

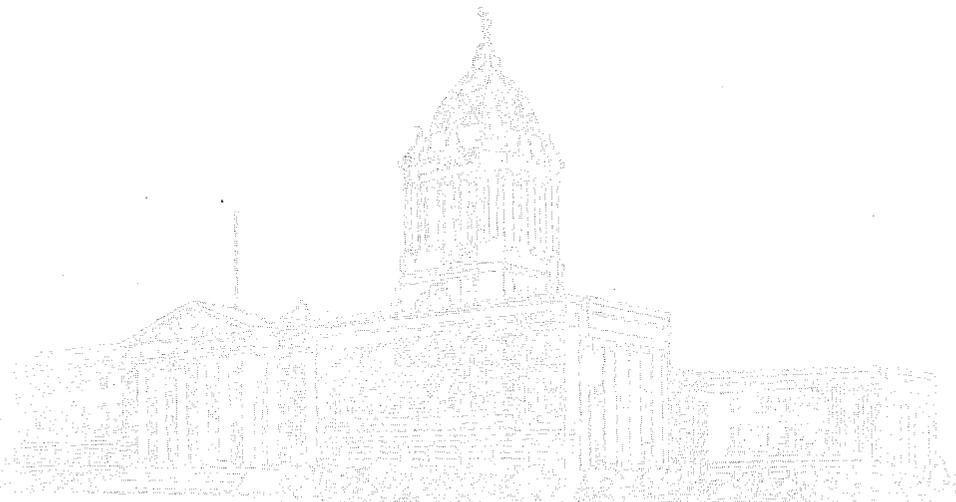


Legislative Assembly Of Manitoba

DEBATES and PROCEEDINGS

Speaker

The Honourable A. W. Harrison



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5th Session, 26th Legislature

THE LEGISLATIVE ASSEMBLY OF MANITOBA

8:00 o'clock, Tuesday, April 17th, 1962.

MR. CHAIRMAN: Item 3(d) to (f) -- passed. Items 4, 5, 6 and 7 passed.

MR. PAULLEY: In connection with No. 7 -- (Interjection) -- Pardon? Oh this is Co-operatives. At least I think you called 7.

MR. CHAIRMAN: Item 4 -- Resolution 28.

MR. PAULLEY: Oh, excuse me.

MR. CHAIRMAN: Yes, Resolution 28, Item 4. Item 5, Resolution 29 --

MR. MOLGAT: Mr. Chairman, I wonder if the Minister could explain what he has under this -- (Interjection) -- No -- just a brief discussion.

MR. CHAIRMAN: Resolution 29 --

MR. MOLGAT: Mr. Chairman, really I was serious. What does the agricultural development cover -- in brief.

MR. HUTTON: Ag rep service.

MR. MOLGAT: Thank you. This is the ag rep service? Well under this, Mr. Chairman, I do have some questions because this afternoon it seemed to me that the Minister was indicating a new policy on ag reps, and I wonder if I heard him right when he was speaking earlier today -- and this was under another item I must admit -- but I gathered from what he said that he didn't have the intention of adding any more ag reps as such. Was that actually what he meant in his statement this afternoon?

MR. HUTTON: I wouldn't put it that way, that we rule out adding any more, but I think that when we think of increasing our extension service that we want to examine very carefully what we are trying to do, and I think generally speaking -- generally speaking, we need more specialists. There is a greater need for more specialists than there is for ag reps, but this doesn't rule out the fact that we may need ag reps in particular areas where a particular situation or circumstance or development takes place.

MR. ROBERTS: Mr. Chairman, on the remarks of the Minister about more specialists, I didn't quite get this said before 5:30. I was referring to the Department of Animal Pathology, speaking of specialists, that the work could be carried out of veterinary extension -- that your agricultural representatives are many times called upon to be veterinarians as well as agricultural representatives. You refer to a greater number of specialists in the field. I suggest that this probably would be -- I am sure would be of a great deal of value to these rural people, the farmers of Manitoba, if this department could send veterinarians into the field as extension workers too. Not to, in any way, infringe upon the practice of veterinarians who are now in the field, solely as extension workers to recommend, to advise and to assist farmers with veterinarian problems, generally speaking, not specific problems.

MR. CHAIRMAN: Resolution 29 -- passed. Resolution 30 -- passed. Resolution 31 --

MR. PAULLEY: Mr. Chairman, on Resolution 31 and Co-op Services, I note from the report that it appears that the volume of business that is being done by the co-operatives is still on the increase. I'd like to ask the Minister one question in connection with the co-ops that he may not answer because it might deal with the question of government policy, but I do note that recently there seems to be a concentrated effort being made in some quarters to have the co-operative societies and enterprises liable for income tax similar to corporations so it is plain. Now I want to ask the Minister whether or not the department or the government have formulated any policy in respect of this drive at the present time and the taxation of co-operatives on the income tax basis. Also, I would like to hear from the Minister -- we have been discussing in the House from time to time the developments of co-ops in the north and other parts of the province in conjunction with our fishermen, but in particular with our Indian and Metis -- I would like to know what the plans of the department are in respect of a further development of co-ops in these particular areas.

MR. HUTTON: Well there are four co-operatives amongst the Indian and Metis now, and the policy of the government is to give backing to federated co-operatives in respect to inventories where this assistance is requested and where, in the judgment of federated co-operatives and in the judgments of the Co-operative Services Branch and in the judgment of

(Mr. Hutton, cont'd.) the Community Development Branch of the Department of Welfare, such a co-operative movement is considered to be sound and deserving of this support. As I say, so far there have been four established. Two of them have received substantial support from federated co-ops, with the provincial government underwriting a portion of these finances, protecting the federated co-op from losses that they might sustain. Actually, the underwriting is done by the Co-op Promotion Board and the province in turn underwrites them. As far as the movement, or if you want to designate it to tax co-operatives concerned, this is not a matter that has received any great thought in our department because it isn't a matter of provincial jurisdiction, and I really don't care to try and comment on it. It's a highly involved matter and I think I would want to be well-prepared before I made any statements on it. I think that answers your questions.

MR. PAULLEY: if I heard him correctly that there were two co-ops that were set up with governmental support or guarantees to the federated co-ops; I believe it was two that he mentioned. I wonder if he would mind telling us which two and also may I ask him -- he mentioned the fact of this being done somewhat in co-operation, or through the Department of Welfare. Who is responsible? Which department is responsible for the promotion of co-ops insofar as the Indian and Metis settlements are concerned, the Department of Agriculture or the Department of Welfare?

MR. HUTTON: Well to give you a correct answer let me put it this way. The co-operative movement amongst the Indian and Metis so far has been a spontaneous thing. It's been a result of the -- in part, of the Community Development program amongst the Indian and Metis combined with their own innate desire to better themselves; and they have seen in the co-operative movement or the co-operative principle, a stepping-stone to identifying themselves with a better way of life. Actually in the matter of assistance to their efforts it is a co-operative venture between the Department of Welfare, the Community Development Branch, the Co-operative Services Branch in the Department of Agriculture and Federated Co-operatives.

MR. PAULLEY: where are the co-ops located.

MR. HUTTON: Shoal River and Norway House.

MR. CHAIRMAN: Resolution 31 -- passed. 32 -- passed.

MR. FROESE: Mr. Chairman, I have a few comments and also I made some comments the other day. I mentioned the credit union movement and whether the government was prepared to promote it and also whether the Department of Agriculture which is in charge of the Co-operative Services Branch, if they are prepared to engage a chartered accountant as head of the Audit Department for credit unions? I think this is an important matter and I would personally like to see a chartered accountant on the staff of the department to audit credit unions. I had one or two other items, I was called out to the phone booth for a minute and when I came back the items had passed, but I still feel that I would like to bring one or two matters to the Minister's attention. One has to do with community pastures. I had a man out to see me late last fall; he had brought some cattle to the Woodlands Pasture and he had lost two head. His neighbour had also lost one and he said that he had been out to the pastures in summer on a Sunday and it had been a very hot day, the cattle had had no water and he felt that the cattle were very poorly looked after; and while he got remuneration for the head he lost; they had agreed on certain terms and later on when the settlement was finalized it didn't amount to what they had agreed on earlier. I would like to know the arrangements that the government has with the community pastures. Are the people that are looking after them, are they responsible? And to what extent? And another matter which deals with the Artificial Breeders Association, but that has already passed so I'll leave that for the time being:

MR. GRAY: now or wait until -- on 8 -- (Interjection) -- Yes. Can I say a word now

MR. PAULLEY: No, we're on number 7.

MR. GRAY: I thought number 8 was called.

MR. ROBLIN: Mr. Chairman, let's stop bothering about what number we're on. Let's deal with 7, if there are any further points on it, and then we will deal with 8. Does anyone wish to speak on number 7 -- let him do so. -- (Interjection) --

MR. PAULLEY: There's one or two questions -- actually one is a request that I would like to make of the Minister, dealing with 7. I note that in the report of the department, on

(Mr. Paulley, cont'd.) page 67, it notes that detailed information concerning the operation of credit unions and other co-operatives is available in reports obtainable upon request. I hereby request of the Minister these reports. I believe that previously they were contained within the report of the department itself, but I just noticed this note and I would like him to supply me with the information that is available other than what we have in the report.

I also notice, Mr. Chairman, that under this particular section the question of Manitoba Marketing Board is also under this particular section. I notice that there is only one marketing board at the present time, namely that of the Honey Marketing Board, and I would like to know if the report tells us that for the year under review the Board was not required to meet because it did not receive any applications for marketing plans to be considered. I would like to know from the Minister as to whether or not the department carries on any promotional work in respect of the setting up of marketing boards in the various commodities within the Province of Manitoba -- (Interjection) -- None at all. Then is there available for anybody desiring information in respect of marketing boards, information within the department as to how they go about setting up a marketing board? -- (Interjection) -- And there is no promotion as far as the department is concerned on this? I wonder if the Minister would be kind enough, in addition to the request for information on the co-operatives and credit unions, that he would give me the various brochures, if any, that the department has as to how a group would go about setting up or initiating plans for a marketing board in the province.

MR. SCHREYER: Mr. Chairman, on that same point, I wonder if the Minister could tell us when the amendments to the Natural Products Marketing Act will come into effect? Perhaps I should know that but it slipped my mind. And secondly, this afternoon, the Minister intimated that there was a possibility that there would be a vote taken -- Vegetable Marketing Board. Does he have any concrete information as to time, or not? What about the change in the legislation now?

MR. CHAIRMAN: Item 7

MR. FROESE: Mr. Chairman, I still feel that I want an answer for my question. Is the government prepared to engage a chartered accountant as one of the auditors to audit credit unions because credit unions are growing by leaps and bounds. We have many multi-million dollar organizations and surely they need to be looked after properly and I'm sure that I'm asking not too much when I ask for at least one chartered accountant to be on the staff.

I would also like to know from the Minister whether they're contemplating any change in policy regarding community credit unions for Greater Winnipeg. This is another area I spoke on previously and I think the matter deserves an answer.

MR. HUTTON: Mr. Chairman, I don't think there's any reason or any evidence that the quality of the qualifications of the personnel in the Co-operative Services Branch is such that it should be of any concern to the credit unions. I think that they can rest assured that these men who are employed by the government in a supervisory capacity for the credit union movement are qualified and I frankly can't see the need to -- if indeed these men are not chartered accountants or there isn't any chartered accountant I think in other respects they are qualified for the work that they have to carry out. We do not contemplate to my knowledge employing a chartered accountant.

In respect to community pastures they are operated under an Advisory Committee which is made up of patrons of the pasture, and these people, this Advisory Committee made up of patrons of the pasture are responsible for the service and management of the pasture, subject to, of course, the rules and regulations of the PFRA and the pasture is under their management and subject to their wishes. I think that covers the points.

MR. FROESE: Mr. Chairman, I still feel that I would like to know from the Minister whether there is going to be change of policy regarding community credit unions for Greater Winnipeg. On this other matter of auditing I'm not so confident of the people employed in the audit department as our Minister is. I know from experience that we've had two audits in a particular credit union, one by a chartered accountant firm, another one by the government audit branch, and the two were not the same and didn't come out the same. Therefore, I feel that it is essential that we at least have one chartered accountant among the staff employed.

MR. CHAIRMAN: Item 8. Economic Research -- Passed?

MR. GRAY: Mr. Chairman, at the outset I wish to apologize to the Honourable Member

(Mr. Gray, cont'd.) from Rhineland and my Leader -- (Interjection) -- I got up earlier because you called it passed. I have never yet tried to take away the glory of anyone that wishes to speak ahead of me, and as a matter of fact that when they speak I probably will not because they cover my subjects most of the time. I have no other boss in this House, except yourself, Mr. Chairman. In connection with the Economic Research, I remember the administration after the war had put aside \$750,000 every year for economic research and so to speak for a rainy day. I have always opposed this idea because at that time, and even now, the health services and the old age pension and other services are so low that I thought this money could be used at that time for a better purpose perhaps than the so-called trust created for any emergency. However it turned out that perhaps the money was used usefully because the rural electrification was built by this money. But still I'm not in accord with that because once there is an emergency today money should not be laid away for tomorrow, because tomorrow will settle its problem itself. I still believe in posterity; I'm still a great believer that the children of today and the children of tomorrow after giving them a society of everything they need, universities and schools and roads and transportation and health and everything else, they should assume a certain amount of responsibility in the future.

