a study with regard to this matter. I think it would be up to the Department of Industry and Commerce to possibly petition the Federal Government and ask that there be a certain amount of uniformity installed with regards to packaging so that we don't get all kinds of splintering from province to province. Because it's going to not only cost the consumer in Quebec more because of the different packaging, it's also going to cost the consumer here quite a bit more.

So I would at this time like to ask the Minister if there is any on-going dialogue at present with the Federal Government with regard to this problem being faced by our local manufacturers and whether he is apprised of the problems facing them.

MR. CHAIRMAN: The Honourable Minister.

MR. EVANS: Yes. Well, Mr. Chairman, I'm advised by the staff that there are a couple of companies that have expressed a concern in this area and I simply can say that there are some things that are in the provincial jurisdiction, there are other matters in the federal jurisdiction. I am not pretending that we have the answers to all problems that companies have, but I would think that companies that are interested in selling to a broad market may wish to use more than one language. As a matter of fact, I would say that in the case of many products that we see now being sold in Manitoba and elsewhere in Canada they have several languages. I'm thinking of products that come over from Holland, Germany, and so on. They have German, French, English, maybe Swedish or Italian, you know it depends on where the market is. I really don't know whether this is a very serious problem. There's a couple of companies that have expressed their concern.

I do want to tell the honourable members, however, that we have worked with many companies in this whole area of marketing and product design, 112 companies were evaluated throughout all of Manitoba with regard to their packaging and their marketing and so on, and we had 24 companies that participated specifically in our so-called 1974 design and marketing clinic, and each case we gave written recommendations with the assistance of consultants to the companies with regard to visual design and marketing matters. I just want to say that I think there are a lot of very important things that we can do for companies, I think we are doing far more than has ever been done before and I think those companies that we've helped are quite appreciative of the assistance that we've given.

MR. CHAIRMAN: The Honourable Member for Sturgeon Creek.

MR. J. FRANK JOHNSTON (Sturgeon Creek): Thank you, Mr. Chairman. I'm a little disappointed that the Minister would suggest that this isn't too serious a problem, and for the fact that there are products come into this country from Germany or Europe or anything of that nature, that's another subject entirely. The subject that we are talking about is compulsory languages on packaging. Now, if somebody wants to send something in here from Germany with

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(MR. F. JOHNSTON cont'd) . . . German printing on it, I guess that's up to them if they want to take their chance of selling it that way. But if Canada and the federal government and the province of Quebec are going to be completely mixed up on what is going to go on packaging, is no question that it's going to be costly to the Canadian manufacturer and Manitoba manufacturers, and the consumer will end up paying for it. The Minister has to realize this is a very serious thing. As a matter of fact there's another area of this, is the metric system that we now have confronting us and if the federal government would stop being so damned stupid and forget the fact that bilingualism is not the most important thing in this country and the metric system is not the most important thing in this country and start thinking of businessmen instead of their priorities which are completely stupid and costing the people a lot of money, we'd be a lot better off. I think it's upon the Minister of Industry and Commerce of Manitoba to start representing the businessmen of Manitoba in this case, because it's costly and it's going to cost the consumer an awful lot of money. The bilingualism right at the present time and the metric system are just absolutely a priority that is not important to the economy of this country. There are other important matters at the present time, and I'm sure the Minister runs into this in the province of Manitoba. And I don't know why, I just don't know why he can't see the seriousness of it and tell the people in Ottawa that we have this problem.

MR. CHAIRMAN: The Honourable Minister.

MR. EVANS: Well, Mr. Chairman, on the matter of metrication, there may be some costs involved in switching to metrication, but think of the costs that are involved if we don't go to metrication because Canada - well, we would become very lonely in this commercial world of ours if we didn't switch to metrication. The fact is, of course, it was a decision made by the federal government and the other fact is that many companies on their own were having to move to metrication by virtue of the fact that they did trade abroad and did deal with many countries, western Europe and so on. So I would advise the honourable member that there are two sides to this coin and there is a cost in not going into metrication.

MR. CHAIRMAN: The Honourable Member for Sturgeon Creek.

