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DEBATES and PROCEEDINGS

Speaker

The Honourable A. W. Harrison



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THE LEGISLATIVE ASSEMBLY OF MANITOBA

8:00 o'clock, Monday, April 16th, 1962.

MR. CHAIRMAN: Resolution 26 - Administration - passed.

MR. HUTTON: Mr. Chairman, I just got started before dinner and since everyone is well reinforced at this point I don't feel too sorry for them. I might say, Mr. Chairman, I had decided that I would make a real effort to get these estimates through in a hurry and I had suggested that I wasn't going to work for anything less than a million dollars an hour, but since four and a half hours had gone by and I hadn't gotten my salary, I thought well, I might as well get into the act along with the others.

Now we were talking about agricultural policy or philosophy for agriculture and I was dealing with the points that had been made so strongly by the Honourable Member for Brokenhead that we were pessimistic in our attitude -- I was in particular; that we were advocating a policy of driving the people off the farms in Canada and that this was going to constitute a tremendous problem. If you'll permit me maybe to review just a bit of what I said in those ten minutes, I feel that a change is not necessarily a bad thing. The fact that people are leaving the farm is not necessarily a bad thing; it's the way in which they leave the farm and the provisions that are made to help them make the transition. In fact, I think it would be the worst thing in the world for us to try and preserve the status quo in agriculture. I don't think it's in the interests of the people on the land first of all and, secondly, it's not in the interests of the province or the nation. Life on the farm is good today regardless of what my honourable friends in the NDP think. Farming offers a greater challenge today than it ever did. For the first time in the history of farming there is an unlimited challenge to the mind of the farmer as well as his back. The repetitive jobs have largely been eliminated, the main task is a challenge for mind, for ingenuity and imagination. As I said before, we enjoy better services than we ever did in the past in spite of the fact that many people have left the land. And you would think that the exodus from the farm has started during the last ten years. One of the biggest emigrations out of agriculture took place after the initial settlement. And today when we have largely reached the limit of our land resource, what are we supposed to do? Try and find a place for all the people in agriculture -- I hope not.

My honourable friend seemed to think because I said in a speech that there are going to be dramatic changes in agriculture, he appeared to equate this statement with another one in which I stated that the emigration will continue. Well the dramatic change that's going to take place in agriculture isn't necessarily going to drive people out of agriculture. The dramatic change that I was talking about was the new demand for new products, new demand for old products, the new demand for beef and red meat which we are told is going to double. These aren't my dreams. These are based on fact whether my honourable friend from Brokenhead wants to accept them or not. Taken from studies prepared for the Resources for Tomorrow Conference, I'd just like to read just a few lines: "Total consumption of red meats during 1955-58 period amounted to 2.3 billion pounds and averaged 140.6 pounds per capita compared with 132 pounds average for the 1935-49 period. Projected consumption of red meats for 1980 is expected to reach a total of 4.6 billion pounds or approximately double the 1955-58 level with a per capita consumption rising to 171 pounds. In United States consumption of meat has shown a marked increase." It was this that I was talking about, the opportunity to produce crops that we've never had an opportunity to produce in the past, because markets weren't there. I say there are going to be dramatic changes; and if Manitoba is going to share in this expanding market, then there are going to be dramatic changes in Manitoba's farm economy. And it isn't a bad thing for the people and it isn't going to drive them out of agriculture. It's going to give them a new market, an expanding market; a challenge for their needs.

The Honourable Member for Brokenhead made another very startling statement. He said that the provision of credit facilities was no answer at all to the real problem that faced our farmers. Well, this is quite a statement, and I'm sure that it's based on fact, but I'd like to know what facts they are. With the dramatic changes in science and technology facing an expanding market for special products, special crops, how are we going to implement these changes in our pattern of production if we don't have farm credit? How are we going to help the young fellow who wants to start? And I make this statement here that there are lots of

(Mr. Hutton, cont'd.) . . . . farmers today in Western Canada that are making lots of money. They're making a fair share; they're getting a fair share of the national income -- lots of individual farmers. And why don't the other farmers get a fair share? Because they're not so fortunate in terms of capital assets. They haven't got the where-with-all to work. And as I said in the past, it's like putting a man with a shovel up against a man with a bulldozer. Farm credit is a way of evening out the assets of the individual.

The Honourable Member for Lakeside was congratulated by the Honourable Member for Inkster on making a very good speech. I thought it was pretty sound too. The Honourable Member for Lakeside was -- he takes the credit for it, and I agree was in a large way responsible for the electrification of rural Manitoba. But unfortunately he stopped after he had started a revolution. If he's responsible for rural electrification, he's responsible for a great deal of the revolution that has taken place on the farms in rural Manitoba. He's responsible for the increased competition that exists between farmers. Unfortunately, he stood aside and aloof to the problems that have been created by an impact on the farmer and the farm community of these tremendous advances in technology and tools of agriculture. But I was very happy with the speech that the Honourable Member for Lakeside made because I was happy to note that when he talked about the European Common Market he's had enough experience to know that in the short run it can hurt our farmers, and he was honest and he said so. I was happy for the optimistic outlook, as I said earlier, that he has achieved. Maybe he's becoming convinced that under the present administration things are looking better for the farmers in Manitoba. But anyway, the Honourable Member for Lakeside in all the years that he was a key man in agriculture -- and there were many years -- was maybe sometimes, maybe often, guilty of omission, but he was very seldom guilty of hurting the farmer by commission. I'm reassured to hear him get up in this House and make a speech such as he did the other day, which made a lot of sense. We here in Manitoba should take a great deal of satisfaction out of the fact that a world food bank that has been talked about for so many years seems at last to be on the rails and Canada's resolution supported by the USA was accepted at the FAO Conference and the member countries attending. But the report that we got indicated that we want to temper our enthusiasm if we see in this immediately a solution to problems that we have had to associate with -- problems of surplus that we have had to associate with during the last decade. It's a wonderful step forward; it's a great instrument for peace, but in the short runs again, it is not going to be a cure-all for the problems of agriculture in Western Canada. The cure-all here, of course, is expanding markets -- that is the secret -- expanding markets economically speaking, will do a great deal to help us. Trying to do something about the stability of farm income will help us also.

I know that along with our program on credit there is some doubt in the minds of the members opposite about the usefulness of crop insurance. I'd like to read to you a little bit out of the Country Guide -- it's the last issue -- April, yes. It's a report on a paper given by Dr. Gillson, who, as you know, is the Chairman of the Board of the Manitoba Crop Insurance Corporation. "The basic problem in the prairies in the long run is not perennial low yields, nor is it a matter of excessive yields and chronic surpluses, rather it is the unpredictable and disconcerting manner in which low yields alternate with high yields." This was the basic conclusion reached by Agriculture Economist Dr. Gillson in a paper presented to the Agriculture Conference Week at the University of Manitoba in early March. The blunt fact appears to be that we must find better ways of using the good years to carry us over the poor years insofar as crop yields are concerned. Dr. Gillson pointed out that while the average wheat years for the period 1930 to 1960 amounted to 16.4 bushels per acre, the year-to-year wheat yield varied tremendously, a variation over which the individual farmer had little control. For example he indicated that the wheat yield dropped from an average of 23.7 bushels per acre in 1953 to 12 bushels per acre in 1954. However, operating expenses, taxes and payments on the mortgage were approximately the same for both crop years. In the same year-to-year comparison -- and I hope that the Honourable Member for La Verendrye will pay attention -- net farm income per farm tumbled from \$3,652 in 1953 to \$1,717 in 1954, not because of the cost-price squeeze but because of a crop failure -- the same reason net income tumbled in 1961.

The Honourable Member for Brokenhead felt that our crop insurance program wasn't

(Mr. Hutton, cont'd.) . . . . really as popular as it should be. I am happy to read to him from the Newsletter of The Manitoba Crop Insurance Corporation: "If you do insure you'll be joining the largest group of farmers ever to insure their crops in the history of Canada." Ron Tolton, Chief of our Field Operations, reports that present indications are that over 50% of the farmers in the test areas will insure their crops in 1962. Last year the figure was 40% and the year that my honourable friend from Brokenhead quoted was the first year of operation in which some better than 30% insured. Now it looks as if we've got a pretty substantial increase in the acceptance in every year of operation. This is a new program; it's not a simple program, it takes a little bit of selling, but I would say that on the basis of this experience it indicates, Mr. Chairman, that the farmer's experience with crop insurance is selling him on the idea.

The farm credit program. I don't think I need to deal with that at all because it has been tremendously helpful and I say again one of the most, if not the most, popular program that we have in agriculture.

Well now, I turn and give a little attention to the remarks made the other evening by the Honourable Member for La Verendrye. Now, I am sorry, Mr. Chairman, that I can't extend the same compliments to him on the contribution that he made to the debate as I did to the Honourable Member for Lakeside. If I may speculate a little bit -- I have been wondering why the Honourable Member for La Verendrye wants to leave this pleasant company of ours to go where they make bigger decisions or the big decisions -- and so I've been just speculating a bit and I figure they must have offered him a cabinet post to tear him away from Manitoba. Now this is -- (Interjection) -- Just let me tell you the facts upon which I base my speculation. The Honourable Mike Pearson must have offered him this to get him to run, and he figured he was pretty safe, there was about a thousand to one chance that he'd be elected. There was another thousand to one chance that the Liberals would form the next government. This made the odds about a million to one -- (Interjection) -- and if he did happen to make it -- if they did happen to make it -- they had a perfect post for him -- "The Minister of Misinformation". And on the basis of the speech that he made here the other evening on agriculture he qualified without any qualification at all. He said the other night -- and he was correct in this -- the net income was down by 50%, and then he told us the reasons for it. He said that it was because of the cost-price squeeze. The continuing cost-price squeeze. Well, the reason that farm income is down is simply because the inventories are down. This is one of the major factors in determining net income. And just as the net income fell between the years '53 and '54, it has fallen again between the year 1960 and '61 because we had drastically reduced yields; because the farmer sold off all of the grain in the bin or the greater part of it; because they sold off more cattle than usual, and they weren't holding the same inventories anywhere near the same inventories as they were the previous years. And this is what accounts for the drastic drop in net income.

He suggested to us that the farm business groups were not something that the Department of Agriculture could take any credit for. He didn't know that in the Province of Manitoba we have two farm accounting clubs which are administered and attached to the University of Manitoba, and that in addition to this, we have 500 farmers enrolled in number of farm business groups and this program is carried out by the Department of Agriculture of Manitoba. I think though where he really went off the rails was when he started to tell us about what we should be doing in the livestock industry.

Now, I still haven't been able to fathom his reasons for making such a vicious attack upon the AI program in Manitoba. Artificial insemination has been a tremendous help in raising the standards and quality of the cattle in the province. He tried to pretend that the semen was being used from sires with no supervision; that the semen could be used on thousands -- he referred to thousands -- of cows, and that we could get very detrimental effects from a program that was carried out without any supervision. Well I don't know where he gets his information. Every one of these sires is inspected or scrutinized; his records are scrutinized by the livestock branch. As a matter of fact, I think almost 100% of all the purebred sires in the dairy breeds are from ROP herds or breeding, and even in the case of the beef cattle the majority of these bulls or sires are from ROP breeding. In addition to that they do come under the scrutiny of the livestock branch; so that we can say without qualification that 80% of the calves sired through artificial insemination, the semen comes from either the dame or the

(Mr. Hutton, cont'd.) . . . . sire -- or the dame or the sire has ROP rating.

Now I'd just like to propose a question to the honourable member because I know that he's a purebred breeder himself and I'd like to ask him when he used the ROP swine testing station last here in Manitoba. I noticed that he was offering swine for sale at the Manitoba Winter Fair. I wonder if he is following the gospel that he preaches as closely as he should. I would suggest that we have a very real problem in the case of quality in swine in the Province of Manitoba, as we have all across the Dominion of Canada. The question of whether we maintain and increase our marketings of pork products largely in the USA depends on maintaining and improving the quality of our pork products. At the present time here in Manitoba, only about 30% of the hogs that are marketed grade Grade "A". We're doing everything that we can to encourage both the breeders and the producers to improve this percentage. Just this past winter we've come out with a new program, and for the first time we are offering a program where producers can get production testing on their breeding stock, and we hope that there will be a general widespread movement to take advantage of this program because it can be very helpful.

Now I think that this effort on the part of the Member for La Verendrye was rather ill considered because, let's face it. He says that some of the people who we should be getting to through our ag reps we are ignoring or doing little with them; we're spending all our time with the well-informed, the alert farmer. We've been trying to sell artificial insemination in an effort to improve the quality of our cattle; we've been making grants for some years, this government and the government before, to encourage the use of AI; because it's the man with a few cattle who can't afford a high-priced sire that makes use of this program. The honourable member stands up in the House, condemns it and puts doubt in the minds of those who might be encouraged to use it that he might as well use any old scrub bull, because he's not going to get anything better from AI in Manitoba. And he does this without any substantial evidence to back up his statement. This is a great contribution to extension in Manitoba; a great contribution to the program of education in educating farmers to use the best sires that are available to them. And for a lot of people the best sires are through the AI program because they can't afford the same quality in a sire of their own.

It's hard to understand that he would criticize the agricultural development program -- the ag reps -- for not getting to certain people and then he sets up obstacles and makes it difficult for them to get their program across. Last year 49,000 calves were sired by AI. Now we're really making some headway on this, and I cannot believe that the province is in any way worse off because artificial insemination was used to this extent; and on the basis of my information -- which I think can be relied on -- the facts as presented to the House the other evening are inaccurate -- completely inaccurate -- and would leave entirely the wrong impression.

I wanted to get back to plumberamas. This is a perennial, but for the information of the Honourable Member for Brokenhead, plumberamas are not plumbing courses. Plumberamas are field days held in the summer time usually as a forerunner to interest people in the plumbing courses which are offered during the winter. And even this winter after a very unfortunate year in terms of dollar returns to the farmers, and even in spite of the fact that they suffered heavy losses and they have to look forward to another crop before they can recoup, there were seven of these courses held this winter and over 100 participants -- I have the exact figure here some place. Never can tell -- just like Tom Sawyer, you keep a lot of things in your pockets -- 112 participants, even in this year in which you would anticipate a falling-off in the program.

The Honourable Member for Brokenhead had something to say about our program. I don't want to get too far into this debate on our water control program. I do want to answer him in respect to the drainage maintenance districts. The drainage maintenance districts were never established on a watershed basis; they were established in respect to specific drainage on which municipalities wished to collaborate and co-operate. We believe that the watershed district approach is the right approach. We can only promote it. We can't impose it, as the Honourable Member for Gladstone would have us do, not in a democratic country. This I'm afraid would be taxation without representation and I don't think that the Liberal Party in Manitoba believes in that. We can encourage them -- and I think the Honourable Member

(Mr. Hutton, cont'd.) . . . . for Gladstone will have to agree that I did my best to encourage them twice in one day when he was in attendance -- but it is, after all, their decision to make. Now we are promoting one very actively in southern Manitoba on the Plum River and the indications are that it's going to be approved and established for operation in 1963. We would welcome more municipalities organizing themselves on a watershed basis, and I think it will come. We have provided the legislation; we have provided incentive grants for them to do this; we can't impose it upon them. I agree with the Honourable Member for Brokenhead on this point that the watershed districts are a great improvement over the DMD's; but let's also say that the drainage maintenance districts were a tremendous step forward over the old system of trying to deal with water on strictly a municipal basis. I think the Honourable Member for Lakeside, and probably the Honourable Member for Carillon, recall vividly the trials and tribulations of getting the drainage maintenance districts established, because it only came about after a great deal of negotiation.