Now we have here \$500 almost for the very same thing. My first question is. How this \$500 will be spent? What is the program for it? And whether it is absolutely necessary in view of the fact that we have other important sections which this money could be spent. So I feel that probably it will be necessary for the Minister to give us, if he remembers, a little bit of the history for the past and how will this money and for what purpose it will be used?

MR. HUTTON: Is the Honourable Member for Inkster, Mr. Chairman, saying \$500 or \$7,500.00?

MR. GRAY: Five Hundred Thousand.

MR. HUTTON. Oh, the Five Hundred Thousand?

MR. GRAY: Before it was \$750,000 -- I'm sorry I can't count money but it was \$750 thousand laid aside every year by the gentlemen to my right which I have objected at the time.

MR. HUTTON: I never heard of any \$750,000 being laid aside -- (Interjection) -- Well I'll tell you what the \$500,000 is for. The Faculty of Agriculture at the University of Manitoba carries out a great deal of research for agriculture and this research, the primary beneficiaries of this research are the farmers of Manitoba, and for this reason every year we, in this Legislature, vote monies in support of the research program at the University in the Faculty of Agriculture. We also vote them capital funds each year in order that they can provide themselves with the buildings and facilities, research facilities which are required. I might say on this subject that the new Animal Science Building is going to be opened next fall and I do hope that all the members that are able will avail themselves the opportunity to visit the university campus at that time and see the facilities that this assembly has provided, because they are indeed imposing and they are extremely useful and are doing a tremendous job in keeping our farmers abreast of the times. The \$500 for specific research for the University of Manitoba is used for such things as improved varieties of the different grains, like wheat, barley, flax, oats, working on special crops, trying to improve the rapeseed varieties, the soybean varieties, the varieties of vegetables -- the Premier says that's enough about that. And then the work on weed control, finding and testing new commercial chemicals that are brought on the market. They've done a great deal of valuable work in the control of wild oats for instance; they've done a lot of valuable work in the control of leafy spurge, thistle -- any weeds you can name. And, of course, in this day and age where we are trying to work out chemical weed control, a selective procedure where you use a chemical that will kill the weed but it won't harm the crops that you are trying to grow, it takes a great deal of experimentation and testing. And this is part of the work.

In the field of entomology they do a great deal of work in controlling the pests and insects that the farmers have to cope with. In the field of animal science, we have provided them with new poultry research buildings. We've provided them with this beautiful new animal science building with all the latest equipment for experimenting in the breeding and the production of not only better animals but more profitable animals; in the field of nutrition in feeding animals so that we get the most profit out of our feeding programs in the Province of Manitoba. It's this type of thing.

(Mr. Hutton, cont'd.)

And then some of these monies go to support the home economics section of the Faculty of Agriculture; go for equipment and so forth for this faculty. And, of course, it's from this faculty that we draw the majority of our recruits to the Home Economics service in the province. And then in general research here we are asking for \$32,000 this year; \$7,500 will go to the proposed Agricultural Economics Research Council for Canada. Now this organization is going to put a new emphasis on the problems of economics and sociology as it affects the rural life of Canadians. This has been an area that we feel has been neglected for many years. Only four cents out of every dollar spent in agricultural research has been spent in the area of economics and sociology -- rural sociology. In the future we want greater emphasis upon these economic problems; on the problems of marketing our farm produce; or the social problems that face the rural community in an age of adjustment, and these are the monies. Part of these monies in the \$32,000 are going to support our efforts to increase interest in the small fruits industry in Manitoba. We've got a man now working full time promoting the growing of strawberries, raspberries, crabapples. We grow the best crabapples in the North American Continent right here in Manitoba, and if we can get a sufficient volume for them we can find a commercial market for them, and this means jobs and income for Manitobans. Also, it's not beyond the realm of possibility that we can grow eating apples in the Province of Manitoba -- extremely good eating apples. And we intend to get a few experimental orchards set out.

Well, and on tobacco -- there's something in here for tobacco. But I would just like to say a word on tobacco. I don't want to run the prospects of growing tobacco down, but you know we have to work against the forces of nature here. There are thousands of acres in Ontario and in the Maritimes where nature complements the growing of tobacco, and here we have to work against these forces of nature. We have a very short frost-free season here in Manitoba and it's sort of like kicking against the trying to grow tobacco here in Manitoba. We have to do a great deal of research to develop a plant -- a tobacco plant -- that is climatized; that is early maturing to the extent that we have as good an opportunity of getting a paying crop here in this province as they do in Ontario and in the Maritimes.

MR. PAULLEY: Mr. Chairman, may interject on a note of tobacco that we should follow the advice of the British Medical Society and cut it all out, including the one I'm about to light.

MR. GRAY: Mr. Chairman, I wish to apologize to the Minister because I misunderstood the item. Just a moment now. I'm always willing to confess, Mr. Premier, and, of course, if I would have all the brains in the world I probably would be sitting there. The point is, I took it as economic research on everything and not on agriculture. If you would have worded the estimates right and say for agricultural research, probably even I would have understood what it is, but you put economic research. Economic research may be everything. May be pensions for the members of the Legislature, may be anything. But while I made a mistake, I'm very happy I did it because I've got something from the Minister which I did not know.

MR. CHAIRMAN: 8 -- passed. 9 -- passed.

MR. GUTTORMSON: Mr. Chairman, I see there's only \$1,000 allocated in this particular department. Surely the program of the government is going to cost more than \$1,000, isn't it?

MR. HUTTON: It costs about \$800,000 -- (Interjection) -- Well, no one can anticipate what the cost of such a program would be. Last year they ran well over \$700,000 approaching. They may in the end approach \$800,000.00. We can't anticipate what might be needed. We may have a very favourable year. They tell me it's raining in western Manitoba. We should be throwing our hats in the air. If such a thing develops this year that we have a favourable year and we have two or three timely rains let us hope that a program such as we had this past year isn't needed. We know for sure if it isn't needed our farmers are a lot better off than if it is needed. It is put in here as a token figure.

MR. CHAIRMAN: 9 -- passed. 10 --

MR. J. P. TANCHAK (Emerson): Mr. Chairman, on assistance to farmers re fodder. I like the Minister's attitude. He's quite brief and I think if we keep on that way we'll be

(Mr. Tanchak, cont'd.) through in no time. And I'll try to be brief myself. I could suggest an assistance policy to the Honourable Minister whereby it would not cost the province a single cent, and it would certainly help the farmers quite a bit, especially the farmers along the International Boundary. If the Minister really put his shoulder to the wheel, I think we'll get some results. I know that this matter is really federal -- I brought this up in the House before -- and this is this matter of tariff, or duty of \$1.06 on hay brought in from the United States into Manitoba. I did ask the Minister previously, last week, about it. He said that he took it up with the Minister in Ottawa -- and I believe him. But I think that he should make a special effort this effort this time to really get results. Maybe in his estimation it isn't of great significance but to the people who are along the International Boundary, it means an awful lot. There are hundreds of farmers who have been buying hay from across the line all winter and now with the lateness of the spring they're continuing to draw hay from across the line. They feel that Ottawa is not justified in not refunding this; and they also feel, as I told the Minister previously, that the Minister of Agriculture in Manitoba -- the Honourable Minister to whom I'm speaking -- did in a way promise to do his utmost to see that this was refunded.

Now I wouldn't press the Minister to do this but I feel that the present MP representing this area, Mr. Jorgenson, and the constituents feel the same way as I do, that he has let down the people along the International Boundary, let them down very badly. They have taken it up with him; they didn't get any results. In fact, they did not even -- some of them complained that they didn't even get a reply. Therefore, since the people have no representative in Ottawa, I'm sure that the Minister would agree that it is his duty to speak up for the farmers who purchased that hay and see that this \$1.06 per ton is refunded to the farmers. I know that the MP representing that area previously did work for the farmer, but lately, since he has become the Secretary to the Minister of Agriculture in Ottawa, he seemed to have changed his views; and since we have no representation as far as MP is concerned, I would plead with the Minister to intervene on behalf of the farmers because this means an awful lot to them. One farmer last Saturday, came up to me and said: "What have you done about it?" I told him, I spoke to the Minister; I spoke in the House. The Minister promised that he will try, and he did, and will try again. But I couldn't promise them a refund and they're concerned. He said that it cost him almost \$100.00 already paying that, and I don't think that when we here in Manitoba, the provincial government, is trying to help out the farmers -- and I give them credit for that -- I don't think it is fair that the federal government on the other hand should take or grab from the farmers; they should assist also, not only in the freight and so on. The Minister told me that the ramifications are so great in this, that it's pretty difficult to make that refund. I don't think anything is impossible if really one puts his shoulder to the wheel and I plead with the Minister to look into this further.

MR. CHAIRMAN: Item 10 -- passed.

MR. GUTTORMSON: Mr. Chairman, I read with considerable interest an account of a speech the Minister made on Tuesday, December 12th, while addressing the Agriculture Bill of the Winnipeg Chamber of Commerce. At that time, and this is what the report says: "Agriculture Minister George Hutton has ruled out any expansion in the Manitoba Crop Insurance program unless the federal government comes up with a better method of backing it." It goes on to say that "Unless the federal government makes changes in its Crop Insurance Act, all western provinces, not just Manitoba, could not provide sound crop insurance" the Minister said; and states further, "In Manitoba another bad crop year could bring losses as high as \$30 million." I won't read the whole story but it goes along in this theme that crop insurance is not possible in Manitoba unless we get a better deal from Ottawa on the sharing of the cost.

I recall speaking on this subject about two years ago and made the same remarks that I didn't think that this crop insurance could operate in Manitoba because of the way it was being financed. I went on to say that I didn't think that we'd have crop insurance in the province for a good long time unless something was done and the Minister substantiates this here by saying that it's impossible unless there was a change in the financing. I don't profess to be an expert in crop insurance but I have studied the matter and discussed the matter with a lot of people who know a great deal more about crop insurance than I did and it was on the basis of my discussions with them on crop insurance that I spoke on it in this House. I recall, too well, how

(Mr. Guttormson, cont'd.) the Minister took me to task for my observations at that time, saying that it could operate and would operate under the present scheme and that I had no business talking that way, that I was just knocking the plan. Well, Mr. Chairman, when I read this story I thought he had read my speech because he says practically identically everything that I said in the House a few years ago. Does the Minister have any hopes now that we can have crop insurance in Manitoba in the next few years?

MR. SHOEMAKER: Mr. Chairman, we have not received to this date and I suppose we will not receive until about this time next year the financial picture of the crop insurance plan for the year just passed, for 1962. But we do have before us contained in the annual report for the year ending March 31st, the financial report for the year ending March 31st, 1961 on pages 138 and 139 of the annual report, and I have a couple of questions that I would like to ask as regards the financial statement on Page 139. If my honourable friend has it in front of him, Page 139 of the annual report. The figure at the bottom of the page, \$168,529.07 represents the expenses to this government, I understand, so that in order to get the actual expenses you would have to double that amount, is that correct? -- (Interjection) -- Well then how -- it shows amount recoverable from the Government of Canada -- oh, and Manitoba, pardon me; so that the \$168 thousand represents the actual expense and half of that of course would be the cost to Manitoba and half of it would represent the cost to the federal government. Well, Mr. Chairman, when you're comparing the actual cost of operating the plan you must always compare it to the premiums paid by the farmers, because as I said last year, surely it doesn't cost any money to get the premium, the 20% premium from Ottawa, that doesn't cost anything but a five cent stamp perhaps. So that when you're comparing the actual cost of operation you must always compare it to the amount of premium that's paid by the farmer. I must say once again, as I said before, in examining the two pages here, that's Page 138 and 139, where it shows the actual money paid by the farmer as slightly more than a quarter of a million and operating expenses of \$168 thousand some odd, that it's completely out of all proportion and I suggest as some of the honourable members have that it will remain so, unless the federal government change their grant structure, because there isn't too much encouragement to cut down on the operating expenses if somebody else is going to pay 50% of them. I know that in my own operating expenses I wouldn't be as careful as I am if somebody else was going to pay half of the bill -- and that's exactly what they're doing in this case. So I think the grant structure should be reversed; that it would be much to our advantage and certainly to the advantages of the farmers to have the federal government pay 50% of the premiums and 20% of the administration costs and we'd have a much, much better picture than is presented before us on this page. And inasmuch as the operating expenses, totaling \$168 thousand some odd, is in effect paid by all of the farmers of this province, through their various taxes, then isn't it a fact that farmers that are not in the test areas are subsidizing those farmers that are in the test areas?

MR. CAMPBELL: Mr. Chairman, when I spoke earlier I mentioned that we would be asking the Minister for a statement that would bring both of these items, 10 and 11, up-to-date, because as the member who just spoke has mentioned, we have the statements for the year before, but nothing for this year, and I think it would be only right that the Minister should put on record the experience of this past year for both of these big organizations. In addition to that, Mr. Chairman, I notice that in the list of civil servants that is supplied to us, that the personnel of these two corporations were not included. I take it that they are civil servants are they not now? And would it not be right to have the number of employees in these two corporations listed with the rest? Could the Minister give us those now so that we could include them? And would he bring up to date the Manitoba Crop Insurance Corporation statement at this time and then the same with the Agricultural Credit Corporation when that item is reached.