MR. J. FRANK JOHNSTON: Mr. Chairman, the cost of the metric system is - if the company has to work in the metric system and they sell their product or merchandise their product or talk to people regarding their product in the metric system, that's up to them and they will do it, but the imposition being put upon people by legislation saying you have to do it . . . the Minister must realize there's probably more tools in a farm shed in this province than there is probably in my whole street. My own tool kit at home would probably have to be replaced - I'm not by any means a mechanic but would probably cost \$150 to replace. The cost of the metric system to the people of Manitoba, or the people of Canada, is going to be extravagant. Why legislate it?

If it becomes necessary for a company in private business to do it, they will do it and you may get the changeover the Minister is speaking of, and I wouldn't argue with him on that point at all. The changeover will come if it becomes a necessity. But to say this must be done, then the government has to turn around and say, who's going to pick up the cost? We educate engineers continually, they get used to using one form of system - oh sure, you'll tell them to use the metric system, and what'll they do, they'll work it out in the metric system and spend the same amount of time proving themselves in the other system which is a phenomenal waste of time if it's not necessary. And the cost to the people of Manitoba and the farmers is going to be just extravagant. It's something that Mr. Gossage has sat down there in a little room in Ottawa and all of a sudden after five years he's emerged and said, here I am, you know, we've gotta change, and the legislators of this country and the people and the legislators in the provinces have to let him know that he cannot force or shouldn't expect to force the people of this country into that expense.

MR. CHAIRMAN: The Honourable Minister.

MR. EVANS: Mr. Chairman, the honourable member does realize that this was a federal decision, that we and all provinces and all companies are forced to abide by. It is not a decision that we make in this legislature or in this government. Having said that, I would advise honourable members that there is now a federal-provincial committee on metrification and we are advising the Federal Government of the problems that we are having with regard to the changeover of this system in Manitoba, and also I have written a letter to the federal Minister

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(MR. EVANS cont'd) . . . of Industry Trade and Commerce, I believe it was sent today or I signed it today at least, whereby I have indicated that I would be agreeable to a meeting of ministers of industry provincial, federal, to discuss this entire program and the rate at which it's being implemented.

MR. CHAIRMAN: The Honourable Member for Sturgeon Creek.

MR. J. FRANK JOHNSTON: Well, Mr. Chairman, I don't intend to belabour the point, I would just like to bring to the attention of the Minister that the last time Mr. Gossage was in town and spoke to the Purchasing Agents' Association in Manitoba, I had the opportunity to talk to several purchasing agents after hearing his remarks, and all they did is go back to their offices and with their companies start to figure out what the costs would be if we proceeded in the suggestions he is making, and the companies are saying, well, you know if we have to do it, somebody's got to pay the price. If we have to do it to do business, which is on our own shoulders, that's our responsibility, but don't force them into that type of expenditure. I think you'll find that when you talk to business in Manitoba. And, Mr. Chairman, all I'm asking is the Minister to put up a bit of a fight on saving some money for the people of Manitoba and the businesses.

MR. CHAIRMAN: Resolution 67 (d)(1)--Pass. (2)--Pass. (b) . . . The Honourable Member for La Verendrye.

MR. BANMAN: I wonder if the Minister could advise the House, out of the \$207,000 for design and marketing, what amount of that is going out in grants?

MR. CHAIRMAN: The Honourable Minister.

MR. EVANS: The amount going out in grants is very small, Mr. Chairman, probably in the order of 15 or 10 thousand dollars.

MR. CHAIRMAN: (d)--Pass. (e)(1) . . . The Honourable Member for Roblin.

MR. McKENZIE: Mr. Chairman, I have a few questions with regard to the regional development concept and this is a wide-ranging subject and one that we can I guess deal with at some great length.

First of all, Mr. Chairman, I am pleased and hope that the members of the committee appreciate that we recognize the problems that we've had with the Department of Agriculture and now we find the Minister of Industry and Commerce has very skillfully and quietly picked up some of the responsibilities of the Minister. He's gone into the sheep business. I would like, if he would, while he's in the sheep business, do a research program or get me more information on this program that's been going on for a long time between crossing the polar bear with that familiar species that's known to the Duck Mountains. This one's been on in the Legislature and in the department for some time. So if you have some money for the sheep, I wonder would you pursue that one because I'm not getting the co-operation from the Department of Mines and Natural Resources that I usually would anticipate.