Now I want to deal with this question of ground water supply and the floodway. The answer is simply this, we are out taking these surveys, determining to the best of our ability what the effect will be; but in addition to that we do find out what the present circumstances are in respect to water supply on these individual places that might be affected by excavation. The law protects these people. If we damage their water supply we will have to do something about it. We are out there now determining what the status quo is; what the present situation is before we do any excavation. This will be completed; what I said the other day is still true. All indications are that for a greater part of the floodway at least the damage or adverse effect upon the water supplies in the areas adjacent to the floodway is not going to be too great. But they are protected by law.

Now on the question of buying up acreage for the floodway. We are not buying up acreage that we don't need. The only acreage that we are buying outside of the floodway is where people are voluntarily offering it to us, asking us; and we are taking this extra land at their request to accommodate them in reaching a settlement. So I can't really foresee that we are taking land that we will find that we do not need. The Honourable Member for Brokenhead said that -- I think he said this -- that we should give the original owner in any case, if any of these lands were offered for sale, first option at the price that they sold it to us. I'm not suggesting that the government should make any money on this, but I suggest that by the time the total floodway program is completed, ten years will have gone by. Now I'm not speaking about the excavation and the usefulness of the floodway, I'm talking about the job totally completed. From the time this land is rehabilitated about ten years will have gone by. Now I think it would be rather bad business in respect of the taxpayers -- the general taxpayer of Manitoba -- if we were to offer this back at the same price; because we, the Government of the Province of the day, would be incurring a loss in respect of the province in order to do such a thing. He says that consideration, Mr. Chairman, should be given to the loss of tax base to a municipality, even though only a fraction of a mill difference might result in taking over some of this property. I wonder, Mr. Chairman, if the honourable member really realizes what he is advocating here? That every time we build some public work in Manitoba, whether it be a highway, no matter what it be, there is a change -- there is a change in the assessment of the municipality as a result. It may be small, but there's a change there. And he has said here that even a fraction of a mill difference should be compensated. I don't think that this proposal would be very acceptable to the majority of the citizens in Manitoba as it contemplates quite a dramatic departure from past policy in this province and I don't think it's in the general interests of the citizens of Manitoba to embark on such a program. But I do want to say this -- that we do have this matter of the impact of this type of public work under study; we do have it under study. There is -- there's grounds, valid grounds for giving consideration where you have a substantial impact on the financial base of a municipality and subsequently reflected costs to the taxpayers through the building of a project. But I wouldn't say that even if it was a fraction of a mill.

MR. SCHREYER: . . . . . at this point. Would the Minister permit a question?

MR. HUTTON: Yes.

MR. SCHREYER: Well surely you wouldn't compare the floodway with a road or a drainage ditch because whereas the latter two are improvements to the local area, the floodway

(Mr. Schreyer, cont'd.) . . . . will not be; so there should be compensation for loss of tax base. Don't you agree?

MR. HUTTON: Would you repeat that question?

MR. SCHREYER: My question is simply this: You compared the floodway with an expropriation for a road, highway or a drainage ditch. Well, a ditch or a highway is of value or is of benefit to the land through which it passes, but the floodway will not be of benefit to the land through which it passes, therefore there should be compensation to the municipalities for loss of tax base. Don't you agree with that? You can't compare the floodway with roads.

MR. HUTTON: Mr. Chairman, I don't see that that argument can carry too much weight because nobody knows what the results of the floodway may be to the value of property in that area. People are funny creatures. Nobody knows yet but they may be attracted to develop that area adjacent to the floodway. I am told that even now there are lots being sold fronting the floodway; and if such a thing as this occurred in the future there can be no arguing against the fact that the municipality in which such a development occurred would gain through the construction of this floodway. It is very difficult to look ahead and determine that there is just no advantage to these areas whatsoever. I don't think that we can take that for granted.

The Honourable Member for Brokenhead made a statement that bothered me just a little bit in respect to crop insurance the other day when he took credit for the idea of re-insurance and he suggested that when he recommended it to the Minister that the Minister didn't take kindly to it and he was very happy that I had changed my mind. Well I want to put everyone at rest on this question. Long before the Honourable Member for Brokenhead ever suggested re-insurance as an answer in financing crop insurance, that theory had been promulgated and promoted by the Province of Manitoba. Mr. Chairman, I'd like to tell you where that idea came from. It came from the Director of the Crop Insurance Corporation in 1960.

MR. SCHREYER: Mr. Chairman, on a point of privilege. The Minister's too kind. I didn't try to imply that I was the originator. All I said was that last year when I raised the matter you didn't take very kindly to the idea. That's the impression I got.

MR. HUTTON: Mr. Chairman, I objected to his plagiarism at that time, as I do now. I just want to give credit where credit is due, and it belongs to one Mr. Burbank Kristjanson who is now on leave of absence on loan to the Government of Iran, and has been endorsed from the start by this government.

I could probably go on for a long time dealing with a lot of matters here but I think that in the interests of facilitating the passing of these estimates that I'll quit right here.

MR. GRAY: Mr. Chairman, may I speak? When the Minister started to speak before dinner he was worrying about the exodus of the farmers. Exodus is a very familiar name to me. Exodus could apply on several occasions. We are celebrating Passover this week and we also had an exodus 3,500 years ago. At that time we had one man -- Moses -- on instructions from the Almighty asked them to liberate about 70,000 slaves from Egypt -- it took him a long time. Now we are talking about exodus where so-called slaves -- the farmers -- who are under heavy economic conditions are trying to come back to the city. So the word exodus, as I said, can be applied both ways.

I am not dealing with any individual complaints and suggestions because I admit and confess that I don't know anything about details of farming. You can say "Hear, hear" -- I admit it at least but the other fellows don't admit it. Pardon?

MR. A. H. CORBETT (Swan River): You own gang said it.

MR. GRAY: I know it's my own gang. But do you think I agree with my own gang all the time? And they had to come back to the cities. I could tell you in a few minutes. I never speak more than five minutes -- you can time me if you wish -- that the fault of the exodus lies not entirely with prices; not entirely with failures of crops; but the treatment that the governments since I am here give them. For instance, during the hungry years the relief situation in the rural districts were not as half as good, but as bad as it was in the city, it was worse in the rural districts. So they all came into the city. I don't know how they ever existed for a year -- they had to be a year here to be eligible for relief. They probably sold everything in their home and worked for 25¢ an hour -- at that time was the minimum wage of the government of the day -- and then applied for relief. They had abandoned their qualms. Then

(Mr. Gray, cont'd.) . . . . in order to save this so-called exodus, the government of that day introduced one of the finest legislations and this is electrification for the rural districts. I think this has stopped considerable the exodus by the farmers -- stopped considerable. But, however, it came too late. If they would have thought about it during the hungry years, and provided them with the same miserable relief that they had at that time, perhaps it would have done much more. But it did stop the exodus to a certain extent because farmers wanted to get the same conveniences -- and they're entitled to it -- as the city people. And they could have done it years ago -- we had the power, we had the electricity but apparently we did not have the foresight.

Now the Honourable Minister comes up from time to time and gives us a lecture. It's very interesting to listen, but I have not yet heard from him, although I don't understand his language, a remedy, a complete remedy for it and stop this exodus. I'm worrying about the exodus more than the prices and anything else, because I feel that we cannot desert, we cannot abandon something which is the prime economic benefit, not only to the people of Manitoba, but the people of the world -- and this is produce, food, grain and what have you.

I think that if the First Minister, who is not in his seat, would listen to me I would have appointed the Honourable Minister of Agriculture as a lecturer, a professor in college to lecture on education. I think he's very capable to do it. He knows his job. He knows the details. As I said, it's a lecture, and an interesting lecture. But in all his speeches which he has made -- and I've listened to every one carefully, I wanted to know something about it, and I know that he knows what he's talking about -- but I've never heard yet a direct answer: "What are we to do to stop exodus?" All he did tonight is deal with the remark made by one member or the other members, criticizing certain little things. Which is not the important thing in agriculture to my mind -- speaking as a layman, and not speaking as an experienced farmer. He didn't say a word at least unless I overlooked it. What are we to do now to keep them on the farm? This is what the Minister should concentrate on. It's very well to answer a member who is criticizing you and tell him that he doesn't know anything about it -- that's the easiest thing in the world. Call a man names, it is easier. Give him a compliment, it is not so easy. So as far as I feel, the main problem that we have today is not the details which you have taken up an hour to explain -- and it was interesting -- and five hours previous to this -- that's all interesting -- you have not said a single word how to stop the exodus and keep as many as possible on the farm. If they need electrification, give it to them. If they need sewer and water, give it to them. If they need other assistance, even cash assistance, give it to them. But every farmer that abandons his farm interferes with the economic life of this province; with the breadbasket of the world; with the thousands of people who look upon Manitoba, where will I get my next bushel of wheat so I could feed my children. This is my criticism to the Minister. Details are very nice. Let's have a proper seminar for it. Let the right people lecture to them. Let's explain to the, what is a farmer, what is his main requirements. But I have not heard a word yet how to make farmers stay on the farm. What's the reason? Is the reason economics? Let's help them. Let's help them. If the market's not good let's find markets for them.

He hasn't said a word about the dairy industry which is the most important industry in Manitoba. Which is the most important. Our children cannot be without milk. We cannot be without butter -- (Interjection) -- yes, margarine. Margarine came on the market through the fault of the powers that be because they jacked up the price on butter, which the people cannot afford to pay. So my only complaint to the Minister is he hasn't given us -- he's a very able man to diagnose a case, but he's a very poor man to treat a case.

MR. PETER WAGNER (Fisher): Mr. Chairman, what is the slogan of this Legislature on the estimates? -- "I didn't intend to speak." So saying here I didn't intend to speak tonight on Agriculture, I was going to refer myself to estimates. However, when I listened to the Agriculture Minister, not what he said but how he said, so it brought me to my feet and I did not prepare any statistics and I'm not highly educated, but I have some experience on farming and I don't care who anybody says in this Legislature or elsewhere, the agriculture is down and everybody knows. The prices are going down each year and everybody know it, and no matter how we try to tinker with it, with what policies we try to camouflage it, it is the livelihood of the farmers and the prices have a lot to do, the stability of the prices, a fair share of

(Mr. Wagner, cont'd.) . . . . the national income. This is the problem of the farmers. Why the farmer is leaving the farm? Not worried about the young farmer as the Minister said, 1,500 young farmers and 600 farms. There is hardly any young farmers, and I haven't got the statistics to prove. The old ones are retiring and the vacancies are left and I don't need to go too far, as last year I went through Manitoba down towards the Peace Garden, when I saw old buildings, most of them, I would say 95% dilapidated; the old machinery in the yard. There is the sign that agriculture is going down. I don't need no statistics, reality proves this.

Now, Mr. Chairman, some of the people like to pat themselves on the back that we are having grain sold at open quotas and what not. Surely the empty granaries are due to the dry years the open quota comes along; the markets open. These markets were there five years, ten years ago; everything was there, but it's a problem with us to accommodate this, to agree on the policies, to agree on barter trade accepting the currencies; to make these deals. Maybe possibly for political reasons we don't want to make them, and as far as I'm concerned, I don't like to play politics when somebody's hungry, and we have a lot of people hungry in the world. And if I want to go into the detail and start preaching Christianity. Is this Christianity that millions of people are going to bed hungry every night? But this is a federal policy and I will finish where I started now.

Now, Mr. Chairman, I am not speaking with any hard feelings, possibly I'm loud and generally every place where I speak on the public platform or any place, even at home my wife tells me I speak too loud. Well that's my nature possibly. However, Mr. Chairman, as the Minister referred himself to the agriculture representatives, they're doing a good job. I agree with that 100%. The staff in this department, the Minister himself, is trying his best to do a job, but he's curtailed with the staff problem. And at this point I must compliment the Minister and his staff because I live quite a distance; I don't know when I'm coming to the city and to make me an appointment on the long distance telephone costs me sometimes \$3.00 and especially when I want to speak in person to the Minister of Agriculture sometimes it costs me more with his long speeches. -- (Interjection) -- I don't want to reverse the charges for fear that the Agriculture Department would go broke and the province would have to pay for my telephone bill. However, Mr. Speaker, so I come into the city on a blind date and I try to get a hold of the Minister, and naturally he is busy, I don't care what anybody says but he is busy, and I tell the secretary that this is Peter Wagner, the MLA for Fisher, and I got to see Mr. Hutton, or some of his staff. And I must admit that I did not go empty-handed from the Department of Agriculture -- not meaning the money -- oh no, I don't get the money, but I get the information the best he can give me -- and that goes for the whole department. So I appreciate that courtesy that is extended to me by the Minister and the whole Department of Agriculture.

I was speaking of the agricultural representatives and if you gentlemen remember when I was speaking here in 1958, I was speaking that we are short of an agricultural representative in our area. What was the answer? In the near future you shall have one. We haven't got one yet; we haven't got one yet. One is situated in Arborg. He cannot look after that large area, and I don't want to argue the point, because as I said, everybody knows that it's too big of an area for agricultural representative to look after it. And the Minister, I'm sure, would not deny it.

Now as far as the sewer and water -- I thought that was a bright thing and I still do, that Manitoba farmers are going to have sewer and water assistance, financially and educationally, but as far as till now I don't see anything. Of course the Minister said the courses, courses are helpful. But I see, and it seems to me, that in this House when you mention Saskatchewan, it's something like that wild oats, that the Member for La Verendrye wanted controlled by the provincial government, and it's seems to me that that same word when you mention Saskatchewan, that's the wild oats. But I have no choice but to refer to a clipping here, it says, "All Saskatchewan farmers now eligible for sewer and water grants. Up to date \$270,000 were paid in grants to the farmers." That's as far as I want to go on that.

Now Veterinarian Service, Veterinary Districts -- how many have we got in Manitoba? What are we doing about to establish these districts? Not very much. The reason -- one reason is this that the provincial government gives too little to assist at this. One thousand dollars, that's not enough. At least \$2,000.00. Saskatchewan, they give as high as necessary

(Mr. Wagner, cont'd.) . . . . up to \$2,800.00. I was with a delegation twice and I understand the delegation was meeting with the agriculture officials again without me, and I understood that the amendment was forthcoming, that we shall amend our Veterinarian Act to \$2,000.00. I didn't see the amendment yet. Possibly the Minister will introduce it before the session is over. How many districts I said? There is one. One is being initiated; negotiated; starting; struggling; arguing. Even yesterday I had a bunch of farmers come in and argue with me, why is it at a standstill? Well I says: "I'm not the only one to promote it." However, Mr. Speaker, in Saskatchewan we have 39 districts and Saskatchewan is not a richer province than Manitoba, so it says here: "Thirty-nine Veterinary Districts are now operating in the Province of Saskatchewan the Department of Agriculture states" -- and carries on the details. Now Veterinarian Scholarship -- what are we doing to get these Veterinarian Scholarships? Gets the vets into the province. How are we assisting them? In Saskatchewan they are assisting them up to \$2,000 if they make 70% marks; and if they are lower than the 70% mark they give them \$1,000 -- encouraging these students to study veterinarian services.