MR. SCHREYER: Mr. Chairman, speaking to Item 10 only. If the Minister is going to make a statement such as the last speaker requested, I would ask him to attempt to include in that statement information as to the differential between the amount of premiums collected in the last year and the amount paid out in claims. And secondly, was any money borrowed from the federal government under this program? If so, how much and what was the interest rate?

MR. HUTTON: Mr. Chairman, I'd like to reply first to the Honourable Member for St. George and assure him that I didn't establish the present policy on the basis of the speech he made two years ago; but as I recall his statement of two years ago, he attacked the program, not because of the provisions for financing disastrous crop losses, but on the basis of the contribution by the federal government to the premiums paid by the farmers -- or premium required under the program to offset the liabilities. Now what has happened in our experience is that we have run into a bad year at the very outset, and I want to explain to my honourable friend that if you take the experience of the past 35 years and you put all the bad years at the start, you'll end up about \$15 million in the red; but if you were to put all the good years at the start and put the years of bad experience at the end you would end up with something like \$50 million of a surplus. Now had the program continued to enjoy a surplus we might have continued to extend it; but having run into this experience in the second year and having to pay out indemnities of \$1,585,644, and without having had time to establish any kind of a reserve, it becomes evident that we can't continue to expand the program until there is a more suitable method to Manitoba of financing this type of loss. We want the federal government to share the risk that is involved of heavy losses in the early stages of the program. If we were sure that these losses would not occur until say a third of the way through or half the way through then we could proceed, because we are convinced that in the over-all picture the program is sound, actuarially sound; but it's to protect the province in the initial stages of the program that we are requesting and urging Ottawa to effect changes in their legislation which will permit them to assist the provinces in financing these losses that can occur. And what we have proposed is that they should share the risk with us and in return for that we should pay them an annual premium. Now it may well be that our experience may not be repeated and that they may be money ahead; but it may be, on the other hand, that our experiences will not be favourable and in the early stages of the program they will have to share the responsibility for financing. We don't ask them to finance all of it by any means. The provinces have a responsibility here and especially in a program that is administered provincially, the only way you can really keep the provinces honest is to make sure they do have a responsibility in the financing. But we do think that the federal government should share with us in this risk. This has nothing to do with premiums.

Now, the Honourable Member for Gladstone takes great delight in comparing the administration of the crop insurance program in Manitoba to the administration costs in his own office. I think he would more correctly compare the cost of administration in the office of one of our district supervisors to the costs in his own office, rather than try to compare the --

MR. SHOEMAKER: Mr. Chairman, on a point of privilege, I never mentioned a word of my own office at this session of the Legislature. I did last year, but I never did this year.

MR. HUTTON: Well, we'll wait for Hansard.

MR. SHOEMAKER: All right.

MR. HUTTON: The cost of administering the program this past year were \$209,438.61 and when they're compared, taken as a percentage of the total income of the Crop Insurance Corporation, which is the only legitimate comparison that you can make to the operations of any line company, they represent 28% of the total premium income of the corporation; and in comparison the Co-operative Hail Insurance Company administration expenses vary from 26% to 33%. So if we can use this as a valid comparison then our administration costs are well within line with other companies in a similar field. But I would ask the members to remember that we are in an absolutely new field, and that included in these costs are costs of research of a nature that no line company ever thought of getting into. As a matter of fact no line company is interested in crop insurance. The only reason that the government is in there is because we're trying to work out a program, a protection for farmers that isn't available from any other source. So I think that on the question of the efficiency of the administration on the basis of the information that I have here, the comparison of costs between the provincial program and a program such as The Co-operative Hail Insurance Company, I think our program has a good record.

Now I would like to just for the benefit of the Member for Lakeside, I'd like to go over the program for 1961. A total of 9,200 insurable farmers were offered crop insurance; 44.2% of these bought crop insurance in 1961. This amounted to 3,675 farmers as compared to 2,500

(Mr. Hutton, cont'd.) in the previous year. An insurable farmer is one who operates land within a test area and who plants 10 acres or more of insurable crops. The total acreage covered by insurance was 505,895 acres in 1961 as compared to 332,000 acres the previous year. The program was carried out in five test areas comprised of 28 municipalities in 1961, and this compared with four test areas and 14 1/2 municipalities in 1960. The total liability in 1961 was 6.7 million as compared to 4.1 million in 1960. The farmer's share of the premium in 1961 was \$435,016.36 as compared to \$255,487.33 the previous year. The total number of claims paid in 1961 -- 2,185, as compared to 175 the previous year. The total of indemnity payments in 1961, \$1,585,644 as compared to \$87,082.62 in the previous year. The average claim in 1961 was \$730.31 as compared to \$506.29 the previous year. For your information the average claim in Manitoba under PFAA in 1961, \$320.00.

Now the question of arrears in the payment of premiums was raised here and I'm happy to tell you that the amount outstanding for both years at the present time is .6 of 1% of the premium -- \$1,387.48 from 1960 and \$2,621.14 from 1961, that is as of March 30th. I think I have something more up-to-date but I doubt if I can find it at the present time.

I know you'll be happy to know that the program to date with two weeks to go before the deadline for application we have more farmers signed up than we had last year within the same test areas and we expect that a substantially higher percentage of the farmers, we think that possibly 50% or more of the farmers in the test areas will avail themselves of crop insurance. So it appears that it is a highly acceptable program. I just hope that the federal government will respond to the proposal that we have made; I feel quite confident that they will because it's a sound proposal and that we will be able to extend this program to the rest of Manitoba in the very near future.

MR. CAMPBELL: Mr. Chairman, I take it that there is no extension as far as areas are concerned this year? The same areas? I appreciate the figures that the Minister has given us, Mr. Chairman, and he has given them quite fully as far as the costs are concerned, administration and insurance. Might I ask him if all claims are paid up-to-date? I suppose they're all in by this time of the year. Well then, the other question, Mr. Chairman, I don't think he gave us the receipts under the plan in '61, did he? from the contribution of the federal government, etcetera.

MR. HUTTON: Well the contribution of the federal government will be 25% of \$435,016 and 50% of the administration costs which are \$215,500.00.

MR. GUTTORMSON: Mr. Chairman, I think if the Minister rereads all my remarks he'll find that I not only spoke about the premiums but of the possibility of a disaster if we did have a drought as we did have last year. Is it not true then that if the federal government fails to change the present cost-sharing formula that the Crop Insurance Plan in Manitoba will not go into operation over the entire province?

MR. HUTTON: That's looking a long way ahead.

MR. SCHREYER: still on crop insurance. I asked the Minister to tell me what amount was borrowed from the federal government to cover losses here and what the interest rate was. If he has that information I would appreciate having it. Secondly, I wonder if I'm far out in assuming that the federal contribution premium-wise last year was about \$80,000. Is that correct?

MR. HUTTON: Over a hundred. Pardon?

MR. SCHREYER: I'm speaking about premiums, not administration.

MR. HUTTON: The premiums would be over \$100,000.00. It would be one-quarter of \$435,000.00.

MR. SCHREYER: What about the -- I'm sorry, Mr. Chairman. Was any loan made of the federal government by the agency?

MR. HUTTON: Yes.

MR. SCHREYER: How much?

MR. HUTTON: It was in excess of \$400,000.00. The way the loan is determined -- I haven't the figures here, but you take your total indemnities and you subtract from that the total premium receivable, the reserves that you have, \$200,000 deductible, and then the federal government lends you 75% of the remainder that you are in arrears. --(Interjection) --

MR. GUTTORMSON: Mr. Chairman, in regard to my question whether we'll have crop

(Mr. Guttormson, cont'd.) insurance or not, the Minister replies that that's a long way off. But this is rather a change of policy, isn't it? Weren't the people of Manitoba promised that there would be crop insurance and now the Minister leaves us with a rather indefinite answer that there may not be crop insurance now.

MR. CAMPBELL: Mr. Chairman, I don't think the Minister answered my question as to whether all claims were paid. I assume that they are by the fact that he didn't say anything. And the figures that we have it would be correct to say would it, in round figures that the total payments, administration and indemnity, would be something in the neighbourhood of \$1,800,000.00? And that the total receipts would be something in the neighbourhood of \$650,000.00? Would that be about right?

MR. HUTTON: The total indemnities were \$1,800,000.00.

MR. CAMPBELL: The indemnities, I think, the Minister gave as \$1,585,000, and then there were \$215,000.00.

MR. HUTTON: Oh yes, oh yes.

MR. CAMPBELL: About \$1,800,000 would be right for the total current cost of the scheme and around \$650,000 for the receipts.

MR. HUTTON: Yes.

MR. SHEWMAN: Mr. Chairman, at this time I'd like to commend the Crop Insurance Corporation. The men that are handling this corporation, my experience has been they're doing a wonderful job. And when you talk to other people, other than farmers, they're quite happy to see that we have the crop insurance scheme started in Manitoba.

I can remember a few years ago when we were bringing forth resolutions to have the crop insurance set up in Manitoba that the Leader of the House at that time told us that it would be an impossibility for the Province of Manitoba to go it alone. But I will say this -- (Interjection) -- What's the honourable member saying? Why? Now that's a brilliant question. You'd expect an answer like that from one that didn't know the history of the crop insurance story -- that's just the kind of question you'd expect from the Honourable Member from St. George. That even in the House at this time he would be backing the present government on account of what his Leader at that time, the Leader of the House, was saying -- that it would be an impossibility for the Manitoba Government to go it alone. And this government had the courage to start the crop insurance scheme alone; and they're making a job of it. There's no doubt in my mind that there will be assistance, further assistance coming from the federal government at Ottawa because they know what good this can mean and what good it can do to the Province of Manitoba, or any province in western Canada that's growing grain. When the Honourable Member from Lakeside was leading the House, the Premier of the Province at that time, he would tell us repeatedly that no province could go it alone. Now because this government is making an effort -- and they're going to realize that effort, Ottawa will come in and we will have provincial-wide crop insurance -- we'll have it. -- (Interjection) -- I was listening to the Minister -- and I've been listening to you, much to my sorrow -- and all that we want is a little time, and we will have crop insurance 100% for the farmers of Manitoba.

I would like to congratulate the boys in the Crop Insurance Corporation for doing the job that they're doing. For any new scheme that's been set up in the Province of Manitoba I think there's less beefing than there has been with any other plan that's been brought into being, as far as the crop insurance scheme is concerned. The boys are doing a good job and I wish them luck. If the members in the Opposition would only take a little bit of thought and a little bit of time, I know that crop insurance will be realized and be a benefit to all the farmers of Manitoba.

MR. GUTTORMSON: Mr. Chairman, the Member for Morris has made some very interesting remarks. He says that the previous government wouldn't put in crop insurance because they said it was impossible to go it alone. Well, now what has the Minister of Agriculture and the present government said. Mr. Hutton has ruled out any expansion of crop insurance in Manitoba unless the federal government comes in. This is what the previous government said and we said it before. This plan won't operate unless you get federal aid. And the Minister of Agriculture said this; he made this statement -- he doesn't deny it tonight. I asked him if the plan was going to go ahead and he said that's looking too far in the future. This is his remarks tonight. So, is crop insurance going into effect in Manitoba? We have

(Mr. Guttormson, cont'd.) some test areas, but we haven't got crop insurance and the Minister has led me to believe, and the House, by his remarks tonight, that we may not have it for a good long time unless some changes come about on the federal level.

MR. H. P. SHEWMAN (Morris): I've got to disagree with the Honourable Member from St. George. Possibly he should have studied the history of crop insurance; and the struggle that there was to get crop insurance in the province. It's here; and it's here to stay. But if you want to defeat any good cause, just keep on talking and doing what the Opposition is doing, as far as defeating something that is worthy and worthwhile for the farmers of Manitoba. You keep on talking the way that you are talking and you'll just do that -- and you are doing it. But all we want is a little bit of time and it'll be here and it's hard for them to realize that that's a fact.

MR. GUTTORMSON: Mr. Chairman, the Member for Morris seems to have an awful time understanding his own Minister because the Minister there said we don't know when we'll have it. He said it's looking too far in the future to consider crop insurance. I don't know what language he's got to talk to make you understand. We haven't got crop insurance in Manitoba today; we have test areas. The greater portion of Manitoba today hasn't got crop insurance and the Minister said we're not going to expand this year either. And he said, we won't expand until we get federal aid; and if we don't get federal aid we don't get crop insurance in Manitoba. This is the remarks of the Minister.

MR. CAMPBELL: Mr. Chairman, matters outstanding still and I should thank the Honourable Member for Morris because as usual I was too modest to say that I told you so when this was going to happen. I didn't even mention that but the Honourable Member for Morris who is always more than kind and generous where I'm concerned, has pointed out to the Minister and the House exactly what I said at the time before; and goodness, if I were proved that right, that quickly, on every occasion, I would be more than happy. So I do thank the Honourable Member for Morris for emphasizing this. I didn't care to. I agree with the Honourable Member for Morris in another regard as well -- that there's no reason why we should desert this now that it's started. We do need more federal assistance in here. My honourable friend is hardly fair to the federal government when he says there's no assistance coming from them. There is some assistance coming to them -- this quarter of a premium. I don't think it's enough, but at least it's something. And the guarantee on the loan, on the excess amount of money, is something. He should give the federal government a little more credit. I know it's not enough. But, Mr. Chairman, the one point that I'd still like to get is the number of people who are permanently employed. I'm not asking for those who act as agents in the country or anything of that kind but I would like to get for the record as far as civil service appointments are concerned, how many we have on the record. And I don't have to ask for it in the next item, could we have it for it when we come there as well?