Mr. Chairman, to get back to the subject of the Regional Development Corporation and this is one of course that's quite familiar to all the members of the committee and to the Minister and it's one whereby I think we need some new directions today because I would like the Honourable Minister to spell out the policy of this government regarding the Regional Development Corporations we have in this province. As of today they don't have no framework, they don't have no policy, they know where this government is going, it's just a matter of doling out money and they run around with their eyes shut and wait and see what's going to happen.

I suggest to the Honourable Minister, Mr. Chairman, that if these Regional Development Corporations are to thrive, indeed in fact if the whole concept of regional developments are to exist in this province, I don't think I can stress too strongly tonight, Mr. Chairman, to you and members of the committee, that the Minister and the governments at the provincial and federal level are going to have to get involved with these regional development corporations otherwise they're meaningless. --(Interjection)-- Well he says, Oh, brother. They're meaningless because I think . . . what are they doing? --(Interjection)-- That's right, they're absolutely doing nothing, and they don't know what the government is doing at the provincial level, they don't know what the Minister is doing, and they don't know what the Federal Government's doing? How can they do anything, because if the Minister and the government's not going to tell these regional development corporations where they're going to go, how can they exist? How can they have a program that's meaningful, how can they have civil servants work shoulder to shoulder with them or in co-operation with them when the Minister isn't even going

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(MR. McKENZIE cont'd) . . . to tell them where he's going to go or what the policy is.

And I could cite a classic example for the Honourable Minister tonight and one that you could make use of these development corporations. The Minister of Municipal Affairs, Mr. Chairman, is proposing to bring some legislation before us on land use control in this province. You know, I know that the municipalities don't know where the Minister's going on this and I know that the regional development corporations they haven't got a clue. Now why hasn't the government or the Minister of Municipal Affairs filled in these regional development corporations on this land use policy so they could discuss it in their regions, talk it with their people at the grass roots level and discuss the whole matter and then when it's been discussed, bring it back and we could legislate it in this House. And up to now, Mr. Chairman, that's not happened with the regional developments in this corporation because there's been no liaison, there's been no . . . all they're doing is getting money annually coming out from the Minister to the Regional Development Corporations and they're running around kind of blind like, sir; their civil servants come in and if the development corporation's in conflict with the civil servant it comes out in the department so the whole thing is dropped.

Now I want to ask the Honourable Minister, what discussions have you had with the Regional Development Corporations of this province - I'll spell them out: EastMan, Interlake, WestMan, Parkland, NorMan, Central - on the whey plant that's going into Selkirk? Have you had any discussions at all with any of the Regional Development Corporations regarding this proposed whey plant that's going into Selkirk?

MR. CHAIRMAN: The Honourable Minister.

MR. EVANS: Mr. Chairman, I've met with everybody, every official, every president of every . . . all presidents of the Regional Development Corporations, all seven of them. I have met the councils on many occasions, not just in Winnipeg but in places such as Dauphin, Brandon, Portage la Prairie and so on. We met with the Regional Development Corporation presidents only, I guess two, two and a half months or so ago, to discuss the future role of the Regional Development Corporations.