Now when the Minister was speaking on March 30th, '62, in the Free Press on the business of farming, the heading is, "Hutton's aim aid in adjusting." I quote: "Mr. Hutton told delegates at the business forum at the Royal Alexandra Hotel the programs were being instituted with the idea in mind that the family farm was still the basic unit in agriculture." He said that the main purpose of the program was to help farmers adjust to change. I'm very happy that he considers the family unit. I don't know what he means by family unit, but at least the paper says and I agree with the family unit. Then he goes -- I'm not going to read it all -- but just these points. "Scrubland: One example he cited was an experimental program aimed at assessing costs and benefits of improving scrub and bushland for livestock." I'm happy. Then he goes down stating which areas are better and which are worse, and it struck me here that I have some colleagues on the other side, that they are more or less in a similar boat as I am. I quote: "But in other areas such as the Interlake and most of the Roblin-Dauphin trading area, farm adjustment still left farms which were too small in size to provide incomes comparable to those received by farmers in other areas of the province." At the top he says he likes to preserve the family farm; here he says they are too small, and especially the Interlake area, Roblin area and Dauphin area.

Now what I would like to ask the Minister and I have here Conservation and New Water Policy for Manitoba by Adolph . . . . , and I will just quote one paragraph, the Interlake area. "All necessary steps to be taken to preserve moisture, drainage allowed only if passed by the Department of Water and Conservation of Manitoba government. These areas to be improved for the benefit of local, rural and urban areas. The main object to be the preservation of water, conservation of wildlife and reforestation where required." Mr. Chairman, I believe it was last year or two sessions ago when I mentioned spruce trees and the Honourable Alvin Hamilton was going to plant spruce trees. The Minister was kind of hurt; at least I thought he was hurt and he thought that I was laughing or jeering at the program. Now this study is being conducted or should have been finished. I just wonder what was the outcome of that reforestation in the Interlake area or the study or reference re development of our area? Also at the time I said the Agriculture Minister, the former Agriculture Minister, stated that there was 16,000 uneconomical farms in the Interlake area. I wonder if this Minister has a solution to it.

I have here, Mr. Chairman, in his own report, on Page 20, where under the heading of "Rural Development", it states "Report on the Dennis-Chatfield Lake area, Interlake, outlining the tax base, population and its characteristics, source of income, etcetera." Now I just wonder if the Minister would explain whether this Dennis and Fish Lake, whether it's going to be drained or what is going to happen; what happened with the study? What type of a report has been accomplished? Now as I was speaking on the Mines and Natural Resources, Mr. Chairman, I suggested that those fires that killed all the bush, or most of it, that it should be created into pasture and I see that the Minister, under the heading as I quoted, "Scrubland" should become under pasture. I just wonder what the Minister has in mind? Whether he is planning to do as I was suggesting, to get rid of this scrub, put in some grass, get the community pasture going or possibly for hay that the people could use for livestock. The most suitable area to my knowledge I know in the Interlake area, is east of Ashern and around

(Mr. Wagner, cont'd.) . . . . Gypsumville area that would be very suitable for such community pasture.

Now crop insurance, I don't need to refer because the Minister states himself that he is not too happy with the crop insurance and he's not going to extend the test areas any further as of now on account of the federal government not giving enough assistance, so I don't want to hit the man when he is down. No doubt that is not his fault due to the dry years and we carried a certain amount of loss through the whole province and through the whole western Canada in that matter. But what brings to my attention is the federal crop insurance act, this pamphlet, and the reason I want to quote one paragraph of this because I have always been ridiculed and it was told to me that it's impossible and how do you arrive at the cost of production? And in this pamphlet here in one paragraph it says stating to the farmers that the crop insurance is a great thing -- and I'm not arguing that -- I'm not arguing that -- because if there is anything we can help, any way, shape or form to the farmer I acknowledge it. It says here: "It is generally accepted that 60% coverage provided is approximately equal to the cash cost of production." One thing I want to put on the record. How did this federal agriculture minister come to the cost of production when he says 60% coverage provided, what table did he use? -- did he come to this cost of production. Here we in this House argue what figures or what are you going to use to get into the base of cost of production? Here Mr. Hamilton has it, it's all we need to ask him and he'll give it to us.

Improved credit spending protects investment. Yes, I operated on credit for many years. By the way I still got credit. Oh yes, it's a great thing when you're in a hole, but it's another thing to pay it out. Oh sure, that can be a menace. Credit is a great thing, Mr. Chairman -- and don't you think that I'm trying to run the Minister down or anybody down -- it's a great thing, providing you have a fair share of the national income; providing you have the prices and the weatherman is with you. But if these things are against you, brother you're in a soup and I know it. The only one I want to point out here it says "Crop insurance will improve the position of farmers in relation to agricultural credit. Crop insurance by guaranteeing a protection against crop failure goes a long way to free farmers from increasing debt. Some farmers have a major investment in the crops they grow. It takes money to buy fertilizer, feed, gasoline, insecticides, intoxicides, irrigation, water and labour. Many farmers borrow to put this investment into a crop." They borrow money to put the crop in. Now further, Mr. Chairman: "Loss of cash invested often means the farmer cannot repay the loan." They admit that themselves here. "This often exhausts his credit leaving him without means of financing for subsequent years. But if he has crop insurance the farmer improves his credit because he can offer it as additional security and use it to pay off his loan if his crop fails."

Now this is what I dispute, Mr. Chairman -- when he borrowed to put the crop in, he cannot pay with the crop insurance the loan because he lost the crop. The insurance he has from the crop insurance he's got to pay the feed, fertilizer, the insecticides and what you've got. How can he pay the loan with the crop insurance? And on what is he going to live? He's got to have a different financial resource to help him out. Crop insurance is a great thing to carry him out when he loses. How much will the crop insurance give to a farmer when he already borrowed it? It naturally follows then that by improving the economic position of the farmers crop insurance considerably strengthens the financial position of the agriculture credit institution. That means the crop insurance will pay the loan. Did the crop insurance pay the loan this year for the farmers? No. They're barely existing. Sure it helped these farmers that were insured to pay the little bit of bills that they have the amount of money to. But not all they couldn't pay them all; they have to live on. Once again, Mr. Chairman, I'm not ridiculing the credit or crop insurance, only I'm pointing it out that no matter what you do it's a dilemma in the agricultural field. Now we've got to come to a solution and do something about it. Naturally, somebody is going to tell me: "Wagner is talking through his hat. He doesn't know, he hasn't got the education, he hasn't got the experience and he's narrow-minded. He's looking only one way." Mr. Chairman, in tonight's paper: "Farm organizations seek . . . . . aid from federal government." All these organizations from the west today are in Ottawa. Will we tell these people that you're talking through your hat? They know about crop insurance; they know about agricultural credit and they appreciate it as I do. But it's not enough; it's not good enough.

MR. HUTTON: Would the honourable member permit a question?

MR. WAGNER: Yes.

MR. HUTTON: Does he believe that if crop insurance were available right across Canada and western Canada and farmers had been able to use this protection in the past year, does he think that they would still have to go down to Ottawa to get help?

MR. WAGNER: Definitely so. What is crop insurance -- I was going to use -- my expression is "man alive" -- how far can you go with the crop insurance. Sure we have PFA and other details, but how far can you go with crop insurance? For example, how much does the farmer get in crop insurance -- \$5,000, \$2,000.00? How far will the farmer get with \$2,000 today when he's got five, six hundred dollars of taxes alone, \$1,000 of gasoline, and it's only 300 acres of farmland I'm speaking of? How can he exist on this? That's impossible. Now we're still on the agricultural credit. We've borrowed more money now than we ever did in the past. This is a sign that the agricultural economy is going down the hill because the farmers are borrowing money, they are living on borrowed life. How can you live on borrowed life?

Now unemployment insurance for farm labour -- didn't come around, not yet. Naturally I don't blame this on the agricultural minister, but I am hoping that he is stressing the need to the federal government. A minor matter of television. The Minister stated that 9,000 cheques were distributed to the farmers and the TV program was helpful and successful. I agree, those that saw it -- those that saw it. But I stated before and I'll state again, in the Interlake area the farmers did not see. Why? Because we haven't got a good reception. Is it such a costly project to put up a station north of Winnipeg and facilitate the people in the Interlake area which I believe, is one of the best livestock areas, or could be developed to one of it, and grain farming too? As far as dugouts are concerned, the federal government gives assistance to dugouts into the neighbourhood of round figures \$300.00. He wouldn't give a cent to the well. I don't see why. I believe the well around the clock, 365 days of the year, is useful to the farmer. The dugout is very essential. Let me not make the members think that I am speaking against the dugout, but the well is more essential; because a dugout is there for the summer season, the well is there 365 days. Assistance should of course come from the Government of Ottawa.

I have even here stating the policy but I'm not going to read it. Now we were arguing about the brother's keeper at one time here in this Legislature. We were talking about good times on the farm and the Honourable Minister even said that the farmers have a better taste or a good taste -- I wouldn't be able to quote the exact words -- and it brings me back to Grade III reader or Grade IV when I was a little boy in school. "Behold Thy Brethren" the title of the story was. "Seven Lean Years; Seven Fat Years." And it's just exactly as we're doing here today. When the war was finished there was no unemployment; everybody was happy. Price controls, yes. And some take exception when I mention price controls. I don't take no exception, and I'm sure that I wouldn't be able to convince many members, but inside of their hearts they know darn well that the farmer's bushel of wheat is underpaid according to the national income, according to the two-price system in Canada. Why can't we have a two-price system? Why the whole nation cannot carry the burden? Oh, sure the remarks were even made that I want state control -- or not state control, the state owes a living to a farmer. Well now, let's abolish the old age pension, the social, the welfare, let's abolish everything, hospitalization. Does the state own? Mr. Chairman, I just want to make one exception here. In 1947 it took -- I have to take a look that I wouldn't make a mistake here -- (Interjection) -- Think so? In 1947, 12-foot combine, No. 2 wheat it took 1,800 bushels to buy. In 1952 it took 3,800 bushels of wheat to buy it. In 1960 it took 6,400 bushels to buy the same 12-foot combine. Is it a wonder that the agricultural economy is going down?

MR. HUTTON: It's not the same combine.

MR. WAGNER: 12-foot combine. Yes, that's exactly what is our trouble. The machine company can go up any time, but agriculture shall not follow it. .... Oh no, we cannot have it here. Let's have agriculture here, and the machinery out here, that's our policy. Now, Mr. Chairman, I shall conclude on this as I intend to ask some questions possibly on the estimates. I didn't want to lay the impression on the members that I'm of the inferior complex, but what is true, I don't want to deny it. And I know every member in this

(Mr. Wagner, cont'd.) . . . . House feels that the agricultural economy is lower than any other segment of the economy in Canada. What are we doing about it? We are arguing back and forth, what that member said, what that member said. Let's combine and get to a solution.

MR. STAN ROBERTS (La Verendrye): Mr. Chairman, the Minister in his remarks this evening, as the Honourable Member for Inkster says, chose to ridicule rather than answer. I'm glad he had his chat with Mike and settled my future. Unfortunately, he suggested I was the victim of misinformation. However, in his remarks he never once indicated where my information was wrong. For instance, earlier he says that -- he remarked on my remark that the net income of the farmers this year was half what it was last year, but he didn't say I was wrong in making a note of this. He refused to refer to my references which were the Farm Credit Program. He wouldn't make any suggestions or any remarks on my suggestions that the credit should be made available to beef cattle farmers; that some credit should be given to the ambition and to the knowledge and the will to succeed of young farmers. His only remark was that it was not worth the time discussing the Farm Credit Program. When he referred to the AI program in Manitoba, and my remarks concerning it, he resorted to a distortion of what I had said. He called my remarks concerning the AI program a vicious attack. Now really, why should I attack the AI program? My only attack on the program is that only, as he says, 49,000 calves were sired in the program. I think half the calves in Manitoba by now should be sired by AI if the program was going at the rate it should be going. I think we could easily multiply the number that are presently being AI sired by ten times and not be out of line at all. I think that my remarks concerning the AI program and the AI bulls available to Manitoba testing are still as valid as when I made them. I said that the progeny of the AI bulls that are being used in Manitoba to a large degree were not being tested -- the bull's progeny were not being tested. And I think this is still true. The Minister says the dam and sire are often of ROP testing. This is correct. I've seen some pretty black sheep tested ROP sire. What we are mainly interested in is what kind of progeny these bulls will sire. And there's only one way of finding that out and that's by testing the progeny themselves.

I made reference to the Livestock Branch -- what good people we had in our Livestock Branch in Manitoba. How talented they were; how aggressive they were, and I suggested that the people in the Livestock Branch should be perhaps spending less time playing nursemaid to the purebred associations in Manitoba and more time working with the cattlemen themselves, the commercial producers, and more time and effort put into testing, the progeny testing, of the AI bulls that are available to Manitoba ranchers and farmers. So I don't think my remarks were any less accurate today than they were the other day and any suggestion that there was misinformation involved, I think is purely unnecessary and incorrect.

For instance, the Minister resorted to distortion again when he referred to my remarks concerning agriculture representatives, and I wrote it down as he said it. He said, that I said, "The the ag reps were spending all their time with progressive farmers." And, of course, I said nothing of the sort. I said, in my opinion, agriculture representatives were spending too much time with the progressive farmers and not enough time perhaps with some of the younger farmers who needed help, and some of the farmers who were less successful and needed the advice and guidance of the ag reps to a greater degree. So I suggest that my criticisms concerning the Farm Credit Program, concerning AI program, concerning the Livestock Branch and concerning the ag reps were constructive criticisms because in each case I offered a suggestion of what could be done to improve them and each case the Minister only chose to ridicule them, and pass no remark on the suggestions that I made.

There are many other fields in which the Minister has not answered my remarks and the remarks of other people who have spoken. I would like to hear what his remarks are concerning the future of the Agriculture Research Council that he has in mind and whether the federal government is going to be involved in this. I would like to hear the remarks of the Minister concerning new crops because quite a bit of mention was made by other speakers and myself about new and possible crops that we could be growing in Manitoba. This is the kind of future ideas we should have for Manitoba. It is interesting to note that the Minister is now on the crop insurance underwriting bandwagon permanently. As the Honourable Member for Brokenhead has said: "It is the first year he has been on this bandwagon, now he's pretending he's been on it every year for the last three years."

(Mr. Roberts, cont'd.) . . . .

I think that the Minister should also tell us what his plans for the future of Manitoba farmers are concerning marketing assistance to farmers. We have a great need for forecasting of markets; and we have a great need for the wide publication of the prices and of the forecasts to the farmers. I am sure that the Minister prefers to leave his remarks concerning collective bargaining, or collective selling of livestock perhaps until next year. But surely on the forecasting of prices of livestock and the wide publication of these forecasts and of the present market, much can be done by the government of Manitoba at the present time.

MR. CHAIRMAN: . . . . . passed. The Honourable Member for Lakeside.

MR. CAMPBELL: Mr. Chairman, one further question that I wanted to ask while we're on the Minister's Salary, had to do with the Agricultural Rehabilitation and Development program. As I mentioned the other day, I am keeping the most of my questions for the individual items as they arise, but I know of no place that would seem to be as appropriate to bring this one up as on the Minister's Salary. As I understand it, I suppose that the government has already entered into an agreement with the federal authority and I notice that the Act provided for programs to be developed and even for money to be forthcoming from the federal department. Would the Minister report on the ARDA Program?