MR. SCHREYER: Mr. Chairman, the Minister is looking for some information, I would merely like to point out to the Member for Morris that when we in the Opposition -- I take it this would apply to the Member for St. George -- we're not trying to put the plan in jeopardy, far from it. But instead we're pointing out as we were last year, at least I want to take this opportunity to point out, as I did last year, that there is something grievously wrong with a scheme in which the ratio of provincial to federal participation is in the order of seven to one. Now just use simple arithmetic. Where's the fairness? Where's the equity here, when the total cost in a scheme of somewhere around one million eight, including administration costs, the federal government contributes two hundred and ten thousand -- premiums about a hundred thousand, administration about a hundred thousand -- say two hundred thousand federal contribution in a plan that has cost a million eight. There's not even a vestige of fairness in such an allocation of cost-sharing. And this is what we object to; and that's all there is to it. It's not that we're trying to put the concept of crop insurance in jeopardy. It's silly.

MR. HUTTON: Mr. Chairman, I've just got to speak to this one. I've never heard such outrageous calculations in my life, to suggest that the federal government should adjust its contribution on a year to year basis -- (Interjection) -- oh yes, you took the total losses in one year, the total indemnities paid out, and then he compares this to the contribution that the federal government makes in respect to the program in a given year. But the federal government makes its contribution whether there are any indemnities to pay or not, every year.

(Mr. Hutton, cont'd.) Every year they pay 50% of the administration costs, whether there are any liabilities incurred or not -- or indemnities have to be paid or not. You can't possibly evaluate the contribution of the federal government on the basis that my honourable friend from Brokenhead has just done. It's absolutely ridiculous. I don't find any fault with the federal government on their contribution in respect of premiums and administration. I think that their contribution is very real, very significant and fairly fair. Oh there could be a matter of political jockeying here; maybe in the future somebody will offer us more; a greater contribution to premiums, and we'd like that. I'm not denying that, because it would make it a lot easier for us to sell. But this is not really the proper philosophy to follow, I think, in developing a program of crop insurance. We don't want to develop a welfare program. This isn't supposed to be a give-away thing. The contribution of the federal government needs to be sufficient to put crop insurance within reach of all the farmers and make it worth their while to take this protection. And I believe that the present contributions in respect of premiums and the cost of administration do make it worth their while. When you add the contribution, both of administration costs and premiums it is a very significant contribution to the financial success. But where we do need help from the federal government is in respect of these losses that we can incur in the early years -- and here I'll go along with anybody who expresses dissatisfaction with the present provisions. We have been after the federal government for some two years now to alter their Act to provide some alternative means of financing these losses that can occur -- and we will continue to press them.

The Honourable Member for St. George says that I have made the statement that there will not be any crop insurance in the Province of Manitoba unless the federal -- or any increase -- unless the federal government goes along with us on this, and he equates this to the same circumstance that existed before we introduced crop insurance and he feels that it substantiates his point of view. Well I don't hold with that either. I take the middle of the road on this. I believe that it has been extremely useful for Manitoba to blaze a trail in crop insurance. If it hadn't been for Manitoba we wouldn't be getting off the ground at all. We had to show the federal government, to prove to them that they were wrong and we were right. We've got the evidence and we've got the proof today. We've strengthened our case and we, in Manitoba, will win the day for western farmers on crop insurance because of forging ahead and showing some initiative and a little bit of courage and going into it. We didn't jeopardize the financial basis of the province by doing this. We went into it carefully, well considered, well prepared, having done a great deal of research; we went into it. And we've gotten a lot of information and this information helps us not only to improve the program here in Manitoba, but it helps us to win our case at Ottawa. I can't accept the argument that equates our present position with that which was taken in the past by the previous administration. But I'm not going to criticize them for the stand that they took, because that's water under the bridge. We've got crop insurance in Manitoba and chances are all in favour of us being able in the next year or two to expand it, to cover the province in total.

In answer to the Honourable the Member for Lakeside in respect to any outstanding accounts. I haven't got that information at hand. There may be a few, but I wouldn't want to make a statement one way or another.

MR. CAMPBELL: significant anyway, I take it.

MR. HUTTON: No.

MR. CAMPBELL: Has the Minister got the number of employees?

MR. HUTTON: No, I'm afraid that I don't. They may be here some place but I don't know where to look for it. I'll try and get it for you though. If it's a matter of personal interest I --

MR. CAMPBELL: If the Minister would get it, Mr. Chairman, I'd appreciate it, for both this one and Item 11.

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MR. FROESE: Mr. Chairman, on crop insurance. I think the Minister realizes and I pointed this out last year, that the farmers have to pay towards the Prairie Farm Assistance Act, if they do not subscribe to crop insurance in the test areas. And last year I think it was the case with many a farmer that he chose to contribute or to pay to the Manitoba Crop Insurance Plan rather than to the PFA because this was a better plan than the PFA. I have been subscribing to the plan myself because when I work it out on the basis of the one percent of my proceeds, I find that I come very close to what the premium is that I pay out toward the Manitoba Crop Insurance Plan. One other point; the corporation naturally would have a sizeable deficit. Is the corporation borrowing and planning on taking over this deficit over the next couple of years and cover them by their future reserves, or is the government making a contribution toward the corporation and are they setting it up as a capital item, because I see nothing under the item there that would cover this deficit.

MR. SCHREYER: Mr. Chairman, I don't want to prolong this debate on crop insurance but I don't think that the Minister should take my statement so lightly, dismiss it as ridiculous, because I in turn could say that the argument he gave is in many respects overly defensive of the federal government and as such becomes quite silly. I still say that a crop insurance scheme is not a good scheme if the province -- the people of the province -- have to undertake over \$6 million in liabilities and the federal government's contribution is about \$200,000.00. This is plainly ridiculous and it is in my opinion, unfair sharing of financial responsibility. I pointed out last year and I say again, that in the United States, despite the different variable factors that enter into the picture, the crop insurance there in the midwest, the states south of us, the state governments are not asked to share any of the costs of crop insurance, and while I suppose we can't achieve those ends here in this country, I do believe that the Minister has to show to us more than he has up to the present time, that he is trying his utmost to get the federal government to share a larger portion of the cost of this scheme.

MR. HUTTON: I'd like to suggest that we take the Honourable Member for Brokenhead aside and give him a little lecture on the actuarial science.

MR. FROESE: Mr. Chairman could we have an answer from the Minister how this deficit is going to be handled?

MR. SHOEMAKER: I want to congratulate the department on the drive that they apparently have made to collect some of their outstanding accounts because I think that the Honourable Minister told us a few moments ago that the total outstanding unpaid premiums now was in the neighbourhood of \$2,000 for 1961, and I have before me an Order for Return, No. 12, showing, and I quote: "The foregoing figures represent the outstanding collections as at February 28th, 1962" and they total a little more than \$14,000, so there must have been a concerted drive on to clean these up before the new year started, so I think the Minister or someone deserves some credit for reducing that figure. And that brings me to another point, that I never did at any time in any department claim, as the Honourable Member for Morris suggested, that -- I think he used the words, "they were a good bunch of fellows." Well certainly they're a good bunch of fellows, the people that are working, and any time that we on this side of the House complain under any of the estimates, it's on the administration -- the administration -- not the employees of the department. That's certainly as far as I'm concerned anyway. I direct my complaints to the Ministers. I still think, Mr. Chairman, that there is something less than one farmer in 10 insured. Am I correct in assuming that? Something less than one out of 10 farmers in the province insured -- probably one in nine or something like that. The last figure that I had, I think there was something like 49,000 farmers in the province-recognized farmers.

MR. HUTTON: Forty-two thousand permit books.

MR. SHOEMAKER: Forty-two thousand and 3,500 of them insured so it would still be about one in eleven or something like that, that's insured. Another question, Mr. Chairman, on the premiums and I guess they're all premium notes; I don't know how many farmers pay their premium for crop insurance in advance. I wonder if the Minister would explain to the committee the rate structure; that is, comparing it to the hail insurance industry -- like the hail insurance industry establish a rate and then if you prefer to take it on the note plan they add on 15% and then if you pay it by December 1st they take off eight -- I mean there's actually three rates; there's the cash in advance, there's the note rate with a discount so in effect there are three different premiums. I wonder if the Minister could explain to the committee the

(Mr. Shoemaker, cont'd.) . . . methods of paying premiums and the discounts for same.

Now another comment, or a question, or both. When I heard the Honourable Member for Rhineland referring to the -- or comparing the cost of crop insurance to PFAA, he mentioned that the premium for both was just about the same, or he found it so, and it seems to me that the method that the salesmen of the crop insurance plan used in the first two years of operation, was on that basis. They would go to a farmer and say, "Now listen, if you sign up for this crop insurance plan then you don't have to make your contribution to PFAA." So that was the basis it was sold on, and I suggest that is a very poor basis to sell anything on, which is the cheapest. It should be the advantages. Of course, after a year like last year they shouldn't have to use those tactics in selling the crop insurance plan to anybody.

MR. GUTTORMSON: Mr. Chairman, could the Minister give us the names of the directors of the Crop Insurance Corporation and salaries paid to the individual members?

MR. TANCHAK: I see that the Minister is motioning for me to get up. I didn't intend to speak on this. I was just talking to the member behind but since he -- oh, well, I'll say a few words now since he has called me out. I'm not prepared either. I'm not going to criticize the necessity of the crop insurance; I believe that it is necessary; in fact I'm going to commend the government for their courage in trying to go it alone, but now we notice that they find out they cannot go it alone. As far as crop insurance, I dare the Minister to come to Emerson and tell him that Manitoba has a crop insurance, and I disagree with the Honourable Member from Morris when he comes in and he says "We have a crop insurance in Manitoba." We haven't got it. We have a few test areas, but it doesn't cover, it probably covers about 4% of the farm population, or maybe I'm wrong in that -- I'll take it back -- about 10% of the total area of Manitoba -- about 10% I presume, no more -- test areas. So we have no crop insurance in the Province of Manitoba and I feel that Manitoba in its usual eager-beaver boy scout manner accepted the federal proposal and the federal government is getting the best deal out of this program. The Minister says that he is quite happy with the contribution that Ottawa makes, 20 or 25% of the premiums to the farmers. I don't think the farmers are very happy with it. I think the federal government should contribute more, but I suppose since the announcement lately today about the federal election, I suppose that it's quite in order for the Minister to flatter a little bit, to be kind of a little bit of a greaser of Ottawa and to uphold and cheer and agree automatically with what Ottawa does. A year, or two years ago, I thought that the Honourable Minister was a pessimist. I don't think probably he is a pessimist because he was before, but I think now I can apply the word, he's a sycophant and I think if you look up in the dictionary you'll find it's kind of a "yes" man, a flatterer, a greaser, and that's exactly what to my impression that the Minister gave, he's flattering Ottawa probably for a good purpose. They need a lot of flattering I imagine, but I think he's more of a sycophant now than he is a pessimist.

MR. HUTTON: Mr. Chairman, if I need to be a flatterer in respect of the government at Ottawa, I don't know what the honourable member's going to have to do in respect of the party that he represents that's running federally.

I thought he got up to talk about crop insurance. On two occasions he has spoken this evening and he's been making campaign speeches. I can probably understand that. He's a little bit worried about the chances of the federal member who happens to be his colleague here in the House. I can well understand his concern and his efforts to put in as many plugs and as many digs as he possibly can and using every opportunity in estimates to build himself a platform to shoot at Ottawa. Well he can shoot at Ottawa all he likes. It makes no difference to me. I do think however, that it doesn't strengthen your argument at all when you're trying to get something from a government to be ridiculous and exaggerated in your requests and in your charges. I believe that my chances of getting something from Ottawa are a great deal better if I state the case fairly and fight for that thing that I want, and I'm willing to fight for a better deal for financing disastrous losses, but I don't think that there's nearly as good a case for criticizing Ottawa in respect of their contribution to premiums and the cost of the program. This isn't flattery at all. This is just building a strong case and you destroy your argument completely if we were to follow the policy and the lead that is being given by the Liberals, because they've been crying "wolf, wolf, wolf" so long that nobody's going to pay any attention to them in this federal election. --(Interjection)-- Yes, we'll see --(Interjection)-- Nobody's going to pay any attention. The post offices are littered with envelopes --(Interjection) -- Yes, cheques going

(Mr. Hutton, cont'd.) out to the farmers for this and that, cheques -- (Interjection) -- No, not bribes, money that's coming to them, as a result of the good administration in agricultural policy in Canada, and they'll speak louder than all the charges that my honourable friend from Emerson can bring against the government, either here or Ottawa.

I'd like to give some information to the Honourable Member for Lakeside in respect to the employees in the two departments. In respect to crop insurance, the number of permanent employees are 13 and with respect to the Credit Corporation the number of employees is 23, and I am informed by my assistants that there are only two unpaid crop insurance indemnity accounts.