As the honourable member knows, we have enriched the level of governmental grants to the RDCs over the years and we are now prepared to increase funding on a matching dollar for dollar basis over and above what they now obtain. The point is, Mr. Chairman, that over the years while we've enriched the provincial contribution there has been no requirement for additional contributions for the participating municipalities, and I think there's a very vital question that has to be asked here. To what extent should those corporations be dependent upon provincial grants? I don't think a situation where 80 or 90 percent of their budget is paid by the Provincial Government is a good situation and I think for their own independence that the municipalities now should consider increasing their level of participation. So we have indicated to the Development Corporation presidents that if they would like to have additional funding from us so they can do other things, within a reasonable amount we would consider increasing these grants but on a matching basis now that the municipalities, or maybe some organizations within the regional development area may like to contribute also, we might consider that as a source of funding that we would match. But the role that they play is a role that was set out when they were originally conceived of and I realize that there's limitations to what these development corporations can do. But then you get into a very critical problem and in fact I put it to the presidents, to what degree did they want to have increased authority, increased power, you know, and when you start talking about increasing the authority and power and effectiveness of the Regional Development Corporations then you have to ask yourself what power, if any, you want to transfer from the municipal level of government to the regional corporations. And, you know, you get yourself into a very very controversial area, and I'm not suggesting that that transfer of power should take place, in fact I don't think it should. I invite the member to suggest what the Regional Development Corporations should be doing and what role they should be playing, because there is such a thing as municipal government in this province and I don't believe that the honourable member is suggesting that we take some of the power away from the rural municipalities, the villages, the towns, etc. and give it to the Regional Development Corporations.

MR. CHAIRMAN: Resolution 67. The Honourable Member for Roblin.

MR. McKENZIE: Well, Mr. Chairman, I didn't indicate that, take any power away from them, and secondly the Minister never answered my question. My question is basically, did

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(MR. McKENZIE cont'd) . . . you or your department, any of your staff, contact the Regional Development Corporations that are within your jurisdiction and tell them that the Minister of Agriculture's going to build a Crocus Foods whey plant in Selkirk? Did you or didn't you? It's that simple.

MR. EVANS: Mr. Chairman, I don't think that it took notification from us to explain this to any of the regional development corporations but I'm sure the Interlake Regional Development Corporation was quite delighted at that decision or announcement that was apparently made.

MR. CHAIRMAN: Resolution 67. The Honourable Member for Roblin.

MR. McKENZIE: . . . Mr. Chairman, the Minister answered my question. They have no policy for these development corporations, they're not going to communicate with them, I understand you've never communicated with EastMan, you've never communicated with Parkland, and there's dairies in all these areas that are going to be phased out when this plant is built in Selkirk. And why would the Minister of Industry and Commerce and his department not communicate with these development corporations? That's a gut issue. Because they have dairies that are viable industries in those communities today and I think Industry and Commerce, somebody should tell them that they're going to be phased out, there will be one big plant in this province in Selkirk and all the milk's going to flow in there and that's it. You know, that's why the development corporations are uptight, because the Minister is not communicating with them, nor is he giving them any guidelines, nor has the government got a policy for them to follow, and it's that simple.

MR. EVANS: Mr. Chairman, I don't accept the honourable member's observations about a plant in Selkirk and what it means to existing industries throughout the province. There are many cheese plants throughout the province and I'm sure they will prosper and develop and we have actively worked with a number of cheese factories in the past year. A couple that come to mind, Arborg and Rosburn. At any rate the fact is that there is close liaison with the development corporations at the staff level and we do meet periodically with the presidents of these corporations but I don't think we need to meet every week or every month, and we've had considerable in-depth discussion about guidelines and so on. I think ultimately each Regional Development Corporation has under its jurisdiction the power to do whatever it sees fit with its given resources. We're not going to tell EastMan or Parklands what they should be doing. You don't expect us to dictate to them what they should be doing. Right.

MR. CHAIRMAN: Resolution 67. The Honourable Member for Roblin.

MR. McKENZIE: Mr. Chairman, I just asked when the Minister could communicate with them. --(Interjection)-- No, we're talking about industry and commerce and that's what this whole province, you know, is looking for is more development of industry and commerce. And why would the Minister not tell the regional development corporations, which the Minister of Agriculture has already said, that this plant is going to be built in Selkirk and it's going to lose money for several years? He didn't say how long but he said it's going to have to be subsidized by the taxpayers of this province for several years. Now don't you think that information should have been communicated by your department to these Regional Development Corporations, Mr. Chairman?

MR. CHAIRMAN: Resolution 67. The Honourable Member for Birtle-Russell.