MR. HUTTON: I'd like to say something about this because it is one of the attempts to try and find more permanent solutions to some of these chronic problems that we have. There is no agreement between the federal government and Manitoba at the present time. I doubt, I don't know, but I doubt if there is any agreement between the federal government and any province. What we are doing at the present time is negotiating and we have made a submission to Ottawa of the programs that we are interested in -- studies, physical projects and so forth, that we think are in the best interests and calculated to meet the problems as they exist in Manitoba. Just last fall the federal government appointed -- oh, that's incorrect -- during this past winter, they appointed their director of ARDA, Mr. H. E. Davidson. He has travelled across Canada, meeting with the provinces, discussing proposed programs with the provinces and, as I said, then we have done extensive work in setting out the programs that we feel are in the interests of the people in this province. Now we are starting into something that is quite new in that the federal government and the provinces will be working in co-operation. I like to say you know that many of the programs that are now under way in Manitoba, anticipate ARDA, and we are hoping that we will get financial support for these programs and this will enable us to step them up and carry them out in a way that we couldn't do left to our own financial resources.

ARDA is very promising. It would, we hope, enable us to step up our community pasture program; it would enable us to undertake physical projects for the conservation of water for instance in areas where it could be beneficial to agriculture. I'd like to say this, that ARDA programs aren't necessarily aimed at our problem areas. There is something in ARDA for any rural community, not necessarily the same thing. You may have land retirement programs; you may have land improvement programs; you may have water conservation programs. Your water conservation program would be just as adaptable and maybe more beneficial in an area such as the Carmen district, or the Winkler district, or in southwest Manitoba. It might be more beneficial there and ARDA may have something equally good in store for our more productive and well-developed communities. It may have as much or more for them than it has for the areas that we have been concerned about because they have been termed marginal and sub-marginal. I want to assure the Honourable Member for Fisher that when I say that, I mean that they are marginal and submarginal in terms of the use to which they have been put in many instances. I don't think that there is any land that if it is put to its highest and best use, isn't good land. But as he knows, there are many problems in the Interlake area that arise out of the fact that the resource isn't organized in such a way as to yield as much as it could to an individual. A program such as we carried out this past winter in the Interlake on these ball and chain experiments something of this nature would recommend itself under an ARDA program. I would expect that the program for Fish and Dennis Lakes is acceptable under the ARDA legislation for financial assistance from the federal government -- at least I hope it is. There are provisions for education, training, for land improvements, land retirement -- when I say land retirement I mean retirement from its present use to some

(Mr. Hutton, cont'd.) . . . . other use. It might be into community pasture, or it might be into a re-organization of the pattern of leasing in an area of land so that there's greater efficiency in the use of the resource. It's going to take some time to get the program under way, but our submission is now in the hands of Ottawa. They, I expect, are considering it and studying it and when they have had an opportunity to peruse it I imagine that we will be meeting again and that out of these negotiations an agreement will be reached on certain specific projects. I can't indicate here what they might be except that they would fall under these general headings: water, soil studies and provisions for dealing with the human resource.

While I'm on my feet, Mr. Chairman, I would like to assure the Honourable Member for Fisher that the Minister here and the government believe in the family farm. We believe that nothing that we can do can destroy it. Nothing that man could devise will destroy the family farm; it's here to stay; it has inherent strength, and if it adjusts itself it will thrive. Not only can it survive but it will thrive. I suggest to the honourable member, and I don't want to preach, but it's my point of view that economic and social change are as immovable as the tide, as irresistible as the tide of the ocean and there's no use in fighting them. What we have to do is have programs that help us to harness these tremendous forces so that they serve us instead of hurt us. Can you imagine what would happen if you tried to stem the tide of Niagara Falls? But if you harness it, it's a servant . . . . .; and it's the same with these other economic sources that we have to cope with. I want to assure the Honourable Member from Fisher, that we don't see eye to eye on the solutions, but our goal is the same. We want to arrive at a certain goal, the Honourable Member for Fisher and I, but we choose different routes. I think mine will get us to that goal and I think that his is going to take him away off in space some place and he'll never get there. I'm convinced of that. Because I would like to remind him that prices are up substantially this year; that in spite of the fact that the price of wheat is up substantially and the price of oats and barley, that the price of beef and pork has been good, our farmers are in trouble. They're not in trouble because the prices are low; they're in trouble because they lost the crop, they lost their production. It doesn't matter what you do with prices, it's no solution to losing your crop; and it's as wrong to argue that prices are the most important thing as it is to argue that production is the only thing. There are two factors in this equation, two major factors, and one is production and the other is price and you get the final figure out of that. The farmer's return is made up of production, the number of bushels times the price, and when there are no bushels there's no income; when there's no price there's no income -- that you've got to have both. I suggest that we can do an awful lot to help with these programs, a great deal to help. I don't argue for a minute that price isn't important, but I certainly think that it's wrong and misleading to tell the farmer that all he needs is higher prices. When the price of wheat at Fort William is the highest it's been in, well since about '54, and he's still in trouble, he's in trouble because he lost his crop.

I think I should answer a statement made by the Honourable Member for La Verendrye, I'm not going to argue with him, I'm just going to quote: "Yet we, in Manitoba, watch this happen without knowing whether that particular bull which has been used on thousands of our cows in Manitoba, is capable of producing a good type animal. We have not performance tested that bull. We have not performance tested him as to his own gaining ability, as to his parents gaining ability, and to the gaining ability of the calves which he might sire." That was a pretty broad statement, and again he said: "and yet I say this because I'm a purebred breeder myself of livestock that the Livestock Branch staff spend large portions of their time -- I haven't made any surveys as to what percentage -- but large portions of their time working with purebred breeders of the province and your main production of livestock are with your commercial people. The people who haven't got the training, the background experience, who need extension advice and need guidance from this Livestock Branch, yet in my opinion the Livestock Branch spends more time than it needs to with the purebred associations and the purebred breeders of this province."

Mr. Chairman, the purebred breeders of this province are the men who are responsible in the final analysis for the quality, the final quality of the livestock we get, just as a seed grower, the elite seed grower is responsible for the quality of the field crops that we get. And to argue that we are wasting our time working with these men who set the standards

(Mr. Hutton, cont'd.) . . . . for livestock production in Manitoba, I don't know, I just can't comprehend some of his statements.

The honourable member asked me to speak at more length on the speech that he made. I can and I will at his invitation. It's incomprehensible. He says that we are doing things out of habit, we're not doing new things. Yet, Mr. Chairman, who raised the hue and cry when we reduced the assistance given under the Purebred Sire Purchase Policy? He was the one. Now I can guess at why he has changed his mind because I understand that there has been a recommendation made that maybe these programs need to be looked at. But when we reduced this assistance the honourable member was against it. He says we are just doing things out of habit, we should change. Well I think we should change too, and we made a lot of changes in the Department of Agriculture since this government took over, a great many changes, but I want to have something to offer in the place of a program such as this before I discontinue it.

I don't mind telling the Assembly here that one of the things that we are working hardest at at the present time is the development of a new approach to the livestock industry in Manitoba. We have shown that. We've come out with one new policy in respect to swine, a major policy, to try and encourage better swine. We've come out with a policy in respect to sheep, a new one, a year ago. We invested two and a half million dollars on a new Animal Science building at the university and I wish the Honourable Member from La Verendrye would visit it and he wouldn't come in here and make speeches about the inadequate facilities in animal science in Manitoba. The finest facilities on the North American Continent. I can say that because the Dean of Agriculture out there and the head of the Animal Science Faculty Division have told me this. Facilities second to none. We have provided them for the livestock industry of Manitoba. And yet the Honourable Member for La Verendrye comes in here and says that we need to invest some money in facilities out there so they can carry out research. I can hardly wait for the moment when he rests his eyes on the facilities that are available out there; I can hardly wait for the moment.

He criticizes our program to help the horticultural and the agricultural societies in Manitoba. Mr. Chairman, he says we're doing it out of habit. Mr. Chairman, there are more people from every walk of life who get assistance from the Department of Agriculture through the horticultural society than probably any other vocation or hobby or whatever you like. People from every walk of life love to grow things, it doesn't matter whether a painter or a politician or a farmer or a machinist, they love to grow things and this is one way in which the Department of Agriculture has an opportunity to meet that inner desire of people to grow something. And he attacks this program. He attacks the program of assistance to the agricultural societies. This isn't an old thing that we have been doing out of habit. When this government took over they increased the assistance to the agricultural societies -- first of all they increased the grants from 50% to 65%, so that out of every dollar that's paid out for prize money, the Province of Manitoba is contributing 65¢. They increased the grants; they gave grants to "C" fairs, "D" fairs, and "A" fairs. They made it possible for the Manitoba Winter Fair and the Provincial Exhibition to improve their facilities. Why doesn't he go out and tell them there that these things are done out of habit; that it isn't worthwhile; that it isn't building agriculture in Manitoba? It's the show window of agriculture, not just in Manitoba, but to Canada; and not only for Canada, but for people from the United States. And it seems to me if my memory serves me right that the Honourable Member for La Verendrye gave us a lecture in this Chamber a year ago on the need to advertise, advertise this wonderful stock of ours. What better way is there than to do this?

I don't know whether he wants me to go on and talk about some of his other suggestions. -- (Interjection) -- He attacked our credit program. I love to talk about credit if he wants to hear about it. He made a statement here the other evening that no one unless they had high priced land could borrow money from the Agricultural Credit Corporation. This is an absolutely erroneous statement. Certainly, I must confess that the man who is on land that has little, little value, in relation to his livestock herds, he may have difficulty because of the provisions of the Act and the fact that credit in respect -- the cattle can only represent 40% of the assets that are offered as security. I agree that this has limitations, but there are lots of people on far from high priced land that have borrowed money from the Agricultural Credit Corporation. All you have to do is take a look at a map of the province and the location of

(Mr. Hutton, cont'd.) . . . . these loans to know that they've gone into almost every area, including the Interlake, including the Interlake. He says that we don't take into consideration the ability of the individual and his desire to farm and so forth. Well, this is certainly one of the most prime requisites to getting a loan, is the ability of the person to manage his business; his record; his ability as a farmer; and if he hasn't got these qualifications he doesn't get a loan. I wonder if the Honourable Member for La Verendrye really thinks that everybody that would like to farm should farm. I wonder if he is opposed to the concept that there should be some selection in those people who are permitted to set up, borrow money and set up in agriculture? You know one of the reasons that the doctors have it their own way to a great extent is because there's a principle of selection. How do the lawyers keep their standards -- how do they keep their standards up? The principle of selection. Why is it that you look at these vocations and professions and say, "I'd like my son to be a doctor or a lawyer and so on and so forth?" It's because they have established standards and you have to meet the requirements. Is every Tom, Dick and Harry supposed to be able to farm whether he has ability, whether he has the love for it that results in acquiring the skills and the management? Are you to ignore the fact that he hasn't done too well? Why should just anybody be able to farm? Why do we take that attitude? If we want farming to be what the Honourable Member for Fisher wants it to be, then we have to have standards too. Everybody has standards, but some people think that just anybody should be able to farm -- (Interjection) -- that's right, all you have to do is like it. Just have an idea that you like the freedom and so forth of being a farmer, without having any inherent ability particularly, or having any financial responsibility. We should start making loans to people who have an idea they'd like to farm, with no financial responsibility, with little indication that they have management ability and in fact any ingrained -- the green thumb -- either for the growing plant or for a growing animal. And yet those of us who come from the farm, we know very well there are people who keep livestock and there are people who are livestock men, real husbandmen. We know there are those who plant grain and we know that there are field husbandmen and you can't ignore these things. I would be very interested to hear about all these people that we hear about from the Opposition who are good managers and who have a good record in the past, but who were turned away from the Agriculture Credit Corporation.

On the Board of that corporation are representatives of the two farm organizations. I am convinced that if that board were operating in such a way that they were turning away any significant numbers at all of young men who had proven ability; who had proven themselves as managers; that these farm organizations would have something to say about this. I am quite convinced of that. They're there to protect the farmers; but I think they know that those people who do come to the Board for help and who have by experience, by training and on their record, shown that they have what it takes, these people are looked after. And the very fact that so much of our business is done with the young farmer groups refutes the argument that this is of little help to anyone unless he's in the money, and this is the insinuation or the reference that's made by the Honourable Member for La Verendrye.

He wanted to know where our Research Council was going to go? He wanted to know if the federal government was going to put anything into it? Naturally they're going to put something into it. I have stated to the House that they are behind this program. I don't mean just giving moral support, they're going to give substantial financial support. They're going to meet the contribution of the provinces; they're going to match it. And again we are criticized for not moving more quickly. Well I'd like to remind the committee that this wasn't my idea. This idea has been kicking around for a number of years. The CFA had promoted it. The National Farmers' Union had promoted a version of it. The Agriculture Institute of Canada had promoted it. The Agriculture Economists of Canada had promoted it. Nobody had ever done anything about it and the idea was around long before this government came into office. Nobody had done anything about really getting it on the road until this government took hold of it; and again the Premier of the Province of Manitoba lent his support to get it off the ground. And then they criticize and say that we haven't got anywhere in a year. How ridiculous can you be?

Well he didn't like the deficiency payments on eggs and pork and he thought that the Province of Manitoba ought to play the role as an advocate for Manitoba farmers. Well he got

(Mr. Hutton, cont'd.) . . . . caught setting that mouse trap two years ago. He certainly isn't going to get far with that argument, because anyone who had one eye open or one ear cocked knows that the provincial government has taken issue over deficiency payments and their application in respect to these products ever since the change was introduced. We won't go into the question of eggs again, but I would say on this question of eggs, that the problem wouldn't be solved just by changing to a regional deficiency payment. The fact is here we're up against technological changes, marketing changes; the fact is that we have extreme difficulty in getting our eggs into the eastern market fresh enough so that they will attract eastern buyers. The fact is that the eastern buyers just don't want western eggs. They want them hot, right out from underneath the hen and into the store. And this is the problem that we're up against. It's a marketing problem and I -- what I understand of the problem, we could put eggs on a regional basis and if you couldn't find a market for them, they'd just back up here in Manitoba. And what would happen? What would happen to our payments then? Would we be any better off? It just wouldn't work. My big objection has been on pork and I must admit that at the present time the indications don't support me in my contention. But I have objected to those limitations on the amount a man could produce and still collect. We tried to sell an economic unit idea to a farmer. We say, if you're going to make any money, if it's going to be worth your time, you have to produce so many. But if he produces more than 100 -- hogs, for instance -- anything over 100 he doesn't get any protection. We send them to university. We give them either a diploma course, or a degree course in agriculture and he learns all the techniques. We lend him money from the Agricultural Credit Corporation and we tell him, and our extension service tells him, "You've got to have an economic unit", and then if he produces more than 100 hogs, the federal government says he's on his own. This is the part of the program that I object to. It doesn't seem to me that there's a great deal of consistency in the two points of view. And yet the price of hogs today, the support price on hogs, is a dollar higher than it was a year ago. And the market price on hogs -- once the market recovered from the initial change -- the market price has been higher all the way through. So the facts of the situation seem to obviate any argument that I can put at this time in respect to this question.