MR. CAMPBELL: Thank you very much.

MR. GUTTORMSON: Mr. Chairman, did the Minister overlook my question about the directors? Could he give me that answer please? I asked you awhile ago before the Member for Emerson spoke, who the directors were and the amount paid to them.

MR. HUTTON: I haven't got their salary information here, I don't think, but the directors respectively of Crop Insurance and Credit corporation are Mr. Percy Ford and the Managing Director of the Credit Corporation is Mr. Lorne Leggat.

MR. GUTTORMSON: There are some others that are directors though, appointed by the government, aren't there on the

MR. HUTTON: Oh, you were thinking of the Board?

MR. GUTTORMSON: Pardon? Yes, that's right.

MR. HUTTON: Oh! The Crop Insurance Board is made up of Dr. Clay Gillson of the University who is Chairman of the Board; Mr. Ralph Hedlin, Mr. Jim Patterson and Mr. Vern Falloon. And in respect of the Credit Corporation, there is Mr. Lorne Leggat, Dr. Bell, Mr. Usick, Mr. Cecil Durston, and Mr. Jack Parker, I believe of Soils and Crops.

MR. GUTTORMSON: the amounts paid to these gentlemen, especially those outside of the department? I'm not referring to the civil servants. The ones that are appointed from outside.

MR. HUTTON: you're speaking of the boards, they are paid a per diem allowance for their services on the board. I'm not just sure of the amount. In respect of the Crop Insurance Board, I believe it is -- I'd rather not give that figure until I've had an opportunity --

MR. GUTTORMSON: I won't press the Minister for it now. Will he undertake to give it to me, send it to me by note tomorrow or some time after he's had an opportunity to check it up?

MR. HUTTON: Yes, that will be fine.

MR. SCHREYER: I must apologize for asking this question again. The Minister may have inadvertently omitted telling me, giving me the information. I asked him the interest rate that was being paid by the agency in monies borrowed from the federal government in order to make up the loss.

MR. HUTTON: Five percent.

MR. FROESE: Mr. Chairman, I still would like to know how the deficit that the Crop Insurance Corporation will have as a result of last year's operation, how is it going to be covered? Will it have to come from future reserves or is the provincial government going to make a contribution?

MR. HUTTON: Well we just finished passing a bill in the House which permitted the reserve fund to be extended to \$2 million. It was originally \$500,000.00.

MR. CHAIRMAN: passed?

MR. GUTTORMSON: Mr. Chairman, I would just like to ask the Minister if I have permission to ask him a question which does not have anything to do with crop insurance and I may be in error for not raising it sooner. And that was regarding branding. I don't know where I should have raised this point. Maybe I should have raised it on the Minister's salary. Has the Minister any objection to me raising this question?

I have farmers in my area complaining about

MR. CHAIRMAN: Crop Insurance Corporation now; can't we settle this matter? We're not dealing with that now.

MR. GUTTORMSON: Yes, I just asked the Minister for permission to raise this point.

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MR. CHAIRMAN: On this item?

MR. GUTTORMSON: Yes, he gave me the permission to do so. -- (Interjection) -- Well, if you don't mind because I can only just stand up once -- but I'll be very brief. There has been some loss of cattle believed due to rustling, and some of the farmers are paying a fee to the government for registered brands. I believe it is \$2.00 for every 3 years, is this correct? What protection does the government give these farmers for this \$2.00 that they pay for the branding fee?

MR. HUTTON: This is why we have brought in the amendment to the Animal Husbandry Act to make it compulsory to register all brands, because at the present time a man could be branding and have his brand registered; somebody else could be branding with the same brand and there's no way of -- it isn't against the law. It isn't too effective a way of identifying at the present time, but we have just now today given third reading to a bill which made it compulsory and which should give more protection to the individual who is branding.

MR. CHAIRMAN: 10 passed? 11 passed?

MR. GUTTORMSON: Mr. Chairman, on this number 11, on the Manitoba Agricultural Credit Corporation, the Minister has told the benefits of this plan to the young farmers and I suppose there are many that are benefitting from it, but I'm sorry to say that in my area and the area of the Member for Fisher and the Honourable Minister of Health are not getting the benefit from this plan that we'd like to see. In my area, and I think it's a reasonably close count, there are only 20 farmers in the whole of my constituency have loans from this particular corporation and I understand there's only about 31 in the combined areas of Fisher and Gimli. That gives you an idea just how the present plan is drafted, that it is not of any benefit, or very, very little benefit to the people in our area. I would like to suggest the Minister reconsider-- that cattle be considered as security. As in the present set-up, as he well knows, much of the land is sub-marginal and as a result the farmers in the area just can't benefit on the plan as the present regulations are drafted.

MR. SHOEMAKER: Mr. Chairman, I wonder if the Minister would be good enough to kind of bring us up-to-date for the year 1962 on this item; that is, the number of applications; number of loans, and so on. It is true that we have before us the annual report for the year ending March 31, 1961, but it must have changed considerably since that time and it shouldn't take too long to give us briefly enough information to bring us up-to-date. Now in examining the Item 11, if you subtract the two figures that are shown there, that is, if you subtract from the \$875,000 debt servicing charge the amount recoverable from the Manitoba Agricultural Credit Corporation, you have a figure of something like \$415,000, and I suppose that that would represent the actual cost of operating the corporation including the loss in interest money -- that is, I suppose it costs more than -- it costs more to borrow the money than it is loaned to the farmers -- so that the actual cost to the province of operating the corporation is expected to be \$415,500.00. Now the report that we have, which is not up-to-date, suggests that in 1961 they loaned around \$5 million, and about \$5 million the year before, for a total of approximately \$10 million; so in effect it is proper to say that it cost \$415,500 to carry the \$10 million in loans, because if that is so it seems to be out of line with the Farm Credit Corporation. We also have before us the annual report for the Farm Credit Corporation for the year ending March 31, 1961, and the year before they handled \$60 million. On Page 20 of the Farm Credit Corporation report they show that they handled \$60,704,050 in loans, and the interesting part of it is that they made a net profit of \$202,000 on \$60 million in loans and my question is, did it cost the Manitoba Government \$415,000 to handle \$10 million? It would seem there is a great deal of discrepancy here. I would like to know what the answer is.

MR. HUTTON: Mr. Chairman, I'll answer the last question first. There are a number of things that come into it. Our volume of business is much less than the federal government, and then you have to take into account that you're talking about the first two years of operation and this was during the period when we were lending out substantial amounts of money, but the income from that money had not yet had time to accrue to the corporation. This accounts in a large measure for the discrepancy. Too, we are subsidizing better than half at the present time of all the loans to the young farmers. This money is going out at four percent. The federal government is lending all its money at five percent. In addition, the costs of operation or the costs of administration in those early years were constant, while again the income was not

(Mr. Hutton, cont'd.) . . . accruing from the loans which were new and which were pending in their first year. This I think accounts for what appears to be rather a heavy subsidization of the program in the first two years. We have approved some \$14,596,000 worth of loans to date and we have paid out over 14 millions -- \$14,051,000 to date. The loans, as I stated, appear to be going largely to the young farmers and they are getting the larger loans. From April 1st to December 31st, 1961 there were 357 loans approved and of these 55.5% were to young farmers. The amount approved was \$4,251,779 and of this 56.2% was to the young farmers. The average loan for last year to the age group 21 to 31, was \$12,063 and to the older group, \$11,718.00.

The other day the Honourable Member for Neepawa-Gladstone was wondering why we had such a heavy demand on this program in the initial stages and that the demand seems to have eased up. Well, if you recall, there had been no revision at that time of the federal Farm Loan program, and the loans that were available under the old policy were completely inadequate to present day farming requirements, and of course everybody that needed a loan came to the provincial government. Well now this backlog has been cleaned up and the two bodies or two organizations are in the field and we see an easing up. I would certainly hope that the demand for loans would not have continued at the rate that was set in the initial year of the operation of the Credit Corporation. I think that we can take some satisfaction out of the fact that we have met the needs of a great many people who did need loans and that there are fewer at this time seeking this financing.

There was another point that was raised in respect to the Credit Corporation program and that was the fact that there seemed to be more delay in the provincial program than there was with respect to getting a loan approved through the federal corporation. If you check that report of the federal Farm Credit Corporation you will find that the agents of the federal corporation handled, on the average, 13 applications per person and in comparison our agents handled 100 per person, so that you would have to take into consideration I think, to make a fair comparison of our efficiency, the work-load that we are demanding of our people. But then the Government of Manitoba stands for sound administration and getting every cent's worth of value out of the dollar.

MR. GUTTORMSON: Mr. Chairman, has the Minister given any consideration to changing the policy regarding security so farmers on the Interlake can benefit from this plan?

MR. HUTTON: I'm sorry Mr. Chairman, I didn't answer this question because it's one of major concern to me and to the department. Now we want a good beef industry in Manitoba; we want to see our cattle numbers increased. We're going to, I think, be able to realize this only if there is some provision made for credit that is designed to fit the cattle industry, and I submit to you that this will likely have to be a program outside the provisions of the present Agricultural Credit Act. It is true that in certain areas where you have in terms of the conventional traditional production of agriculture, you have lands that are marginal or sub-marginal but which are quite adequate for livestock; grazing and so forth. It's true that these loans of the provincial government do not apply too well and it is true that the federal government credit program doesn't apply either. As a matter of fact I believe that the provincial program is more helpful because under Part I of the federal Credit Act, only land can be taken as security, while under our program, for all borrowers, we consider 65% of the land and the chattels and so ours is more helpful, but it still isn't adequate to the program or to the need that my honourable friend from St. George is speaking of, and it is my ambition that we are able to work out a program that will apply specifically to the beef industry and give us the financial means of realizing the increases in the population -- the cattle population -- that we want to see in the next decade in Manitoba. However, there are many real problems in relation to such a program. It is a very difficult thing to administer. You see, land can't get up and walk away, but a cow can. A cow can get sick and die. Your security isn't nearly as sound for intermediate term credit. Now there's no problem in financing -- in short term financing -- of feed or cattle. We have a tremendous program in Manitoba. We're showing increases every year. I believe a year ago there was about one-third increase in the number of cattle on feed in Manitoba and even this past year there was another 25% increase. The Manitoba Pool Elevators have a wonderful program in respect to promoting the feeding of cattle here in Manitoba.

They had, I believe, some 20,000 cattle out on feed this past year. Now this is an

(Mr. Hutton, cont'd.) extremely valuable program. We have had quite a number of large feed lots established in Manitoba of recent date and we are quite encouraged. Of course we see this movement as being a real boon to the Province of Manitoba. There are many people better qualified than I who claim that Manitoba can be the Iowa of western Canada and anybody that's driven through Iowa and contemplates that we could have the concentration and the intensive type of agriculture that they have there, would look forward to such a circumstance coming about in this province. There is money available for this. It is easy to finance a feed lot or a feeding operation because it's only a matter of a year and you realize your return. The banks do a good job in this field, and as I said, the Manitoba Pool Elevators have a large and growing program under way. But where the difficulty is is in establishing a basic herd or adding to a herd and buying brood cows because here you have to have time to pay this back; you can't do it in a year; you need to get several calves from a cow if you're going to be able to repay this money, and this is intermediate credit and this is where the need lies. I recognize it, I acknowledge it, and we're working on it.

MR. PREFONTAINE: Mr. Chairman, the answer just given by the Minister to the Member for St. George surprises me a little bit. Some two weeks ago I had the honour and the pleasure to go to a banquet at the Royal Alexandra Hotel where my friend, the Minister, made a very good speech, and I thought I had heard him say that he was contemplating such a program. I thought that he was positive in his statements and I was expecting that the Minister at this coming session would announce such a program, after having listened to him very carefully at the Royal Alexandra Hotel. I wonder if I made a mistake or if the Minister has changed his mind or if something has happened in between, from that time until today, so that the program has not since been announced, and apparently it will not be announced before the session is over.

MR. HUTTON: That's right, but I'm still determined.

MR. PREFONTAINE: For next year.

MR. GUTTORMSON: Mr. Chairman, in view of the lack of interest on the part of the government members, I move the committee rise.

MR. CHAIRMAN: Order.

MR. LYON: My honourable friend --

MR. MOLGAT: It's not debatable

MR. LYON: My honourable friend, Mr. Chairman has

MR. MOLGAT: It's not debatable, Mr. Chairman.

MR. LYON: attempted to raise this point before.

MR. MOLGAT: Mr. Chairman, I suggest this is not debatable.

MR. LYON: And I want to suggest to you, Mr. Chairman

MR. MOLGAT: It's not debatable Mr. Chairman. It makes no difference what he wants to say, Mr. Chairman.

MR. LYON: I want to suggest, Mr. Chairman that my honourable friend has attempted to raise this point before

MR. MOLGAT: Mr. Chairman, I submit that the Attorney-General of this House is out of order and you as Chairman are supposed to call him out of order and not sit there.

MR. LYON: Mr. Chairman, if my honourable friend would become less agitated perhaps I can say what I have to say.

MR. MOLGAT: Well, if you'd follow the rules.