MR. GRAHAM: Thank you, Mr. Chairman. Mr. Chairman, I don't know whether it's the lateness of the hour or whether it's a new moon or a full moon or maybe it's just the attitude of the government today, but I find some very curious things happening, Mr. Chairman. We find in the budget that a withdrawal of a tax ends up as a two cent increase. Here we find the Minister talking about an enrichment of the Regional Development program and it turns out to be a 10 percent reduction. I don't know what double talk the Minister and his cohorts are planning to use but, Mr. Chairman, when he talks about enrichment, it just doesn't wash, Mr. Chairman. If the Minister is going to be honest with us, then we would like to carry on the discussion on the Regional Development Corporations, but when he gives us that kind of double talk, it's hopeless.

MR. EVANS: Mr. Chairman, the honourable member has just displayed his ignorance of this particular item, because the item doesn't say Regional Development Corporations, that's not the item. The item is Regional Development. --(Interjection)-- Well, Mr. Chairman, I said that while I've been Minister we have increased substantially our financial support

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(MR. EVANS cont'd) . . . of the Regional Development Corporations. We have. That's a matter of record. Why don't you go and talk to the people in your own - why don't you go and talk to the WestMan Development? Go and talk to them and they'll tell you. And secondly, we have offered them an increase, an additional increase of matching funds. If they want to raise another \$ 2, 000 we will attempt to match that additional funding. And that has been communicated.

But the grants to the Regional Development Corporations don't amount anywhere near \$409, 000 or \$455, 000. I explained earlier in this House, if the honourable member was here he would have heard me, that we have taken \$100, 000 allotment for regional research - I'm sorry, \$70, 000? --(Interjection)-- The regional working group research funds have been transferred to the Economic Planning and Policy Research group and there have been other accounting changes. So that there is the research for regional development being conducted in the general economic research area. This branch relates to operations and includes the staff that does help to service rural Manitoba and works in liaison with the regional development offices. The moneys also include various other items for special development projects in rural Manitoba - \$70, 000; small new rural and enterprise development program, another \$30, 000; and other miscellaneous items. But the grants to the Regional Development Corporations are only one part of this total figure, and as I said, we have enriched it and we are prepared to enrich it further.

MR. CHAIRMAN: The Honourable Member for Birtle-Russell.

MR. GRAHAM: Can the Minister then indicate to us when he says he's prepared, obviously he must have a figure in mind, how much money has been set aside for matching contributions from the various corporations?

MR. EVANS: Well this is an approximation but I would say an additional 30, 35 thousand dollars.

MR. CHAIRMAN: Resolution 67. The Honourable Member for La Verendrye.

MR. BANMAN: Thank you, Mr. Chairman. The Regional Development Corporations in the last while, I think, served as somewhat of a melting pot between the smaller rural communities in the rural municipalities and that many municipal people did, through the Regional Development Corporation, get together and either exchange views and meet with regard to discussing mutual problems in the area. There is a lot of municipal people who have put a lot of hard work and have put a lot of time and effort into the Regional Development Corporation and I think the aspirations of these people are still there and I think there's still quite a bit of enthusiasm. But it seems to me that the whole development corporation system in the province is sort of in a state of flux, it's relatively stagnant right now. I would like to ask the Minister in what direction he anticipates these regional development corporations to go and what particular ideas and different undertakings that these development corporations will take in the future. I think this is important.

If we look to our neighbours to the south, and I had the opportunity of attending the EastMan Development Corporation annual meeting and they had a very interesting guest speaker, a man from the northeastern part of Minnesota, from a development corporation there in the Duluth area, and they've taken a real aggressive approach to regional development. Basically what they are doing there is asking for the Federal Government and the Provincial Government before implementing policies, whether they be social, whether they be rural water services and that type of thing, to discuss them with the people in the immediate area. Instead of having people in Ottawa sitting down and pushing policies down our throat at large expense to the taxpayers of Canada, I think maybe it's time that we sat down and put a little more money into the hands of the local people, and that would be the local municipalities, and in this case for development as far as industry goes and the resources of that area, even social resources, that we give the people who are closest to the particular problems and the particular concerns to give them a larger input into where their money should be spent.

I would like to ask the Minister further to that, if any of the data that was accumulated during the last Regional Analysis Program a number of years ago, if any of that has been used; in other words has some of it been implemented? There was quite an elaborate study done by the government at that time and I think the different committees in the area produced realms of documents I might say within the development corporations, and I'm wondering if any of that has been taken to heart by this government.