But I was interested, though, to hear the Honourable Member for Fisher and hear the Honourable Member for La Verendrye talking about price supports. The Honourable Member for Fisher referred to deficiency payments on grain -- a two-price system -- and at the same time I was scolded by the members of the Opposition because I wasn't sympathetic to the needs of the small farmer who is being pushed out of agriculture. Mr. Chairman, we are so misled over here that we support the acreage payment method of helping agriculture in respect of grains in western Canada, and the reason we do that is that we know that if you were to drop the acreage payments and resort to a two-price system for wheat, the little farmer would be in more trouble than he is now. It's the only little bit of relief that he's getting. He's getting more help proportionally out of this program than the larger farmer. I agree with that under the circumstances. I wholeheartedly support that because the problems of the small farmer are real. There isn't too much encouragement for him unless he can increase his total output of goods, either by getting more acres, or by going into a special line. He's got to make these changes and the acreage payment is a sound economic measure to help him.

I have here something I want to read to you and then I'll be finished. I just want to read this. Well I can put it to you one way. If the money, the \$40 million were distributed, it represents a dollar a bushel on the wheat that is consumed in Canada, that's marketed through the Canadian Wheat Board and consumed in Canada. And if this \$40 million were distributed on a two-price -- I'm sorry I seem to have misplaced it -- if it were distributed on a two-price system basis, the small farmer would come out on the short end. I recall very distinctly when the two-price system was advocated they were going to put a limit on the large farmer of \$1,500.00. The limit on the large farmer today is \$400.00. Where are you going to get those extra dollars? You're going to get them, if you distributed, say a hundred million dollars and you had an upper limit of \$1,500, you could only get that \$1,500 by taking it away from the little producer. This is a fact. You can argue against it as you like but the little farmer with a small production, with few bushels, would have to subsidize, if you like, the larger farmer with the greater number of bushels. And under the circumstances, Mr.

(Mr. Hutton, cont'd.) . . . . Chairman, and considering the difficulties that the small farmer has in adjusting to the changing economic conditions, I can think of no better way to pull the rug out from under him than to do away with this measure of assistance that has been extended to him. He's in enough trouble now and if you're going to pay him on the basis of production, and this is what you're advocating, then he just has a grimmer future to face than he has at the present time. And his troubles are great enough. He needs this extra assistance; it gives him a little time. It gives us time to work with him with credit and all these things that you feel are of not too much help to him, but it does give him time and we want to save as many of these people as possible. I want to assure the Honourable Member for Inkster on this; we want to save as many of these people as possible, and the only way you can do it is to help them to compete with the fellow across the fence who has more to work with than they have.

..... Continued on next page

MR. CHAIRMAN: . . . . . passed.

MR. WAGNER: I just want to ask a question of the Minister. He mentioned the small farmer and acreage payments. And I was trying from my seat to ask him what is a small farmer -- what he calls a small farmer. But the acreage payment whether he's small or large farmer, as he wants to put it, if you're a large farmer you don't get more than \$200.00, providing you have over 200 acres, or 200 acres. And if you're a small farmer of 50 acres or 25 acres, you get only \$25.00, and on these farms of \$25.00 the tax is higher.

MR. HUTTON: Mr. Chairman, I found this and I'd like to read it. "It is obvious," -- and this is from the two-price system for wheat from Searle Grain Company Limited circular -- "It is obvious that many a small farmer who in 1961 received an acreage payment of \$1.00 an acre on 200 cultivated acres, would have to deliver some 3,300 bushels of wheat under a two-price plan based on a 50 cent differential before he could receive the same benefit financially. In many cases such a farmer would probably deliver a third or less than a third of this quantity. On the other hand a more normal-sized operator with perhaps 500 acres under cultivation and 175 acres into wheat might expect to deliver just about the 3,300 bushels mentioned."

MR. NELSON SHOEMAKER (Gladstone): Pardon me, Mr. Chairman, I would just like to ask one question on the Minister's salary because I don't know where else to ask it -- I did ask it the other evening -- and that is in regard to unemployment insurance. Is it available to farmers, or is it not? Now just today a member of this Legislature told me that he thought there were ways and means of getting around this and referred to a huge operator that was living in a town and hiring probably a dozen people on the farm and he could get around it in that way. Well if that is so, then is there any way of, where a farmer has two or three men, obtaining unemployment insurance for his hired help.

MR. HUTTON: Well, Mr. Chairman, if a farmer's in certain specialized endeavours or lines of production, he can qualify for unemployment insurance. But in the sense that you and I are interested in getting the provisions of unemployment insurance to apply to farm help, it is not available to the farmers and to their help. The Honourable the Minister of Labour referred to certain provisions of The Unemployment Insurance Act that do apply and have been very beneficial this year and in the year past, to get these benefits in respect to winter projects, and it is really very helpful because it enables a municipality to undertake projects and hire farmers or farmers' sons who have had a difficult year, and in this sense there has been a real extension of the provision of The Unemployment Insurance Act. But insofar as getting this protection, unemployment insurance protection to cover farm help, it does not apply in the way that we are interested here in this House in seeing it apply.

MR. WAGNER: . . . . . a clarification, Mr. Chairman. So that means that the farmer himself would not be eligible for unemployment insurance if he worked outside or on any other project, rather than the winter works program? He wouldn't qualify?

MR. HUTTON: No.

MR. STAN ROBERTS (La Verendrye): Mr. Chairman, while I'd like to thank the Minister for going into greater detail on his remarks concerning my contribution, while we differ in principle on occasion, or policy, or philosophy, he hasn't proven to me anywhere where my information was incorrect and this is what I hoped he would do.

I would like to ask him what he was meaning when he was going into greater detail on the role of the Agricultural Credit Corporation? He left with me the impression -- I believe he left it with the Committee as a whole -- that the Agricultural Credit Corporation was now set up as a selection committee to determine who can and who can't farm in Manitoba, and who is eligible or allowed to farm and who is not allowed to. Is this the policy of the government, to set up the credit corporation as this?

MR. HUTTON: . . . . . when the Agriculture Credit Act was brought into this House and legislated, the honourable member was, I believe, a member of the House and I wasn't. It was this Legislative Assembly that set up the selectivity in the Agricultural Act and provided that under certain circumstances to qualified persons who had experience and so forth, that you would lend money, and the Agricultural Credit Corporation is compelled to abide by the legislation that was passed by the Legislature and approved by all members in the Legislature at that time. I'm taking issue with the fact that the Honourable Member for La Verendrye apparently has changed his mind and he feels that there should not be any selectivity or any

(Mr. Hutton, cont'd)..... qualifications, that money should be lent indiscriminately to anyone who wants to establish themselves in farming.

MR. ROBERTS: Ah Mr. Chairman, but the Minister is talking about an entirely different thing now. He's talking about indiscriminate lending of money and having no policy as to who gets it. I mean, in his remarks just five minutes ago he was telling us that the Agricultural Credit Corporation had a specific role to select who could and who couldn't farm in Manitoba, and he went into great detail asking each of us, would we feel that everyone should be able to borrow money on this, and this was why the Agricultural Credit Corporation was here to determine who was to be able to continue farming in Manitoba and who wasn't.

MR. CHAIRMAN: Item 3.

MR. MOLGAT: Mr. Chairman, on the Minister's Salary. The Minister just said in reply to my colleague from La Verendrye that he ought to know about the agricultural credit because he was a member of the House when this Legislature passed the bill. Well it's true that this Legislature passed the bill, but I would like to tell my honourable friend that that was a government-proposed bill. We proposed a lot of amendments to that bill. We got a few of them through but far from the number that we tried to get through, and if he is finding some unsatisfactory things in the bill now, don't come along and tell us on this side that "it's your fault." This is a common trick of my friends across there. Accept the responsibilities for what you pass and don't blame the Legislature every time that you find something that you don't like. On the matters of ARDA Mr. Chairman, the Minister started to answer a question awhile ago but didn't get into very much detail in reply. I'd like to know which programs exactly he has requested under the ARDA program from Ottawa.

MR. HUTTON: Mr. Chairman, I felt that I answered it. I said that we had requested programs that fell under all the provisions of the Act, both in terms of studies that are required. Many of the programs that we have under way at the present time we hope will qualify. One of the first that I hope we are able to get funds for is to step up our community pasture program. Other programs -- many of these programs you see -- I'm at fault here in not explaining it in detail -- but the ARDA section of agriculture in Ottawa will utilize existing services like PFRA and Northern Affairs to carry out some of the provisions under the ARDA legislation. They hope to be able to stimulate a lot of existing programs and I mentioned these programs as they apply both to areas like the Interlake and also to areas like south central Manitoba. Projects in all these areas will qualify. We have made a very extensive submission to Ottawa with projects that are applicable to almost every area in the province and the matter is under negotiation -- I'm not free to speak about these matters at the present time. I hope that when the next session of the Legislature comes around that I can give the kind of information that you want -- the specific recommendations that we have made, and the proposals that we agreed upon in the initial agreement with Ottawa and that we are prepared to -- both governments are prepared to pursue in the initial stages, but I can't do that at the present time.

MR. MOLGAT: Mr. Chairman, I'm surprised that the Minister cannot give us more details on the ARDA program yet because this was passed by Ottawa some time ago. In fact we have been supplied with a brochure from the Canada Department of Agriculture. The brochure is listed as being issued in March of 1961. It stated then in very large letters on the inside that on December 15th, 1960 the Minister of Agriculture introduced to the House of Commons the resolution, and Hansard is quoted then being Page 819, December 15th, 1960, giving in quite some detail what this is going to do, and it's going to do a lot of things if it's put into effect. The Minister then in Ottawa says, "It is expedient to introduce a measure to authorize the Minister of Agriculture to enter into agreements with provincial governments or agencies thereof for the undertaking jointly with those governments or agencies, of projects for the alternative uses of lands that are marginal of low productivity -- one program. Projects for the development of income and employment opportunities in rural and agricultural areas -- another program. And projects for the development and conservation of the soil and water resources of Canada -- another program. Then it goes on to say that this will provide for the payment to the provinces of contributions in respect of the costs of such projects undertaken. Now this is December 15th, 1960, Mr. Chairman. It seems to me that by now the Minister should be able to indicate to us what projects actually are in process for the Province of Manitoba. Surely he's had the time since then, because a number of these projects, as he pointed

(Mr. Molgat, cont'd) . . . . . himself, were already being done here in the Province of Manitoba. I would think that, for example, a project that my colleague from Gladstone and myself were particularly concerned about, the Whitemud River watershed would be one of those that would fit into this. It seems to me to have all the qualifications. Now these things were in process in Manitoba. Surely the Minister can tell us now which ones of the projects have been applied for. In fact I think he should submit to the committee a copy of his recommendations or his requests to Ottawa.

MR. HUTTON: Mr. Chairman, I don't agree that I should submit to the committee at this stage the submission to Ottawa, and this matter is under negotiation regardless of what was read out of that pamphlet I reported to committee, and I can understand the Honourable Leader of the Opposition feeling that it's taking quite awhile to get this going, but I point out to him that this is a pretty comprehensive program to get under way; that the federal government had to organize their new staff and branch of their department to deal with this. Their appointment of a director only took place a few months ago. He has to deal, not only with Manitoba, but with ten provinces from Newfoundland to BC, and although we have been working on this, we just haven't gotten to that stage where we have actually signed an agreement. It's going to be a progressive thing. We're not going to sign an agreement that will cover everything from soup to nuts in the first instance. We will take those programs and projects which we are most familiar with, that we know the most about. I think it's sound policy to know what you're doing, and we have to move in those areas where we have the information that's essential to carrying out a sound program. I believe that one of the first places that we'll be moving is in an extensive -- a more intensive program of establishing community pastures. I'll give you an example. Last year we built the pasture at Gardenton, and lo and behold, in its first year of operation there are far more farmers have turned up wanting to utilize the pasture than can be accommodated, and I'd like to report to the committee that there's a tremendous interest in community pastures in Manitoba, in the Interlake, in the northwest, in the southwest and in the southeast -- (Interjection) -- Pardon? Yes, and in the east, and there is some urgency about getting an agreement on this and financial assistance so the province can carry out this program in conjunction with the federal government. I think all the members are aware that where there are patented lands or lands alienated from the Crown, we have to purchase these lands and turn them over to the PFRA. Now it takes a lot of money, and we're hoping that we're going to get some money from the federal government to help us in this improved land use and this land retirement to community pastures, but I say again, I know it may seem to you who are waiting to see this program implemented that it's taking quite awhile, but when you're aware of the process of setting up -- and I think the problem is far greater at the federal level than it is at the provincial level, because we have a Manitoba Development Directorate and this organization here is pretty pat to handle these things, but in the case of the federal government they had to organize; they had to find the right personnel; they had to be chosen carefully because of the nature of this program, and it's just taken this long. That's all.

MR. MOLGAT: The Minister has a good deal of my sympathy in this case because from what he tells me, and I suspect that it's probably true, that the federal government actually have been dragging their feet on this program, and that was certainly what the Minister just said, and if you read this pamphlet fully, one can come to that conclusion, because at the very top of it it has in very large type "ARDA, a rehabilitation program in the making," and then a quote: "As a means of meeting the small farm problem the government has under consideration ways and means of improving the level of living for farmers on small farms by means of better land use, encouraging the formation of economic farm units." And that, Mr. Chairman, is the Right Honourable John D. Diefenbaker, Hansard, August 30th, 1958, and this is now 1962, Mr. Chairman. Well then eventually from 1958 -- in December 15th, 1960, as I said, they brought some specific legislation into the House. But this apparently still doesn't do anything for the Province of Manitoba. Now the Minister, I know, has a good deal of interest in this particular field and I share it with him, because I'm convinced that we have to make better use of our land resources in this province and our water resources. We have to make better use of our forests as well and these have all to be tied in, and the discussions that we've had every year and the meetings that he has been at, along with my colleague from Gladstone and myself in the Whitemud area for example, are most important. We cannot wait

(Mr. Molgat, cont'd) . . . . .to get these programs started. Now I regret that the federal government are dragging their feet and I hope that the Minister will put some pressure on them, but I wonder if at this stage he could at least tell us what programs the province has requested from Ottawa so far; which ones of these specific programs that we have in process have we requested assistance from Ottawa, because this is very important, Mr. Chairman. If Ottawa is going to hand out some money on these and the resolution certainly indicated that they would, then it's important that Manitoba get its share, because we have problems in this field and we should get going on them. So could the Minister tell us which programs he has requested?

MR. CHAIRMAN: . . . . .1 passed?

MR. MOLGAT: Mr. Chairman, I think this question is a very important question to the Committee because this is a vital point in the Province of Manitoba. Surely the Minister can tell us which programs he's requested. I think he should also tell us when the submission was made to Ottawa so that we can have some idea of when we may expect an answer.

MR. CHAIRMAN: . . . . .1 passed?

MR. MOLGAT: Well, it appears, Mr. Chairman, that the Minister is not prepared to answer once again on specific points. This is very regrettable because this is important to Manitoba. We shall wait for another occasion.

He mentioned community pastures Mr. Chairman. He spoke about the gardens in one. I would like to ask him a question on that by the way. Is that outside of the PFRA boundary?

MR. HUTTON: Well the PFRA boundary now extends to all agriculture land in Western Canada.

MR. MOLGAT: If that was the case, how come then is Manitoba proceeding with the pasture and not PFRA?

MR. HUTTON: . . . . .

MR. MOLGAT: Yes.