MR. LYON: As I understand it, I believe the honourable

MR. CHAIRMAN: Order! Are you that motion yet?

MR. MOLGAT: But Mr. Chairman, the member moved the motion.

MR. CHAIRMAN: Oh, the member, I

MR. MOLGAT: You did nothing at all about calling the Attorney-General to order and that's your responsibility. Sir, I submit that you are not following your responsibility as the Chairman of this committee. Because he's the Attorney-General of this government gives him no privileges in this House.

MR. CHAIRMAN: I mistook it

MR. MOLGAT: There's no mistake, Mr. Chairman.

MR. CHAIRMAN: I thought you were the one that moved it and not the member for

St. George.

MR. MOLGAT: You knew very well what was going on. You let my honourable friend do that long enough for his whip to go out and operate and you know it.

MR. LYON: Mr. Chairman, I suggest on a point of order that my honourable friend is being most impudent -- most impudent.

MR. MOLGAT: You are.

MR. LYON: To the chairman of this House -- (Interjection) -- and unless he behaves himself he's going to be cited. He's going to be cited unless he behaves himself.

MR. MOLGAT: Mr. Chairman you can cite me if you like. If this is the way the rules of this House are going to be operated, I will be happy to be cited at any time and if the Attorney-General thinks that he and his cabinet ministers are going to determine the rules of this committee and of this House, then I suggest that if that's the way the government is going to be operated, they can operate it by themselves. My honourable friend smiles; he thinks he's smart now; he's done what he wanted to do. Fine, but he nevertheless broke the rules of the House in order to do it.

MR. LYON: Mr. Speaker I'm awfully sorry, continuing on the point of order . . .

MR. CHAIRMAN: I think that the member was quite in order to rise on the point of order.

MR. MOLGAT: There is no point of order.

MR. CHAIRMAN: We didn't know what he was debating. He rose on a point of order.

MR. MOLGAT: What was the point of order?

MR. CHAIRMAN: Well we don't know

MR. LYON: What is the question before the House, Mr. Chairman? Did my honourable friend ask that the committee rise? --(Interjection) -- Has my honourable friend moved it properly?

MR. GUTTORMSON: Yes and you know it.

MR. LYON: If my honourable friend wishes to put the question, Mr. Chairman, let him go ahead.

MR. GUTTORMSON: Mr. Chairman, you've broken the rules of this House and there's no point in me doing it now.

MR. LYON: You keep that up and you won't be in the House.

MR. GUTTORMSON: You go ahead and throw me out. You haven't got the guts to try it.

MR. CHAIRMAN: Order! Order! Order!

MR. GUTTORMSON: and you broke the rules of this House.

MR. LYON: Sorry your has been destroyed.

MR. GUTTORMSON: You try and cite me.

MR. CHAIRMAN: Order!

MR. GUTTORMSON: I'm not taking orders from you. You didn't call him to order when you should have. It's just about time that you in this House.

MR. LYON: Sir, nobody has to take guff from a person like that.

MR. GUTTORMSON: Go ahead.

MR. LYON: And I suggest Sir that if he doesn't behave himself like a member of this House should, that he should be asked to leave the House.

MR. GUTTORMSON: You just tell me to leave the House. You just broke the rules and You spoke awhile ago and you had no right to speak and you knew it.

MR. LYON: Sit down and stop being a schoolboy.

MR. GUTTORMSON: Don't you tell me what to do.

MR. MOLGAT: Is it the intention, Mr. Chairman, to continue operating the rules of this committee for the advantage of the government or is it the intention to continue operating the rules of this committee in the proper fashion for the House.

MR. CHAIRMAN: Order!

MR. CAMPBELL: What's the point of order now?

MR. SCHREYER: Is there a point of order on the floor? --(Interjection)-- I don't think so. Therefore why wasn't the question put?

MR. LYON: Mr. Chairman, I arose to ascertain what the honourable member's question was, whether he was moving, whether it was properly seconded and so on. Now if you, Sir, are satisfied that the question was properly before the House, the question can be put.

MR. CHAIRMAN: All right, Item 11 passed?

MR. CAMPBELL: Mr. Chairman, after that little interlude now, we kind of interrupted the Honourable Minister of Agriculture, I believe. Has the Minister given us what might be called a financial statement of the operation of the Manitoba Credit Corporation -- the Manitoba Agricultural Credit Corporation -- for the year just ended? I notice there is no statement in the annual report. Could the Minister bring us up-to-date on this one as he did on the other one? I realize that the situation is somewhat different but could he give us the financial report for the year 1961?

MR. HUTTON: Are you referring to the annual report for the year ended 1961 or the year ended 1962?

MR. CAMPBELL: '61.

MR. HUTTON: Was that report not tabled?

MR. CAMPBELL: '61 is already in the annual report.

MR. HUTTON: I haven't an up-to-date statement outside of the

MR. CAMPBELL: Was there one tabled subsequent to that?

MR. HUTTON: No. For the end of 1961, yes, but the anniversary of the

MR. CAMPBELL: There was one to the end of '61.

MR. HUTTON: Yes, it was tabled, but I haven't any further

MR. CAMPBELL: I'll get that one then.

MR. HUTTON: Fine!

MR. SHOEMAKER: Mr. Chairman, has there been a number of the staff laid off since July 3rd, 1959, because on that date the then Minister of Agriculture said that suffice to say that we have approved these loans -- and he's referring to the number that had been approved at that time -- and to continue, suffice to say that they can inspect 30 farms a day with this present staff that they have. Can they still accomplish that feat? Can they appraise 30 farms a day? Because I think my honourable friend said that the number of appraisals averaged about 100 per appraiser as compared to about 13 or 14 by the Farm Credit. Well if that is so then there shouldn't be a backlog very long once the frost has got out of the ground. If they can do 30 a day they should be caught up by the 24th of May and be waiting around for new applications to come in.

MR. HUTTON: Well I think that's a little bit optimistic to expect an appraiser to do three a day.

MR. SHOEMAKER: Mr. Chairman, 30 a day is what is quoted here in the

MR. HUTTON: Well I think -- I can't speak for the former Minister of Agriculture. I would speculate that he was referring to the entire staff, not to a single man. However I think that even at that he may have been referring to the fact that they could go out and make an inspection of the buildings, but these appraisers do more than just make an appraisal of the land and take soil tests and so forth. They investigate the selling price of land in the district. They also check on the financial rating of the individual and I doubt that they can carry out three of these in a day. I know that in difficult cases where individuals apply for a loan and they're marginal cases, I know for a fact that they spend a great deal more than one day or three days trying to establish the qualification of the individual for a loan.

MR. CHAIRMAN: 12 passed?

MR. PREFONTAINE: I would like to ask the Minister whether the increase is with respect to predator control or with respect to grasshopper control.

MR. HUTTON: Grasshopper.

MR. PREFONTAINE: May I take it that the policy has been changed, or do you expect with the same policy to have to spend more money?

MR. HUTTON:

MR. PREFONTAINE: No, no. I want to know that before I carry on.

MR. CHAIRMAN: passed?

MR. WRIGHT: Mr. Chairman, we had a very interesting thing happen in our history. We acquired a tartan for ourselves and now we have another Manitoba first. I see in the Agriculture Research and Experimentation Report that Manitoba has now developed a fly trap -- very interesting. It's very simply constructed and it says here that they have trapped as many as 5,000 horseflies in a day, and it says that the flies are attracted to a glossy black or a red steer hanging in this tripod -- I now know, Mr. Chairman, why, when I go swimming with my red trunks,

(Mr. Wright, cont'd.)

possibly the shape, or the contour, probably attracts them, because they certainly bite me. However, Mr. Chairman, what I really wanted to ask is: if this is the wonderful invention it is -- and I believe it is -- will the Minister of Mines and Natural Resources install them in such resorts as Falcon Lake for the benefit of people such as myself?

MR. PREFONTAINE: Mr. Chairman, may I ask the Honourable the Minister whether the plan has been changed, or the contributions to the farmers has been changed, increased, this year or not?

MR. HUTTON: Yes, there have been some changes. There was a change in respect to the maximum amount that the government would contribute with respect to a quarter section. If the farmer is using malathion or sevin or one of the non-residual sprays, we will contribute up to \$60.00 rather than the \$30.00 that we contribute for such insecticides or chemicals such as

This is being done to encourage and help the farmers, who are dairy farmers, either in the production of milk or cream, to use the chemicals where there is no danger of a residue being left on grazing or hay land that is being put up for fodder. In addition, last year we made a change in the policy with respect to drainage ditches. We contribute 50% of the cost and, of course, in respect to road allowances, abandoned road allowances, where the municipality feels they must carry out a control program, we contribute 25 percent. And then, of course, we anticipate here that we may have a larger program on our hands than

MR. PREFONTAINE: Mr. Chairman, I would like to thank the Minister for this information because I was very much concerned with the plan last year, exactly on the points that the Minister has mentioned, and I'm saying now that the Minister that even this increase from \$30.00 to \$60.00 is not enough in consideration of the fact that when a dairy farmer has to use malathion to treat a quarter section of land, he has to spend \$30.00 because it costs \$2.00 an acre to use malathion and it was the only poison that was allowed to be used in our district last year. The dairy . . . on hay land and on pasture land, where dairy cows are pastured. And I repeat that it cost the farmer in our area if he has a whole quarter section in either hay or pasture for the dairy cows, it will cost him \$320.00 for the quarter section and he was last year getting only \$30.00 back -- that was the maximum. Whereas if other farmers -- there are a few others in our area -- could use Deldrin they would get up to \$30.00; the whole expenditure might be \$32.00, \$35.00, depending if they used all of it. It would cost 30 cents an acre, \$48.00 for the quarter section. The \$30.00 was a justifiable contribution, up to \$30.00. But now even up to \$60.00 for these dairy farmers is not enough. It's still prohibitive and I don't think that the dairy farmer can afford to spray with malathion at the present time even if he gets up to \$60.00 back from the government. I would like to see the plan a little more generous because it costs ten times as much money per acre to use malathion than it costs to use deldrin. So I would ask the Minister to make it generous enough that it can be used; that it will be used.

And there's another point. I would like to say to the Minister that the municipalities should not have to pay. It's not the fault of the municipalities that there are grasshoppers -- more in some municipalities than in others -- and the municipalities have such a burden than I don't know if they should pay anything at all. At least they shouldn't pay with the government on a 50-50 basis.

I read not a long time ago, and here I would like to state to the House that I have no brief for the Government of Saskatchewan, but the Minister of Agriculture of Saskatchewan announced that he had found, that he was hopeful that they would develop a new poison or spray to be used on pastures for dairy cows, and on hay land, and he hoped that it would cost not much more than deldrin or aldrin. I haven't seen new development since that, I had cut it out to read it in this House but I can't find my clipping. I wonder if the Minister of Agriculture in this province knows of this new poison, or new spragy, that can be used on those hay lands and pastures. And again I would repeat, that if the Minister wants the farmers, the dairy farmers to poison the grasshoppers he will have to increase his contribution to \$100.00 per acre, because it will cost up to \$320.00 per acre and that is providing malathion does not increase in price. And I say that the situation largely in our area meant that the dairy farmers were not spraying because the cost was prohibitive. I know I discussed it often with the ag rep down our way. He said that representation had been made to the Minister; that he hoped that the policy would be changed, and this is why, Mr. Chairman, that before speaking I asked the Minister whether the

(Mr. Prefontaine, cont'd.) policy had been changed or not? I'm glad it has been changed to a certain extent and I would urge that it should be changed again, upwards in order that these farmers should be able to destroy the grasshoppers, because we're going to have plenty -- it looks very bad down our way.

MR. HUTTON: Well, Mr. Chairman, I'm glad to be informed that in order for a Conservative Government to justify its position in office it must be at least -- no, it must be more than twice as good as a Liberal Government, because, Mr. Chairman, the policy of the former government was to give a maximum of \$30.00; the present government recognizing the need that existed has doubled the contribution in respect of malathion and sevin. Sevin costs about half, I believe, of what malathion costs to apply. It's a new chemical -- it's just out -- and we hope that the farmers will make use of the cheaper chemical. But the \$60.00 represents twice as much assistance as was available last year and I think under the circumstances it represents some honest effort on the part of the government and the department to meet the need as it arises. I'm not denying the fact that it costs a great deal to combat grasshoppers on pastures where there may be a need to spray the entire pasture, but I would also remind the committee, Mr. Chairman, that it isn't always necessary to spray an entire field; that it is not leaving the correct impression to say that on the basis of the cost as given by the honourable member, that it is necessarily going to cost the farmer \$320.00 to protect every quarter section because under normal conditions you don't have to spray an entire quarter section. The hoppers tend to, by habit, lay their eggs in headlands and they can be combatted by timely application of the insecticide; they can be combatted with a much lesser figure than was given by the honourable member. You don't need to spend \$320.00, and this year they're not going to have to spend \$320.00 because there's going to be an alternative chemical available to them. Manitoba's program has been every bit as economical for our farmers to undertake as has Saskatchewan's. Saskatchewan, as you know, has a policy of buying out the chemical companies and then they turn around and they sell this chemical to the farmers. Well, the pattern of price in the chemical business, or the tendency for the price of chemicals has been to go down with the increased use and volume production -- the cost of all the chemicals, whether they be 2, 4D, or M-C-T, weed control, or even the new wild oat control chemicals such as carbene -- what's the other one -- Avadex. All these prices are going down each year, and as a result of the Saskatchewan program they're caught with large stocks on hand at old prices, and the farmers in many cases, all too often have to pay higher prices than they would ordinarily have to pay. Under our program we contribute. Under our program we contribute to the current costs that reflect the real cost of these insecticides at the time, so that we feel that our program has been, if not at least as economical, it has been more economical to our farmers. So --(Interjection) -- I know, even at \$60.00 it may not be all that we would like to do but there are limits to what we can do and we feel that this is indeed a marked improvement in the program.