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(MR. BANMAN cont'd) . . . .

And finally, I'd like to ask the Minister on what basis the grants are handed out to the different development corporations and I wonder if he could give us a breakdown as to present funding of the different regions that we have in Manitoba?

MR. CHAIRMAN: The Honourable Minister.

MR. EVANS: Well answering the last question first. The grants are \$ 30,000 per regional development corporation, but there are two exceptions. One relates to additional transportation, supplementary transportation grant of \$ 2,500 to Parklands and \$ 5,000 to NorMan because both of these particular development corporation areas have higher travel expenses. And all of the development corporations are aware of this supplementary grant. But the basic grant is \$ 30,000; \$ 2,500 additional to Parklands, \$ 5,000 additional to NorMan. WestMan is different, it's \$ 48,000 I think, approximately. This has been the amount that was in effect when I became Minister and it relates to a particular arrangement that was arrived at, before I became Minister, with the City of Brandon and involves their industrial development commission. It's a rather complicated arrangement but this is why that amount is higher. I don't think the effective amount is higher because some of it is used by the Brandon Industrial Commission - and I repeat, this was an arrangement made before I became Minister - but I think the development corporations are pretty well satisfied that we are treating them equitably.

This was not always the case. Prior to raising them to a flat sum of \$ 30,000, they were paid on a per capita basis and they varied considerably, and what we did I think it was about two years ago, by raising them to \$ 30,000 we certainly assisted EastMan considerably, I haven't got the figures but they are now getting \$ 30,000 which is quite a bit more than they were getting under the previous arrangement.

I'm just trying to recall now what the other question was. Oh yes. The regional analysis. Yes, this, we stated at the time of carrying out the regional analysis program that this was to be a study that was not to be conducted and then put on the shelves, it was to be an ongoing process. So we therefore have a small group within the department that is carrying out implementation programs with other departments of government. The regional analysis program revealed a number of things related to development in the area which were not strictly economic but which were also social. One of the biggest, in fact the number one priority indicated by the 83 communities that participated in the regional analysis program survey was that recreation was the number one concern of the rural communities. That may surprise you. That took precedence over new jobs and new industries. It was recreational facilities in general and as a result, for example, one suggestion that was forthcoming was regional parks and we've done a considerable amount of work with the Department of Tourism and Recreation on the regional park policy. And I believe, I can't really speak on this, the Minister of Tourism and Recreation would be in a better position, but I believe there is some action in this respect. But that's one example. There are many other examples going into the field of education and highway construction, etc, and we did set up a process to funnel the regional analysis program results into the various departments.

I'd also say that we did have discussions with the regional analysis program results with all of the regional development corporations; we had a Minister meet with everyone of the regional development groups. I met with the one in Pembina Valley and in WestMan we had, I believe my colleague the Minister of Highways met with the group in Parklands and so forth. Mr. Howard Pawley, or rather the Attorney-General, met with the people in the Interlake and discussed the outcome of the regional analysis program for that area. So there has been a great deal of feedback and there is still continuing now in the department a small group which is trying to follow through on this great volume of suggestions and specific projects.

MR. CHAIRMAN: Resolution 67 (e)(1) --pass; (2) --pass; (e) --pass. Resolution - The Honourable Minister of Urban Affairs.

HON. SAUL A. MILLER (Minister for Urban Affairs) (Seven Oaks): Mr. Chairman, I move Committee rise.

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

Mr. Speaker, the Committee of Supply has considered certain resolutions, directed me to report progress and asks leave to sit again.

IN SESSION

MR. DEPUTY SPEAKER: The Honourable Member for St. Vital.

MR. D. JAMES WALDING (St. Vital): Mr. Speaker, I beg to move, seconded by the Honourable Member for Ste. Rose, that the report of the committee be received.

MOTION presented and carried.

MR. DEPUTY SPEAKER: The Honourable Minister of Urban Affairs.

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

MOTION presented and carried and the House accordingly adjourned until 2:30 p. m. tomorrow. (Wednesday)