MR. HUTTON: Well it's PFRA pasture loan. We just have to arrange to have all the land in the name of the Crown before they proceed.

MR. MOLGAT: I shall have some questions on the Sleeve Lake pasture but I presume that will come under the specific item. I think community pastures as a whole though, the PFRA ones do come under the Minister's salary do they not? Because there's no specific item for them? Would you want the questions now on community pastures in general?

MR. HUTTON: Yes. I might as well answer . . . . .

MR. MOLGAT: I beg your pardon?

MR. HUTTON: Yes, you can ask some questions . . . . .

MR. MOLGAT: Fine. I'm concerned Mr. Chairman about some of the community pastures that were established in the Province of Manitoba in the early days and I think this goes back to the '40's. If my information is correct, the Ellice pasture would be in that category. I believe the Archie pasture would be as well, possibly the Portage and the Woodlands. Now if my information is correct these were established in Manitoba under long-term leases, 21-year leases. Could the Minister indicate in which of these pastures the lease period has now expired?

MR. HUTTON: In Archie-Ellice we are at the present time negotiating, and it is the only one that has expired.

MR. MOLGAT: Just Archie-Ellice; but it seems to me Mr. Chairman, that a serious situation is developing in these areas for the municipalities concerned and the importance of it can be judged by the size of these pastures. According to the PFRA report -- this is the 1959-60 one -- the Ellice pasture, for example, has some 20,320 acres in the Province of Manitoba. The Archie pasture has some 39,700 acres in the Province of Manitoba. Now I understand that the municipalities concerned are very much concerned about the situation. They feel that the good part of the cattle in those pastures are not from their municipalities; in fact in large spots they are not from the Province of Manitoba, they come in from Saskatchewan; and under the lease arrangements there is no tax revenue to the municipality concerned, and while certainly they are prepared to co-operate all they can, it seems very difficult for them with increasing costs of municipal services, increasing school costs, which as a result must be loaded on the other taxable land in the area and due to the fact that this is removed, and I

(Mr. Molgat, cont'd) . . . . . understand that the leases actually expired some time last year and have not yet been renewed. Now could the Minister indicate on what basis he intends to renew them? Will there be grants in lieu of taxes to the municipalities concerned? Or what exactly is the proposal?

MR. HUTTON: Mr. Chairman, this is a problem and I'll deal with the question of the request or the need for revenue by the -- I wouldn't call it grants in lieu of taxes -- but the question of loss of revenue to municipalities in which pastures are located. This is not a problem that is peculiar to Manitoba and this has had considerable discussion on more than one occasion at the federal level at meetings between the provinces and the federal minister. As the Honourable the Leader of the Opposition points out, it isn't necessarily the residents of the municipality who take advantage of the pasture. When these pastures were originally established it was most helpful to the municipality to have the government take over the responsibility for these lands and to get them out of production, but those were trying times and those lands were blowing away. Lands now which at the time that the Archie-Ellice pasture was established which were of little value, these lands in terms of livestock production are potential revenue-bearing assets and because in a municipality where a large portion of the municipality is lost as revenue-bearing this can create quite a problem, and this is the case of Ellice and Spalding -- it is also the case in places in Saskatchewan -- we have been advocating that an additional levy be placed on the cattle in the pastures and this should be turned over to the municipality for a number of reasons. First of all, recognizing the need for the revenue, but secondly, as an incentive to municipalities to go along with the PFRA program. Of course these things always take a great deal of negotiating again. We have been pressing the federal government on this matter, suggesting that where the municipality requests that this be done, that they put a levy on the cattle and turn these monies over to the municipality in which the pasture is located.

Now, on the question of renegotiating the leases and so forth, we are of the opinion that we should purchase patented land and that if an arrangement can be reached to create revenue for the municipalities through a levy on the cattle in the pasture, then the municipalities will be willing to go along with the program and lease their municipal lands to the government so that either the pasture can be maintained or new pastures established. This is the approach that we have taken, and we think it's a fairly reasonable one. Here again of course it's a question of reaching agreement with the federal government, and here again of course it is a question of getting a general agreement -- an agreement that is acceptable not only to the Province of Manitoba and the federal government, but to other provinces that are concerned.

MR. MOLGAT: Mr. Chairman, the Minister indicated that in the Province of Saskatchewan there were some difficulties of the same nature. I was under the impression that in Saskatchewan the PFRA actually had title to the lands in community pastures and that when they set up the pastures in Saskatchewan, the transfer was actually made from provincial lands to the Crown, that is in the name of Canada, and that in Manitoba this was not so it was under lease. Now this would seem to me to mean that in Saskatchewan there shouldn't be the same problem. Coming back to the two that he mentioned, Ellice and Archie could he indicate when the lease is expired.

MR. HUTTON: No, not from -- they expired in 1960.

MR. ROBERT G. SMELLIE (Birtle-Russell): There never was a lease.

MR. HUTTON: Well, did I raise that point? 1960 -- 1961 they expired, and we have been negotiating not only the question of the lease, but we had to try and find some solution to the problem of revenue in respect to Ellice municipality, who were very concerned about this matter, and the whole thing is, of course, bound up together, the question of getting leases of municipal lands and the question of getting some revenue from the pasture to reimburse the municipality for the loss of potential revenue.

MR. MOLGAT: In the case of Saskatchewan, Mr. Chairman, could the Minister indicate if I was not correct, though, in that the land there was actually turned over to the Crown and not leased?

MR. HUTTON: I don't want to be quoted on that because I'm not sure myself. However, the problem is still, maybe for other reasons, pertinent in Saskatchewan. I understand because of the fact that pastures are located in municipalities where the residents in the municipalities

(Mr. Hutton, cont'd) .....aren't necessarily patrons of the pasture, and there is this feeling that if you're going to establish a pasture in a municipality that unless the rights of grazing are to be reserved to the residents of the municipality, there is going to be some hard feeling about it, and the best way to establish good will between the municipality and the pasture and to provide for the acceptance of non-resident patrons, the feeling is that some provision should be made to the municipality for revenue from these lands whether or not they're taken over. Now I'm not sure even if they were taken over by the Crown, were they purchased or were they handed over during those tough years in Saskatchewan? Maybe they were handed over and the municipalities now look at these areas and think though that they're worth something today.

MR. MOLGAT: . . . . the situation was that PFRA said it was up to the province to supply the lands, the PFRA would build the pasture. In Saskatchewan, the province, as I understand it, purchased the land. If it was not already owned, transferred title to PFRA. In the Province of Manitoba it was done by lease, and I think the situation that now develops actually shows that the Manitoba system was preferable, because it does put us in the position now where the municipalities can re-negotiate an arrangement at the end of the lease period, whereas in Saskatchewan I think they'll find themselves unable to re-negotiate due to the fact that the land is owned by Canada. But coming back again to Ellice and Archie, I believe there are also some private lands involved in these pastures, are there not? And what is the plan in that regard? Will there be some revenue for the private landowners or will the revenue be for the municipalities only?

MR. HUTTON: The present policy, and has been for some time, is to purchase all pasture lands lying within the enclosure.

MR. MOLGAT: So the intention will be to purchase whatever lands are there now at the end of the lease period? Correct?

MR. HUTTON: That's right.

MR. MOLGAT: In view of the fact that the leases expired in 1961, the government surely must have started negotiations quite some time before the expiry of the lease. Could the Minister indicate when those negotiations started?

MR. HUTTON: Well, this matter, as I said, it's been a double-barrelled affair in respect to the Archie-Ellice pasture and it has been under consideration, under study, under discussion with the principals for well over a year, and we are hoping that shortly we can come to some satisfactory . . . . .

MR. MOLGAT: Well we can say that once again here the federal government is dragging its feet and being difficult in negotiations. My honourable friend seems to be having an awful lot of trouble with them. Can he not get them to come to a decision of some kind? On ARDA he tells me that he's negotiating, he's studying, and no conclusion. On these community pastures, surely not such a difficult problem, one that didn't arise suddenly out of the blue; we knew it was coming, and so did the federal government, and yet the leases have expired; it's last year, and no arrangement yet. It seems to me a very unsatisfactory set up.

MR. SCHREYER: Mr. Chairman, I wonder if the Minister could tell us at this time if there is anything definite developing with regard to the proposed community pasture immediately east of Winnipeg? I don't want to name the exact locality because there might be negotiations going on or something, but has the province begun to acquire property there for a PFRA community pasture? What can he tell us at this time?

MR. HUTTON: Not to my knowledge.

MR. CHAIRMAN: . . . . passed.

MR. GUTORMSON: Mr. Chairman, at the last session of the Legislature the matter of the rumour that was spreading through the Interlake regarding the turning over of that area into one big community pasture was raised, and the Minister at that time read a statement into the records, which really didn't tell us anything. Is he in any position now to tell us what the plans are for this area? I know a lot of people are concerned about it, and is the land freeze still on, and will it be remaining in effect?

MR. HUTTON: The policy of the government is to sell lands which are approved by a committee, a land use committee, on which the Department of Agriculture has representation. I want to dispel this story about turning the Interlake into one big pasture. What we have talked

(Mr. Hutton, cont'd.) . . . . about was trying to organize the leases to the advantage of the cattlemen -- try to give them a large enough block if possible and conveniently laid out, so that they could develop an economic enterprise. Another thing that is important to these people who are leasing land is security of tenure. This is extremely important for purposes of getting credit. We are working on these aspects. What I tell people in the Interlake area, because it's true that rumours have gotten around up in the Interlake and people have driven a hundred miles to come down and see me at home to ask me about these things, because they're concerned. We're not going to do anything up there until we have consulted with the people concerned, and you can tell them that when you go home. Don't worry, we're not going to do anything unless they know about it and that it is acceptable to them, because if we're going to do anything it's not just some theoretical idea that from a theoretical point of view should solve some of their problems. We want to do something that is going to improve their chances to make a good living -- something that's going to complement the cattle industry up there, and complement their ambitions and desires to improve the area. This is what we have in mind, and we're not going to turn the Interlake into a big pasture. There are two or three locations where possibly the best use of that land, and the best service, can be given to the residents, by establishing community pastures. The clearing project that we had there this winter, the experiments, is aimed at trying to improve the situation in the Interlake and to get greater . . . . capacity on the pasture. We don't intend to go into the business of clearing all this land but we felt that if we carried out some of these experiments on a few thousand acres, so that the people up there could see it and watch the results from it, that they would be, if it's -- and we believe it will be successful -- if it's successful and they can see that it improves their economic position by doing this, they will pick up the ball and carry it -- not the ball and chain that I'm talking about -- it only weighs about eight tons.

MR. ELMAN GUTTORMSON (St. George): I'm very happy to hear the Minister say this little country won't be turned into one big pasture unless the people are prepared to accept this plan themselves. But what about the freeze on the land, which he admitted was in effect last year? Is that freeze still in effect?

MR. HUTTON: We don't like to see land alienated from the Crown unless it is going to a person who's living in the area now, who has a unit, and who is going to be better off for being able to add to it. We aren't encouraging people to come in and settle down on a quarter or a half section, which can only yield them the meagerist of an existence. This is what we're trying to guard against. But we are selling land in areas and in cases where it is beneficial to the applicant.

MR. GUTTORMSON: . . . this has changed then since we met last year, then?

MR. HUTTON: Yes, it's developing.

MR. GUTTORMSON: One of the members of the Minister's department was addressing a meeting last year and described the Interlake as a slum area. I hope that he didn't have the permission of the Minister when he used those terms because he certainly annoyed a lot of people -- and I think with justification. I even took the trouble to check to see whether this word had been just used by the -- or had been misinterpreted, and I was told the man had actually used those words at this meeting, and I think the Minister is quite aware of that. I hope it doesn't happen again because it certainly was a blot on the people up there to have this term used, and they were very annoyed about it.

MR. CHAIRMAN: . . . passed?

MR. SCHREYER: Mr. Chairman, I asked the Minister whether he was aware if anything concrete had been undertaken with regard to a community pasture in the Municipality of Springfield or the local government district of Reynolds, in that general area? The Minister said not to his knowledge. I'm sure if there were, he would know about it.

MR. HUTTON: I know about the proposal but you asked me if there was anything being done to purchase the land. The proposal is under consideration along with a dozen other proposals for pastures -- a dozen or more proposals for pastures all over Manitoba -- and it's under consideration; it's under study and investigation. But we aren't purchasing land in regard to this particular pasture at the present time. We have to set up a priority on these things because you can't do them all at once. But it's certainly - - -

MR. WAGNER: Just for clarification on pasture again. I received a telephone call the

(Mr. Wagner, cont'd.) . . . other day from a man that wants to lease three quarters of land for pasture, and then he was questioned, how many head of cattle he had, and then it was stated so many heads he has to have per quarter before it would be leased. I would appreciate an explanation for this, whether it's true or not?

MR. HUTTON: I'll see you later.

MR. CHAIRMAN: . . . passed?

MR. D. L. CAMPBELL (Lakeside): No, Mr. Chairman, I was waiting for my honourable friend to ask his question over again. I guess I was wrong as far as this item is concerned. I had community pasture note in with the Soils and Crops Branch and was intending to ask my questions at that time, but since the development, the question period of community pastures has gone this far, I might as well ask it now. My question is that the Portage La Prairie community pasture, I think, was established soon after the Ellice-Archie one. I imagine that the one in my honourable friend's own constituency was soon after it again. Will the leases on them be running out fairly soon, and can my honourable friend be pretty sure that he'll have a program worked out so that they will be able to know, the municipality, what program we'll develop? Because I think in both of those municipalities that the land is very largely owned by either the municipality or the Provincial Government. If I remember the policy at that time, it was that any private owners that were in the area were brought out if possible by giving them provincial land of equal value in some other area. Can I tell the municipal council of Portage La Prairie that there'll be a program worked out by the time their lease expires? Can the Minister tell me when that lease expires?

MR. HUTTON: I'm not exactly sure of it, but it's either this year or next year; it's within the next two or three years when both these pastures run out and will have to be dealt with. Now I expect the Honourable Member for Lakeside when he says that we'll have a policy, I expect because the land is held entirely by the municipal and provincial government that he is referring to provision for revenue from the pasture on municipal land? I would just remind him that our proposal is that the steps be taken by the federal government to collect the levy on the request of the municipality for such revenue.

MR. CHAIRMAN: 3. Agriculture. Section (a) Livestock Branch.

MR. GUTTORMSON: As the Minister well knows, one of the big problems we have in the Interlake is the lack of veterinarians. I know in our area the closest one we have is Stonewall, and it's quite a problem for the farmers who want assistance from the vets because it's so difficult to have access to one. Has the Minister tried to implement any plan whereby he can encourage more vets to go into these areas where they're badly in need, because as he knows we're in dire need of a vet in our area and we just can't seem to get one up there.

MR. HUTTON: Well if the member is interested and believes that he could interest his local people in forming a veterinary services district, we would be glad to accommodate and make the provisions of that Act apply to do whatever we could to help in the establishment of a veterinary services district which would help them attract a veterinarian into that area. I would like to say this in respect to the area he's referring to, Lundar and Eriksdale and so forth, that there is a very important livestock industry there. The improvement in the quality of the cattle in this area has been marked in the past few years. They are producing a lot of top quality stuff up there and I can appreciate how they would like the services of a full-time veterinarian in the district. The department would be happy to co-operate in any way we can to make the provision of the Veterinary Services Act apply.