MR. PREFONTAINE: The Minister started by saying that this government was much more generous, I believe, than the previous government. The previous government contributed up to \$30.00. That might be so, but there was no malathion when we had grasshoppers in the old days. It was a different situation; we were using sawdust and other materials. Times have changed -- the Minister should know it -- conditions are not the same. He's living in the old days all the time and tries to compare the situation now. This is a new stuff -- malathion -- we didn't have it in those days. We could use the stuff we had, we were using alderm and deldrin in the last year or two before it changed. There was nobody telling us that we could not use it because of our dairy cows. Sometimes it was found that it would be dangerous and there was a prohibition against the use of in our area and .alderin . . and diadun. Now when the Minister compares what was going on when the scientists had not discovered that these were dangerous, we could use the cheap stuff but now we can't and I say that makes a lot of the difference.

MR. CHAIRMAN: 12 passed.

MR. CAMPBELL: Mr. Chairman, with regard to Item 12, I understand by what I see in some of the farm papers that a fairly seriously severe outbreak can be expected in some areas. No bout the department is prepared for it, but if the predator control portion of this vote remains approximately the same size as a year ago, it would leave only about \$40,000 for the grasshopper portion. Does the Minister think that that is sufficient ?

MR. HUTTON: I don't know, nobody knows.

MR. CAMPBELL: No, nobody knows, but still you have pretty good advance knowledge of -- this is one thing that I have found in our experience, that the experts in this area are remarkably accurate in pin-pointing almost the exact points of serious infestation and I would think that from what I have seen -- Has the Minister the map with him?

MR. HUTTON: No, I haven't.

MR. CAMPBELL: I believe there are some considerable areas this year that are expected to be heavily infested -- is that not right?

MR. HUTTON: Yes, there are. But I would say that it all depends on the weather. If we have extensive June rains, or we should have a cold wet spring -- and it could happen because it's pretty difficult to anticipate just what the weather may be -- the danger won't materialize. If the worst comes to worst, and we have a very grave outbreak, any reasonable increase in anticipation of this wouldn't suffice anyway, and we would have to rely on an emergency program to meet it. But we feel that in view of the threat and taking into consideration the uncertainty of the conditions that will prevail during the hatch period, that this is a reasonable amount to put in.

MR. CHAIRMAN: Item 12 passed. Item 15 passed.

MR. PAULLEY: Mr. Chairman, I'm not going to get into my usual debate with my honourable friend, the Minister of Agriculture, in respect of the Red River floodway -- (Interjection) -- Now who is coaxing who? But, I was glad though, I believe it was yesterday or the day before -- now I think the Committee will agree that I didn't enter into the debate with my honourable friend on his minister's salary, and reserved my comments to the items -- but I was very pleased the other day to hear that apparently the Honourable the Minister had had a change of thought in respect of the survey of the possible affects on the water levels in -- Oh, yes there was a change, Mr. Chairman, because during the debate on the bill dealing with ground water wells, my honourable friend said, if I remember right, "How can we have policy if we don't know where we're going" with which I agree. That is firmly recorded in Hansard and on reading it, Mr. Chairman, it was quite amusing to hear that the Minister of Agriculture of all people across the way there, admitted that the government did not have a policy. I assure him, I assure him, that if the occasion arises that I have the opportunity of going into the Constituency of Rockwood, there may be some quotes from Hansard -- (Interjection)-- Oh, yes, the whole context. As a matter of fact, I suggest, Mr. Chairman, to my honourable friend, that he, if he's not already done so, reads the excerpts from Hansard, I'm sure that he will find them most interesting himself. However, I was pleased to hear from him -- just yesterday believe it was or possibly the day before -- that contrary to his remarks of the occasion that I I've been referring to, that apparently that they are taking note of the depth of the wells so that if in the event of the lowering of the water table, the government will be in a position to make compensation and, if I recall correctly, the Minister said that that is the purpose of his department checking on the levels of the water at the present time.

Now as I said, Mr. Chairman, I'm not going to go into a debate with my honourable friend as to the method of expropriation. I feel that my Honourable colleague for Brokenhead expressed our opinion very, very adequately the other day on the question of the approach -- the manner of the approach of expropriations in the general area; and how much the people in the general area resent the methods that have been used by the department, and I say quite justifiably so. However, sometime back, earlier in the session, the Minister informed me that 89 settlements out of 180 agreements, I think, have been made. I wonder if the Minister could indicate whether or not that there has been any more settlements made since that time? That was, if I recall correctly, Mr. Chairman, about a month ago when he mentioned these 89 settlements. I'm wondering if the Minister has more up-to-date figures. And I must apologize to him, Mr. Chairman, of the fact that I'm not going to get into a debate with my honourable friend. Last year it was about a couple of hours. I'm sure he would be glad that we don't pursue it, at least this evening.

MR. HUTTON: Mr. Chairman, now 109 settlements have been paid out as of March 31st. There were 109 that have been paid out and nine more that were agreed, but were in process of being paid out, so that's 118.

MR. PAULLEY: Mr. Chairman, if I may interject about a quarter of those is that correct?

MR. HUTTON: Total number of files are 408. I would just like to put this on record though because there has been so much said about the prices that we're paying on the floodway property. Of the 104 properties -- now it's 109 -- but at the time that we had paid out on 104, and keeping in mind, Mr. Chairman, that these are poor, old people who are anxious to make a settlement; and who are at a disadvantage; and we are taking advantage of them; and we're trying to establish a price, a low price, an unfair price, so that we can rook the remaining owners out of their rightful compensation. Now keeping these things in mind, these people are old; that they're anxious to settle; that we're trying to establish a precedence, so that we can steal the remaining properties, listen to this: paid and agreed 104 settlements; the cost of the land, an average of \$269.00 an acre. If you take the total disbursements and spread them over the acreage, that is, the buildings, the improvement, the compensation for dislocation, for relocation, for loss of income, the average price per acre that we're paying -- have paid so far -- \$469.00 an acre. This is the precedent that we have set.

MR. PAULLEY: May I tell my honourable friend that some of the properties in the general area in which he's referred to at \$469.00, including buildings, or \$265.00 per acre, particularly those areas just east of the City of Transcona, had they been used for sub-development would have been worth an excess of \$1,000 per acre.

MR. SCHREYER: Mr. Chairman, the Minister can't resist the temptation to twist words that I say here -- and he has succeeded again -- because while he makes much point about the average price that is being paid for land expropriated for the floodway, the bare fact of the matter is that the particular area I was referring to, namely, the Narol-Gonor area, cultivated land is selling for around \$100.00 an acre. This is the point I made last week, and which I make again. I asked the Minister then, and I ask him now, to tell me why the price differential between the price paid for the land in the Gonor-Narol area and the land bought by the federal government in the St. Andrews area, why the differential is so great? He didn't answer me then, and I don't doubt that he won't answer me now, but I still think that he should be given one more opportunity to explain this. I have no doubt that the average price the Government of Manitoba is paying for floodway land will average out to somewhere in the neighbourhood of \$400.00, but what has this got to do, what has this got to do with the prevailing price that they are paying to owners of land in the Gonor-Narol area. I'd like to quote just one sentence from a news clipping of April 10th, Free Press, "Farmers affected by the Floodway met at Transcons on the 9th of April," and one of the farmers said this, and I quote: "It's a dead loss to sell cultivated land for the \$90.00 an acre that the government offered me." It appears then that it's not even \$100.00 as I suggested, but let's say that the average for cultivated land, the government is paying in the Narol-Gonor area is \$100.00. How can the Minister explain to the satisfaction of the people there? And I ask him to explain it. How does he explain that in the light of what the federal government paid for cultivated land in the St. Andrews area? I really want an answer and I think he should give it to us now. Or else, I will have to go back to these people and tell them that the government simply refuses to give an intelligent rational answer.

MR. HUTTON: Mr. Chairman, I would just like to point out to the Honourable Member for Brokenhead in respect to this disparity that he keeps talking about in respect to the land in the Gonor-Narol area and the land on the other side of the river which was taken for the Satellite airport, that he can't make any comparison, can't make any comparison. I know nothing of the thinking behind an organization that is responsible to another government. I can only go by the best information and the best qualified people that we can get our hands on who tell me that the prices that they are offering are fair and are related to the market value of the lands in question. And you cannot use -- and the Honourable Member for Brokenhead knows this I'm sure -- that you cannot use a deal that was made under duress as any comparison for the payment that is made in respect of land expropriation by a level of government. You just can't do it. The courts won't recognize it because there are so many factors. Just remember this that they have a different expropriation law than we have.

I'd like to tell you of an instance that was brought to my attention when the Province of Ontario, two organizations operating in the Province of Ontario, but operating under two different expropriation acts, were purchasing properties on opposite sides of the highway and the one property owner received much more than the other. --(Interjection) -- I don't know, but I'm told that the case went to Court and the award was substantiated because in the one case they

(Mr. Hutton, cont'd). . . . had no right under that Act that they were working under to pay anymore monies. Now under our Act, our people must pay the owners of land a fair price -- what a reasonable man, what a prudent man would pay to keep his property rather than lose it is what their supposed to pay. You can't go by what a man says when you come to buy it; he'd put any price at all on his property. So how do you establish what a man would pay to keep his property rather than lose it? You look around to see what land has been selling for, what other prudent and reasonable men have been taking in exchange for their property, and you establish by that method what is a fair market value. And then here in Manitoba and under this particular program, we add 10% for forcible taking to make sure that we're giving him enough. That's the way we arrive at it.

I think the other day the Honourable Member referred to those special cases which were investigated by a special appraisal panel that was paid for by the provincial government so that these people could have some check to see if indeed we were giving them a fair price. And in two cases, when you added that 10% to the appraised value as arrived at by the Floodway Property Committee, you had a price that was more generous than that arrived at by independent appraisers. That 10% is in there to safeguard the person whose properties are being expropriated; that he is indeed getting a fair price, so even though the appraisal by the Property Committee was a little lower than that made by the independent appraisal panel, when you added the 10% you had a more generous offer; and that's what the 10% is there for to make sure. I think that the honourable member will agree that the independent appraiser said that when appraisers come within 10% you can't criticize the decision that they have arrived at -- that this is indeed a very small disparity. And when the government adds to this a 10% bonus so that they can make sure that the owner is getting a fair price then I think that we can have some assurance that these people are getting a good deal. Because they're not only getting the 10%, they're getting compensation for damages and so forth on top of that, and I think that every reasonable precaution has been taken to give a square deal to these people.

MR. GRAY: There's such a thing as pennywise and pound foolish. I agree with the Minister or the government to try and save money for the province as much as possible, but on the other hand when you have a project that will cost close to \$300 million, maybe less, I don't know -- I think it will probably run higher by the time they get through -- and when you take away land or expropriate land from a settler who lived there for years, every tree, every bit of shrub, the land is dear to him, then there's no question of having an appraiser for putting the evaluation. You're putting an evaluation on the land according to general assessment so to speak of a general value, but you're not paying anything to the man who does not want to give up his farm. You're compelling him to do it by law. He is not anxious to leave it; everything is dear to him; he lived there for years; his children have taken it over. In cases of this kind I think perhaps that a strict measure of assessment with due respect to the assessors, with due respect to the experts that you are employing . . . because after all you are employing them and they've got to do a job for you. The man that you're expropriating the land is not employing him. So I think that perhaps if this would have been a small project that we have to expropriate a small amount of land for a better purpose I would probably agree with you, but in this case when you have a project of close to \$300 million I don't think the government should bargain with him on the price. Expropriate if you need it, I don't disagree with that; but at the same time I think, even if you have to choose others, even if you have to do it with some that have no value -- I mean they have a commercial value, but not a personal value, not a sentimental value -- I think perhaps the government can say to these people: "Here now, you are complaining, you need the land, you want the land. We have taken it away from you. What can we do for you?" And I think a few dollars or a few hundred dollars or a couple of thousand dollars you may pay to those individuals, I think will be worthwhile to avoid dissatisfaction. I realize there are arguments. . . . "how can we deal with one in one way, with another in another way?" He can. There's no discrimination. There are certain parcels of land on farms that are worth more, not in the commercial value, not at the assessment value, but it's worth more to the individual. So for the government to say and take advantage -- first of all you take away his livelihood; you take away his home; you take away his homestead; you have to remove him somewhere else; he has to start life over again. He'll have to be another pioneer, dig the land and go somewhere else. With these people I think perhaps the government can without hurting them in

(Mr. Gray, cont'd)... a great way settle in a way that he would be satisfied.