MR. GUTTORMSON: As the Minister probably knows we're going to have a Fat Stock Show at Lundar for the first time this year for the 4-H Clubs and commercial beef. Will this club be eligible for a grant from the government?

MR. HUTTON: Ask me that under Agricultural Societies and I'll try and have the answer. I think so.

MR. WAGNER: I would like to ask the Minister whether he is contemplating bringing an amendment to the Act raising the assistance of veterinarian district from 1,000 to 2,000? You do not?

MR. HUTTON: No.

MR. WAGNER: Why?

MR. CHAIRMAN: . . . passed.

MR. MOLGAT: Mr. Chairman, is it your intention here to call just (a), (b), (c) or do you intend to call the individual items under (a) ?

MR. CHAIRMAN: (a), (b), (c), (d), (e).

MR. MOLGAT: (a), (b), (c) so under (a) then we discuss all of the items (1), (2), (3), (4), (5), (6)? Correct?

MR. CHAIRMAN: No, just call the (a) and anything that comes after those items.

MR. MOLGAT: Well, I would like to say something, Mr. Chairman, about the Bang's Disease Program. Now we had a long discussion on this last year and I'm not going to repeat all the discussion. I specifically mentioned this in fact earlier in this session, that I thought we might get through the Minister's estimates without quite as much time as last year. But there is a serious problem, Mr. Chairman, on the application of this program in the ranching areas, and this is a difficulty for the ranchers. In the dairy areas it's an entirely different proposition, I appreciate it, because there the main concern of the individual naturally is milk production. The calves do not come at any one sector of the year, rather come all through the year, and the program doesn't affect the farmer in quite the same way. But in the case of the ranchers, the time at which the program is applied is of vital importance to the rancher himself. By and large the ranchers, particularly those who do strictly cattle, depend on their calf crop. That's their cash income every year, and I'm sure the Minister is aware this situation is increasing in the ranching areas where they sell off their calves every year -- they don't even hold them as they used to some years ago. They just sell them off in the fall as feeders, and it's worked out very well, but when the inspectors come along and they inspect the cattle in either the course of the winter or early spring as now in process in some areas, this is a very severe loss to the ranchers because if they are tested after, say, the month of October, from that time on the rancher's obligated to feed those cattle. The only return he can expect from his cows or the calves that they will drop the following spring. If he's forced because of an inspection to sell cows after the month of October, between that period and probably some time the following July, he is faced with a very serious loss. He loses first of all his producing cow and he loses the calf which she would likely be bearing in the Spring.

Now, there are a number of things that could be done, it seems to me, to assist this situation. The first would be -- and this might cause some difficulty but I think in view of the importance of the program that it might be worth looking at. The inspections of the ranching herds should be limited to the period July to October, preferably if it could be done, and I appreciate this would be difficult, in the period of September when they round up in any case, they have their cattle available and they do their culling out at that time for selling that fall. That is when their cattle are in the best condition. If they're put on the market then, they can get a reasonable price for them. Now this would be the ideal. We may not be able to hit the ideal, but this is what seems to me the Minister should strive for. If this is impossible, then the time allowed between the inspection and the actual date of sale should be extended. Now this would still be difficult if you proceeded with inspections during the course of the winter. I think really there should be no inspection of ranching herds at that time because as it's working out right now, let's assume at the moment an inspection being made and the rancher being forced to sell a cow at this time, if she has not dropped her calf yet, he loses both; if she has dropped her calf by and large they're in no position to feed those calves because as the Minister knows most of these animals are not barn fed; they're out on the range, not quite yet at this time of the year, but very shortly -- well even at this time of year they're out in the open in most of the ranching areas -- and the result is in either way the loss of both animals to the rancher. Now this is a serious problem. I'm sure he's heard about it, and I think that something should be done to correct this situation as soon as possible. I wonder if the Minister could indicate what steps he has in mind?

MR. HUTTON: Well, I have the greatest sympathy for this matter that's been raised. I'd like to say that the Honourable Member for Rupertsland has been pounding on my door for months, but I can't be very encouraging. This is sort of like getting your tooth pulled. You know it's going to hurt like the mischief if you get it pulled, but if you don't get it pulled you're going to have to live with a toothache.

The Honourable the Leader of the Opposition will recall that last summer the people in these areas, faced with a feed shortage didn't want to be carrying over reactive cattle, and they

(Mr. Hutton, cont'd.) . . . asked for the test. Unfortunately the vets didn't get in there maybe as early as they might have, considering the nature of the cattle industry in that area, but they did start in the fall and they carried out the initial test, and then a good many of the producers in the area -- cattlemen in the area -- even had the second test taken, and now the situation is that the majority of the people have had at least the first test and in many cases they've had the second test and they suffered their losses. Now we went to a great deal of trouble in the department to try and work out something along the lines that the Leader of the Opposition has suggested. We even had the Veterinary-General for Canada in and consulted with him on this. But here's the problem that you're up against. The majority of the people in the area have taken their licks, their lumps, and if you call off the program now, it means that the whole area is quarantined, any cattle that they are going to ship they will have to ship to the packing house; they can't ship them to the yards. You have a problem of men who have had their cattle tested and may have these cattle exposed to untested herds, and the Veterinary-General for Canada, Dr. Wells, was extremely concerned that having suffered their losses, they should be exposed to further losses if you put off cleaning up the entire area, and it's a very difficult situation. The department here is sympathetic. I believe that Dr. Wells and Dr. Singleton, the Director in Manitoba for Health of Animals, they are sympathetic too, but it's sort of like a doctor, you know, who has to prescribe a rather doubtful treatment, and I believe that these men are recommending what is in the best interest of the people. That was the only thing that concerned me, was that now that they have undergone these tests and they've taken their losses, their heavy losses, was it in their best interest to put off any further testing, and frankly, on the evidence that Dr. Wells and Dr. Singleton put before us, we felt that it wasn't in their best interest to postpone the matter any further, but I'm not minimizing the impact on their operations and the losses that they sustained because it was particularly hard on them this year because of the pasture that they had last year and because of the quality of the hay that they had to feed their cattle. Not only did they sustain losses in respect of the testing program, but I understand in many cases their calf losses this spring have been heavy, so it hasn't been an easy thing to take. But I don't see how we can postpone it. Dr. Wells told me when he was here that they would be as co-operative as they could to help the people get the calf from the cow before they had to market it. They would try and time their testings to the calving schedule of the ranchers, but they felt that in their best interest they had to proceed, and I know it's difficult for the rancher to maybe understand this, but I still feel that Dr. Wells and Dr. Singleton would not have recommended it if there had been an alternative to it, and now that the die was cast I think that the best thing to do was to proceed with it and get it cleaned up and then they're out of the woods.

MR. MOLGAT: Mr. Chairman, wouldn't it have been possible to get specific areas done, say last fall, from August, September, October, and get them cleaned up, area by area, during that period?

MR. HUTTON: Well this program is going on right across Canada and the Health of Animals unit is about 100 men shy in their staff across Canada, and they had to bring in men from other provinces to give us the service that they had given us, and as I understand it the initial tests were carried out in fairly good time, but it was the second test and the losses up there have been fairly heavy in many cases, but they've taken these losses and they look a lot of them prior to Christmas time. They have taken more since, I'll agree, but their losses from now on, the number of reactors that are going to be taken out will be relatively small as compared to the initial test, and when they've gone this far it would be too bad to see them start over again and sustain further heavy losses next year, and it could be argued that this won't happen but on the other hand it's a distinct possibility and I don't think that the Health and Animals Division nor I want to take the responsibility of advocating a policy that would result in further losses to these people.

MR. CHAIRMAN: . . . passed. (b) passed?

MR. MOLGAT: Mr. Chairman, it seems to me, then, that before they go into an area like that -- they started that area last summer did they not? Well before they had gone into a ranching area what should be done is that the program should be arranged so that it will be completed within a specified period of time. After all these people have been in ranching there for years and years. The situation never arose until last summer, then why not arrange it so

(Mr. Molgat, cont'd.) . . . that it can be done all at one fell swoop within a period of say three months, so that they are not faced with this very heavy loss. Is this going to be repeated in other areas of the province now where ranching is being carried on, or are all the areas now in process of being tested?

MR. HUTTON: I think that out of 128 areas, 103 have had the first test, and 79 out of the 103 areas have been certified for a three-year period. I just have had a reminder sent to me that even though you start your program earlier in the fall, you have your re-test in 30 days and then you have a 90-day test, so that once you start the program, you see, there's this lapse of time between your tests in order to catch the questionables, so it's pretty difficult to carry out the program that you have suggested, but I can't argue with you that the situation up there has been unfortunate. It's been unfortunate -- doubly unfortunate -- because of the year that we had experienced. Normally these cattle would have been in reasonably good shape and with their value on the market and the compensation the rancher wouldn't have been too badly off, but the cattle were in poor shape and he has sustained a loss, and there's no two ways about it. It's very regrettable, but I don't see how it could have been avoided if he was going to have the tests carried out this year. Maybe it was a bad year in which to do it, but it was started in good faith. Then I might say too, unfortunately the losses have been extremely heavy in the cases of certain herds in the area.

MR. CAMPBELL: Mr. Chairman, before we leave the Bang's program, I'd like to ask two things. First, could we get a breakdown of this \$195,000 item as between the Bang's Disease and the Sire Purchase policy? Then I'd like to ask the Minister as well, is there only this federal-provincial program now on Bang's or does the department still carry on the policy of a provincial calfhood vaccination program in addition to the federal policy?

MR. HUTTON: Yes, Mr. Chairman, we still have our calfhood vaccination program and the testing program, of course, is carried out by the federal Health of Animals division. Indications are here that we have 125,000 for the Bang's vaccination, calfhood vaccination, and 60,000 for the Sire Purchase policy.

MR. CAMPBELL: . . . Sire Purchase and 135,000, Bang's is it?

MR. HUTTON: H'm, H'm.

MR. CAMPBELL: Is that at a dollar a head? Does that mean 135,000?

MR. HUTTON: 125,000.

MR. CAMPBELL: Pardon?

MR. HUTTON: 125,000. A hundred and twenty-five.

MR. CAMPBELL: Oh, it doesn't add up to the hundred and ninety-five, quite. That means that under the provincial program, that there'll be approximately 125,000 done in the coming year if this estimate is correct.

MR. WAGNER: Mr. Chairman, continuing on Bang's Disease, I would like the Minister to give his own opinion as I brought it up in the Throne Speech. I had a bunch of people come in to my house and including one . . . with them, stating that the charge of \$1.00 of testing the Bang's Disease; the farmers do not want to apply for Bang's disease test because they have to pay that \$1.00. They say it creates financial difficulty for them. For example, if you've got 75 head or 50 head, he has to dish out \$50.00, but the suggestion was to me that the government carry the whole cost and get the revenue from its different source, from consolidated revenue or otherwise, and this would speed up the wiping out of the Bang's disease, and the way it's carried now it doesn't seem to be wiped out because some farmers test their cattle, some don't, and the disease is in the area. I would like to hear the Minister, if he gave any thought to that and what is his opinion?

MR. HUTTON: Well the testing is compulsory and you must -- I mean when there's a testing program all cattle are tested. Now there's a situation in respect to vaccination; if the farmer wants to, he can probably escape vaccinating his calves, but the calfhood vaccination program is designed to save him losses under a test program, because if he doesn't vaccinate his heifer calves, chances are that they may go down, because they have no immunity unless they have an inherent immunity, they have no immunity to the disease, and if they come into contact with it, they may contract it. Now this program is for their protection and these monies are paid out to encourage them and to make it attractive for them to take advantage of the program and get their calves vaccinated and protected. There isn't very much you can do

(Mr. Hutton, cont'd.) . . . . if they won't do it. It's there, and when you extend a helping hand to a man, if he won't take your hand and take advantage of the help that's extended, there isn't very much more you can do about it. I want to correct my answer to the Honourable Member for Lakeside. It's 135,000. My addition isn't too good.

MR. CAMPBELL: The federal government doesn't make any contribution toward the calfhood vaccination.

MR. HUTTON: No.

MR. WAGNER: Mr. Chairman, that's so true what the Minister says. But I'm sure he knows that the farmer will take chances, "my herds wouldn't get affected," and if he wouldn't have to pay, then he would get it vaccinated and tested and everything of that nature. This way -- I would use just figures out of the hat -- 75% is going to carry the test and vaccination, 25% he wouldn't do it. Then you didn't wipe out that disease, it's still there.

MR. CHAIRMAN: (a) passed?

MR. MOLGAT: Mr. Chairman, while we're still on the livestock branch. The Minister indicated the other day in his opening statement, and I fully agree with him, that livestock, the beef herds, yield one of the most promising fields for agriculture in the Province of Manitoba. In this regard, of course, one of the most important aspects is improving the quality of our herds as well as the quantity of them, and in this field the performance test, it seems to me, is one that we should be very actively encouraging, and I'm quite disappointed in the record of the province in this regard. I'd like to know what the Minister is doing about it because according to my information in the '61-'62 season, Manitoba compares most unfavourably with our neighbouring provinces. If you take, for example, the Province of Saskatchewan, there in the '61-'62 season there were 89 breeders under ROP with a total of 1,076 calves. The Province of Alberta had 131 breeders with 1,798 calves. We come along to Manitoba and we had only 16 breeders -- 16 by comparison to 89 in Saskatchewan and 131 in Alberta. In number of calves, we had 445, compared to a little over 1,000 in Saskatchewan and almost 1,800 in Alberta. Now this seems to me to be a most unsatisfactory structure, Mr. Chairman. Here's one of the fields the Minister will agree and he spoke about this, that's essential in the improvement of our herds. And yet in this very field we lag far behind our neighbouring provinces.

MR. CHAIRMAN: . . . . (b) passed?

MR. MOLGAT: Mr. Chairman, has the Minister no comment on this? This is to me a very serious aspect of the livestock situation here, and he speaks about the livestock situation. What's he doing about it?

MR. HUTTON: First of all, I would point out that if Manitoba had as many breeders, as many cattle on production testing, as our provinces to the west of us, we would be miles out in front of them because in the first place we only have approximately half the cattle that Saskatchewan has -- 400-odd animals compares fairly favourably, I think, with 800 in Saskatchewan. The numbers of breeders isn't maybe as much in line but I fail to see how the fact that we trail in one respect should be taken as conclusive evidence that our livestock program is lagging behind these other provinces. We have for many years had a much more generous program in respect to encouraging the use of pure bred sires. I haven't got the figures for the AI programs in the relative provinces but I'd want to have a look at the comparative figures for the total program rather than just pick out one section, one small section, and make a comparison there. It's possible that we aren't as far ahead on this as another province, but maybe we're farther ahead in other respects. There has been quite a marked improvement in the quality of cattle in Manitoba. Our breeders do pretty well whenever they're in competition with other provinces and I think that's a fair indication that we're keeping abreast. However, I'd be happy to look into this aspect and certainly if we're lagging here to the detriment to the livestock industry in Manitoba, I'd be most happy to initiate furthering this program. But I have quite a bit of faith in our Livestock Branch and if they were here they probably could give me maybe a better answer for this disparity than what I can give you. But, as I say, we feel that if there's any legitimate reason for believing that we're lagging behind to the detriment of the industry, we'll certainly look at it.

MR. CAMPBELL: Mr. Chairman, I think the Minister's remarks just now do point out the fact that regardless of how good a program you may have, that it's difficult to get the

(Mr. Campbell, cont'd.) . . . . producers themselves to make the fullest use of it and consequently you have some continuing problems. The Minister mentioned that in his general remarks this evening because he referred to the fact -- I think he used a phrase, that we have a problem, or we're in trouble with regard to our hog quality, right now, and that bore out an article that I noticed in our local Portage La Prairie paper just a couple of weeks ago, where a representative of the department speaking in Portage La Prairie, drew this headline: "Hog Producers are Losing Race," and the article says, "Hog producers in Manitoba have taken a backward step in efforts to improve the quality of the swine market in the province." It goes on after another paragraph to say that "recently released figures on the percentage of hogs marketed by grade during 1961 reveal that Manitoba has slipped back one position and now stands eighth in percentage of Grade A hogs marketed. Only Alberta shows a poorer record than Manitoba." I presume Saskatchewan must even be ahead of us. That would be terrible. And it bears out the figure that the Minister gave this evening that less than 30% graded A. Now this article goes on, though, to point out something that I think is pretty important here, that I think the Minister rather missed earlier this evening, because -- and I understood his remarks to mean that -- something the Member from La Verendrye had said was indicating that the quality of our hogs hadn't been kept up, or had been kept up sufficiently, or something to do with quality. Is it not the fact, as this article mentions, that the real basic problem about our low proportion of "A" has nothing at all to do with the quality, but is simply a question of the weight at which they are marketed? And isn't that a real problem by itself, when with all the education that there is on these questions, that you still find that the vast majority of the cases -- I see one quote saying that it's up to 80% or more -- it's just a question not of quality at all but of not having them marketed at the right weight. Surely that would be a pretty simple thing for the producers to look after for themselves.

MR. HUTTON: This is a legitimate point that the members made. It is a fact that we could improve our percentage of Grade A hogs by 30%. We could increase that to at least 40% if we could get the farmers to market these hogs at the proper weight. I don't know whether the honourable member has noticed that we've been on a publicity campaign, pointing out to the farmer that he's losing money. He loses his \$3.00 premium now and in addition he gets a dollar less a hundred, so on a 150 pound hog that's \$4.50 that he loses right off the bat and, of course, not only that, he pours a lot more feed into that hog than he needs to. It may be that the farmer hasn't become accustomed to the loss of that \$3.00 as yet. The old system, the old premium system was two and one, and there's been a great deal of emphasis placed on getting the pig to market in a hurry, feeding him out and getting him out of the barn, and it isn't always the easiest thing to get the pig out of the barn in a hurry and get him out so that he'll grade, and maybe we've just gone overboard on this time to market. It's evident that we've got to place more emphasis on quality and as you have said, our record is that we could get another 10%, or 10% increase in the number of -- we could raise the percentage from 30 to 40 percent, merely by marketing them at the correct weight.

Now we have tried, by publicity, and we're trying through extension to get this message across, but on top of that we still have to do something; we still have to improve -- let's not say improve -- we can't let up on our efforts to improve our breed of hog, and it's so extremely important in our access to the export market in the U.S.A. because we rely on that market for practically all our export of pork products and the only reason we have access to it at all is because of the quality of our product, and if we lose our reputation, we're going to lose our market.

MR. CHAIRMAN: . . . . passed?

MR. MOLGAT: Mr. Chairman, another question on the Livestock Branch. Some question was raised earlier in the discussion about the assistance that the department gives to the purebred associations. Now I have an objection to make to some of this assistance. I think if we're assisting all the associations it's half bad but when the department becomes the advertiser for one particular breed, I think that the situation is certainly not a satisfactory one. I have here an ad from the Manitoba Co-Operator on the 15th of March, 1962 -- I don't know if the Minister has seen it or not -- but it has the head of a very nice white bull on it, and it has along side it: "Plan now to secure a Shorthorn bull to head your herd," and in very large type at the bottom, "A. Church, Livestock Branch, Norquay Building, Winnipeg, Manitoba." Now

(Mr. Molgat, cont'd.) . . . . to be assisting the purebred associations is fine, but to be advertising, apparently, as far as I can see here, specifically for one breed -- what about the Angus and the Hereford breeders in this case. Where do they end up if the department becomes the advertiser specifically for the Shorthorn breed?

MR. HUTTON: I expect that happened by inadvertence, but I think the Honourable the Leader of the Opposition knows that for many years the boys in the Livestock Branch have served as the secretary for the Purebred Breeders, all breeds, and something just went wrong here. I think it's just a matter of inadvertence.

MR. MOLGAT: . . . . the Minister hasn't decided that the Shorthorn breed is the only one for Manitoba?

MR. HUTTON: No, I've got Hereford.

MR. CHAIRMAN: (b) passed?

MR. CAMPBELL: Mr. Chairman, there are quite a few items under (a) here and there are some other ones I'd like to mention. The horned cattle fund. I thought it used to be carried in the Public Accounts as a separate trust fund. I didn't manage to find it in the present Public Accounts, but I did see in a list of receipts that in the year for which these Public Accounts are available that the receipts were something in the neighbourhood of \$53,000.00. Could the Minister tell us where in the year just closed, or roughly so, and arriving out of his answers -- and I may not have the right figure because it could have been duplicated in another place because I saw the figure of expenditures under horned cattle as 90-odd thousand dollars so they're apparently not in balance at least in that way. Could the Minister tell us what the correct figures are for the last couple of years? And how the money is being expended from that fund?

MR. HUTTON: The only figures that I have here are for the year ended March 31, 1961. In that year the receipts from horned cattle were \$52,483.65 and bank interest was \$646.64. The total receipts were \$53,130.29 and the balance at March 1960 was \$66,000.00. The grants were \$55,899.00. These went to 18 AI units in Manitoba. The total disbursements for the year ending the 31st of March 1961 was \$93,535.00. Salaries were \$7,291.20. Sundry expenses \$151.80. Office expenses \$361.80. Advisory Board expenses \$211.00. IBM payroll charges \$10.80, Franklin Serum of Canada dehorner paste \$696.00. Golden Arrow Sprayers Limited for . . . . . trailer and equipment \$958.17 -- I expect that's for the program, Warble fly control -- University of Manitoba for dwarfism in beef cattle \$26,969.00; and University of Manitoba for Horsefly control \$985.39.

MR. CAMPBELL: Mr. Chairman, would the Minister comment on whether he thinks the program for controlling the horns on cattle is being successful. It seems to me that the receipts under them are not only just as high as they were a few years ago, but that they are increasing in proportion to the marketing. Now it's fine to have the expenditures to use in such good measures, but so far as getting rid of the horns the program doesn't seem to be very successful does it?

MR. HUTTON: No, I'm afraid that there just seems to be about the same number of horned cattle coming to market as ever, but some have suggested that we increase the penalty. I'm not so sure I want to do that. It seems to me that a man . . .

MR. CAMPBELL: . . . . .

MR. HUTTON: No, they're \$2.00 at the present time; always have been at least as long as I've been . . . .

MR. CAMPBELL: . . . . We increased . . . . .

MR. HUTTON: All right, you increased it. I think that a little more effort should be made to publicize -- it isn't the \$2.00 loss to the shipper, it's the other losses that occur as a result of having these horned cattle, and I suggest that something more could be done in publicizing the ill effects.

MR. CAMPBELL: As far as the revenue is concerned why it's increasing, but from the other angle, which is really the serious loss to the farmers as a whole, it just seems that it isn't very effective. I presume that the ag reps are promoting the various measures to try and persuade the farmers to make use of practises that will eliminate horns. Do they press the use of caustic as much as they should in the Minister's opinion?

MR. HUTTON: . . . . .

MR. CAMPBELL: . . . myself rather than using the dehorners.

MR. HUTTON: Oh well yes, I think this is what should be done. It should be dealt with immediately after they're born and there's no problem at all. It's a very nasty business when you have to use dehorners. And losses can occur, but . . . . .

MR. CHAIRMAN: . . . passed, (b) passed?

MR. PAULLEY: Mr. Chairman, I'd like to say a word or two. Last year, I believe it was, we passed a resolution in the House here permitting the colouring of margarine. I notice from the report of the Committee that there were a number of infractions of the Act itself. I also noted that there were 10 infractions found in eating places. I would like to hear from the Minister if he has the information available, as to how many restaurants or eating places in the Province of Manitoba do serve margarine. If I remember correctly, my honourable friend the Minister of Agriculture insisted in the Act that the patties of margarine that are served up to the patrons of the eating establishments should be of a different shape than those of butter. I don't know whether or not he has the information that I request as to the number of eating places that do permit or do serve, let's say not permit but do serve margarine, and how in general the Act as passed by the Legislature is working out. Now if I recall correctly there has been provisions made at the federal level for a change in the regulation or stabilization price in respect of butter, that the consumer is going to have a reduction of some, if I recall correctly somewhere in the neighbourhood of 14 cents a pound. I don't know if this has actually become law or not. I think that it was to become effective on the 1st of May in order that the competition insofar as the consumer is concerned, the competition between the sales of butter and margarine may be on a more favourable level, which draws to my attention the fact that a former colleague of mine in this House, Donovan Swailes back in 1954 or '55 proposed a suggestion to the Legislature that butter and margarine should find a common level in the open market and then that the dairy producer should be subsidized between the 64 cent, if I recall the price correctly at that time, what butter brought in the open market as against margarine in order that the producer would be -- his income would not be affected too greatly as the result of competition with margarine. So I would like to hear from the Minister. I'm not quite sure, and you must excuse my ignorance, Mr. Chairman, as to exactly how it stands at the present time, but it does appear to me from reading newspaper reports that the price of butter will come down to the consumer, but insofar as the producer is concerned that he will still receive the same amount as he formerly received.

I'm also interested, Mr. Chairman, in the net effect of the legislation that was passed by this Legislature. As you recall, Mr. Chairman, at one stage during this present session, we did have a Private Members' Resolution before us in connection with margarine. It didn't receive too much debate but I think as far as the question of debate in sessions yet to be held in the Legislature, whether it's under the present legislation or a future legislation, is concerned, that a report from the Minister of Agriculture in respect of the net effects of the legislation that was passed last year will be of value to the committee, and I would like to hear from the Minister on the points that I have raised at this time.

MR. HUTTON: Well, Mr. Chairman, I haven't got any information in respect to the use of margarine in public places. There were no prosecutions and -- I can't say that no infraction of the law was found -- but it hasn't been brought to my attention and certainly no prosecutions were made. As a matter of fact a sale was stopped on only 32,000 lbs. of margarine, which is a relatively small amount, and it came from four different -- that 32,000 lbs. represented four different brands. There were no prosecutions; it was merely returned to the factory for reprocessing. One hundred and eighty-five samples were analyzed for colour and composition. I think the thing that would interest the members is that 65% of all sales of margarine were coloured and about 35% were under 1.6 degrees of colour, that is uncoloured. I think that when you take into consideration that the housewife buys a great deal of uncoloured margarine for cooking purposes, that the colour that we gave margarine has been reasonably acceptable to the housewife, because by and large I think you can gather from a breakdown of 65% coloured and 35% uncoloured and taking into consideration the amount of uncoloured that's used in cooking, therefore the majority of the margarine being used on the table as a spread is coloured as we provided for in the legislation. Now I haven't got any up-to-date information on the effect on sales. I kept pretty close track on it after the legislation was proclaimed

(Mr. Hutton, cont'd.) . . . . and at that time, of course, there was quite an initial interest in the coloured margarine and the sales jumped, but then there was a slackening off and really there doesn't appear to be any increase in sales or any decrease in sales. It appears to be about the same. One of the things that I think has affected margarine and butter sales is the fact that it has not been uncommon during the past year to see butter featured as a lost leader in some of the chain stores. I am told that whenever butter goes on for 49 or 51 cents or something of this nature, that there are very few people interested in the margarine counter; that butter still is an attractive product when it's offered at a price that the consumer feels he can afford to pay for it. So I would anticipate that the announced reduction to the consumer in the price of butter is going to go a long way in solving the surplus of butter which we have at the present time, that stands at some 200 million pounds.

MR. PAULLEY: Mr. Chairman, is it May 1st, that this new deal comes into effect?

MR. HUTTON: Yes.

MR. PAULLEY: Now I'm very interested Mr. Chairman, to hear the remarks of the Honourable the Minister, and I gather -- and he can correct me if what I gather is incorrect -- from his remarks that generally speaking as the result of the colouring to the degree that was permitted by the Legislature last year has not made too many inroads into the sale of butter in the Province of Manitoba? Now I might say, Mr. Chairman, that I have received some complaints in respect of the colouring of margarine in the province, in that after it has been on the shelves for a period of time -- and I must confess Mr. Chairman, I don't know how long -- that there seems to be a process that takes place, I don't know whether it's chemical process or not, in that the colouring ingredients become separated from the original product so that on outside of the margarine block itself we have a dark yellow or brown and then on the inside more or less of the original colour. I am happy, quite frankly, Mr. Chairman, to know that there is in the process, and I appreciate the fact that insofar as the cost of the subsidy is concerned, federal-wise, it's going to be more costly. I think the Minister mentioned somewhere in the neighbourhood of \$200 million, if that was the figure that he mentioned a moment ago -- (Interjection)-- Pardon? Well then insofar as the subsidy as the result of the 14 cents approximate reduction, I am happy to know that this is apparently going to help out the dairy industry itself, because that was one of the big concerns, the great concern that we had here in the Province of Manitoba. So I am happy to hear from the Minister this evening, Mr. Chairman, that first of all the legislation that we passed in respect of margarine hasn't materially affected the sales of butter in the province; and secondly that some of the propositions, if not entirely, those that we of the former CCF party proposed here in the Legislature some six or seven years ago, are at long last being adopted, even by a Conservative Government at Ottawa, for the benefit of the dairy producers of the Province of Manitoba.

MR. CAMPBELL: Mr. Chairman, I think my honourable friend is a little too happy too soon, because it's not -- I don't think even the Minister is prepared to say that the statistics are fully enough advanced yet to be sure that margarine has not hurt butter sales. I note in the annual report of the department which admittedly is a year old now, that fluid milk production has been down. I'd like to ask the Minister if that has continued through the present year that we're in now; because if that production is down and with more than 50% of the milk going into butter channels, that may be an indication in itself that margarine has hurt butter and perhaps has hurt fluid milk production as well. Mr. Chairman I have a couple of other questions to ask re the Milk Board, does the Minister want to continue then now or --

MR. ROBLIN: Mr. Chairman, I think we were thinking of rising at midnight, although I confess I'd like to have seen a little more business done. We have been at it some time now and we're only down to the Dairy Branch. However, if my honourable friend has got some extended comments to make I suppose we'd better not try and do them tonight.

MR. CAMPBELL: . . . . . extended, Mr. Chairman. I can't guarantee about the answers though.

MR. ROBLIN: Mr. Chairman, I have the very firm impression that the Minister insists on equal time, and under the circumstances I hardly feel that it's possible to deny him, so as long as members insist on asking questions I'm sure they're going to get answers. However, it's obvious that we're not going to get much further this evening so I'm prepared to move that the committee rise.

MR. CHAIRMAN: Committee rise and report. Call in the speaker. Mr. Speaker, the Committee of Supply has adopted a certain resolution and directed me to report the same and ask leave to sit again.

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

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

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

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