MR. SCHREYER: Mr. Chairman, in addition to what my colleague from Inkster said I would like to say this. People aren't going to have very much confidence in the law, be it provincial or federal, when they see that as a result of the law they are receiving a price for their land that is completely inconsistent with the price offered for similar land just across the river. What a terrible thing to contemplate, but true. As a result of the law, they are receiving economic injustice, -- if that's possible to receive injustice. Now I realize that the Minister isn't guilty of deliberate intent here. That isn't the problem; that's not what I'm criticizing him about. But I'm criticizing him for his failure last Spring to take the advice which was given him at the Municipal Council Office in Springfield. At that time he, and I believe the Premier both were told that it would have to be a matter of policy, not land appraisal, but a matter of government policy to see that there would be no great differential in prices between provincial offers and the federal offer in the St. Andrews area. So they knew about that even then. Interjection. Oh yes you did --

MR. ROBLIN: Nonsense.

MR. SCHREYER: Oh, well, I believe that there were about 5 councillors there and two Reeves.

MR. ROBLIN: We don't control federal policy and you know it.

MR. SCHREYER: I said it was a matter of government policy here to see to it --

MR. ROBLIN: We're paying a fair price.

MR. SCHREYER: A fair price?

MR. ROBLIN: Yes.

MR. SCHREYER: Very fair it is --

MR. ROBLIN: Very fair.

MR. SCHREYER: -- when the differential is 100%. What sort of fair is that?

MR. ROBLIN: It's a fair price.

MR. PAULLEY: Ah, come, come.

MR. SCHREYER: The main point here is that the provincial government should have made contact with the Federal Department of Transport to inquire as to the reasoning they followed in offering the price they did in St. Andrews and after having entered into these studies and negotiations they should have devised a policy which would have given an equal price to the people in the Gonor-Narol area, and anywhere else along the floodway where the differential was that great. I don't like getting up here anymore than the next person and appearing to be vindictive. But what do you do, you, Mr. Chairman, except appeal in the last instance, you have to appeal when you have a discrepancy in differential in prices of 100% in lands lying four miles apart.

And in case you don't want to take the opinion of an amateur, I will tell you that on the 9th of April I asked one of the professional appraisers whether he could justify the differential, and over 150 people heard him say, "No, you cannot." So where do we go from here? Where do we go from here? And on top of that -- and this is the crowning insult -- we have a federal MP running up and down the area saying; "If you're not getting the right price, that's your MLA's fault. The people across the river, they got a fair price. I saw to it that they got a fair price." -- (interjection) -- But that doesn't concern me. It's an insult; it's an insult to a concept of government. It doesn't bother me that much because I think it's so much rubbish. What does hurt, however, is the bare fact that there is an alarming, alarming discrepancy in what the province is paying as compared to that which the federal government paid those people. And when it comes down to the final point you have to be able to justify it through rational and sound reasoning. And I want to know how you justify it? I'm asking the Minister. I realize he can't tell me now. That's because ten months ago he didn't take the proper steps. I suggest that those steps should have been for him and the people who were buying the land, to get in touch with the Federal Department of Transport and find out why they were paying that price and to have governed themselves accordingly.

MR. HUTTON: Well, Mr. Chairman, Mr. Chairman, I must -- really I don't think I could say anything that would be as damaging to the honourable member as what he has said himself. He is absolutely arguing himself into an ever smaller circle because how could he ever, how could he ever justify the Province of Manitoba basing all of its appraisals on the

(Mr. Hutton, cont'd)..... price paid by the federal government for some property in an area which is across the river from the property in question? How could he possibly advance such an argument? I think that the people of Manitoba can be very thankful that such a financial philosophy should not get too close to the pay strings of the provincial treasury, because he certainly plays fast and loose with the money of the taxpayers of Manitoba. And not only deliberately but with no idea, with the wildest approach possible trying to find out what is a fair price for the property in question. He would ignore all the evidence in the areas adjacent and in the floodway and choose instead to establish his value in respect to floodway property by comparing it to property

MR. SCHREYER: Will the Minister permit a question?

MR. HUTTON: No, I won't permit a question right now.

MR. SCHREYER: I didn't think you would.

MR. HUTTON: I didn't interrupt the honourable gentleman. The honourable gentleman will permit me to finish.

He would ignore a mass of evidence and he would pick out something that is irrelevant; that the courts won't recognize; that no reasonable person would recognize, as a comparable figure and a legitimate and valid figure to establish the fairness of the prices that we are paying. It's across the river; it's some miles away. It isn't even established that it's good agricultural land -- I don't know about that -- but the property was purchased under duress. It was expropriated.

MR. PAULLEY: Under duress to whom?

MR. HUTTON: It's a transaction that is not a voluntary transfer of title between one man and another --

MR. PAULLEY:

MR. HUTTON: The only valid evidence that you can use to determine the price of property is to resort to transactions that have taken place where I say a prudent man, a reasonable man is willing to part with his property for a given sum of money. It's on this kind of evidence that we are basing the offers that we are making. I don't see how we could depart from such a policy and embrace the policy that the honourable member is proposing.

He likes to talk about horse trading. Here's another indication of his logic, and his reasoning. He likes to talk about horse trading. He equates any increase in the offer made by the Property Purchasing Committee to horse trading. It would seem to me that you would come to the conclusion that once the Property Committee has made an offer to a property owner that they are then unable to increase their offer, even in the face of legitimate evidence that that property is worth more to the owner. This is the only way you can accept this argument of his because he keeps coming back and saying, "You're horse trading, you're horse trading". Just because the Property Committee recognizes a legitimate demand from a property owner where it is based on clear evidence that the property is indeed worth more money. And this is the only time it occurs. Now, are we to tie the hands of the Property Committee, so that once they have made an offer they can't change it? We could do this, I suggest, to the detriment of the property owners. I suggest that a lot of the things that the honourable member is propounding are to the detriment of the property owners. He may think that he's supporting them, but he is in fact not helping them too much -- and I don't know but what the honourable the MP for the area may be right, maybe it is his fault if the people aren't doing so well. But in any case I think that we have put this matter in the hands of very capable people and that on the basis of the evidence that I have given here tonight, it proves that we are offering fair and reasonable prices -- very fair and reasonable prices. And before sitting down --

MR. SCHREYER: On a point of privilege, a point of privilege. Is the Minister saying that I'm influencing the price that is being paid?

MR. HUTTON: Aw, that happened a long time ago.

MR. SCHREYER: Are you saying that --

MR. HUTTON: I'm on a different subject now.

MR. SCHREYER: On a point of privilege, I think it's a fair point. Is he or is he not saying that I can in anyway influence the price? -- (interjection) -- I'd like to know, Mr. Chairman.

MR. MOLGAT: Mr. Chairman, I think what he was saying is that the government is

(Mr. Molgat, cont'd.)..... discriminating against my honourable colleague, the member for-- because he's in the wrong party and doesn't belong on the government side. This seemed to be the Minister's statement.

MR. HUTTON: No, I said the things that he was proposing were not in the interests of the property owner. If we were to follow that policy that he in a sense infers through his criticism of the present policy that we are carrying out.

But for further information of the Honourable Member for Inkster, I would like to -- because I know he's interested in this -- of the 400-odd files, there were 104 owners whose homes were taken and who had to relocate -- 104 homeowners. Fifty-eight of these have relocated and 46 have still to relocate. So there weren't 400 -- even though there are 400 properties -- (interjection) -- No, I'm not --..... I just thought you would be interested in knowing this, that even though there are over 400 properties, there are only 104 homes and of these, well over half have already relocated.

MR. PAULLEY: Mr. Chairman, I was very interested in one or two of the remarks of the Honourable the Minister of Agriculture. My colleague has raised the question as to the price differential due to the building of the satellite airport and also the price that's being paid under the expropriation provincially of the properties for the floodways. And during the remarks of my honourable friend, the Minister, he mentioned the fact that one reason for the \$250.00 price insofar as the satellite airport was concerned was because of the fact that this was done under duress. Now, surely, if the property was expropriated there under duress, it's being expropriated under duress insofar as the floodway is concerned. And I wonder how the Minister justifies a differentiation in respect of one to the other?

Now I'd like to hear from the Minister -- I have two questions, other questions, to ask of the Minister: Of the dealings with the people concerned in the areas, how many people, or how many court cases are envisioned at the present time? How many cases is it, or are there any at the present time where negotiations have reached the stage where the matters may be referred to the court? Is one question I'd like to have an answer from my honourable friend.

The other one is that it appears that the First Minister has told us on occasions, and also on an occasion of a banquet here, I believe the Honourable Prime Minister of Canada made an announcement respecting a possible agreement between the Province of Manitoba and the federal authorities. I would like to ask now, Mr. Chairman, that there has been an announcement of a federal election to take place on June 18th, and it appears from survey across Canada that there is every likelihood that the present Prime Minister will not be in office after June the 18th. The other day, I believe it was yesterday, the First Minister mentioned in reply to a question from the Leader of the Liberal Party, that we would get the answer as to the signing of agreement sooner than we think. Now, at that time, Mr. Chairman, we hadn't got the announcement of the vanishing vision of Canada, and now we have, and I wonder whether either the Minister of Agriculture or the Premier of the Province of Manitoba can give this House assurance that the agreement between the government who will be in power in Ottawa until June the 18th, has been consummated at this time, or can he assure us that it will be consummated before they make their grand exit as the Government of Canada?

MR. ROBLIN: Mr. Chairman, my honourable friend's time schedule is a little mixed up because if he will recall the question was asked this afternoon before the Orders of the Day. -- (interjection) -- That's right, that's right, all kinds of things happen these days. The first question was when the provincial government would have its election and I replied to that question as best I could under the circumstances. And the second question asked by the Leader of the Opposition was about the question of this agreement with Ottawa and I also gave the answer that's been attributed to me. I can tell the Committee that negotiations are in their final stages and I fully expect that the agreement will be signed with the present government. And I may also say that I fully expect that they will be the present government for quite some time to come.

MR. PAULLEY: I agree with my honourable friend that they will be the present government but only until June 18th.

MR. CORBETT: Mr. Chairman, I've listened to these theoretical land appraisers and buyers here for some time and I think that it's about time that a practical man who bought many hundreds of acres or made agreements for many hundreds of acres for right-of-way

(Mr. Corbett, cont'd.) through the province in the past forty years -- I think it's about time they heard from somebody that had actually -- knew a little about what they were talking about. I do not want to -- (interjection) -- I'm terribly disinclined -- go ahead fellows talk all you like -- I'm terribly disinclined to enter into any altercation of any kind because I'm a peace loving person. But when I hear these various members more or less saying that the honest and decent right-of-way buyers should go out and squander the government money right and lect and pay exorbitant prices. Well that wasn't the instructions that I got from the late government headed by my friend from Lakeside. We were to go out and make the best bloody deal that we could make, and at the same time being fair and just and honourable with the people we were dealing with. We tried to follow out these instructions and when we struck the opposite ones, the unreasonable ones, we were forced to refer the matter to some higher authority in headquarters who went out and tried to make a reasonable deal with these people. And if it was not possible to do so, of course, the matter was referred to a board of arbitration and the -- it was finally settled. This was on the expropriations both for highways and for drainage ditches and for all sorts of things, bridge right-of-ways and everything else. So when I hear these people say because -- may I don't know but maybe the Dominion Government had a poor right-of-way man there who was not considering the interests of the Dominion Government -- I'm not saying he did or not, but because he paid a price which was higher than what was reasonable then they say well that's a very good reason that they should go across the river and pay twice as much or double the amount or triple the amount. But I wish they'd be a little reasonable and not be insisting that every right-of-way agent that the Department of Agriculture and Water Conservation has hired should go out and make the most horrible deals because they could bankrupt a government in a very short time. I don't think that any of those men employed by the Department of Agriculture and Conservation has went out there with the idea of bamboozling or fleecing the public.

And this sob story stuff, you know, about the poor old men being displaced and their homes being taken away and their whole future wrecked and everything else, I can't listen to that. Those people are getting a fair deal and always have from every government from the year 1905 when I started to work with the government first. We were never asked to go out and commit any act that was unfair to the public but we had to consider the employers that we worked for. And I think we've tried to and I'm quite sure -- I don't know any of these men at all but I'm quite sure that is what they're doing out there and all this howdy do about them paying a lot more from the Dominion Government -- well maybe they did I don't know. I'm not the But I wish some of you gentlemen would just get down to earth and use the common sense that the Lord is supposed to have given you -- I sometimes have doubts about it -- and say here is an organization that's trying to accomplish a certain fact that has to be accomplished. They're doing it to the best of their knowledge and beliefs; they are trying to make as good a deal for the government in this matter that is fair and just and right for the people that are involved in the matter. And to intimate, my honourable friend from Brokenhead, that the people are being fleeced and gypped -- it's -- I can't believe it. I don't think we hire that kind of men in the government. I don't think the citizens of Manitoba are -- 95% of them are not built that way. I think there may be the odd 5% -- they must all come from Brokenhead or some place else -- but they may be a little under the weather that way but I assure you that I think that all this howdy do -- I think we should get on with the estimates.

MR. SCHREYER: Mr. Chairman, I won't let that go at that. The Member for Swan River is an engineer. I didn't know he was an appraiser although I have no doubt that he must have done some appraising in the course of his work. I don't pretend to know anything about appraising of land but I did talk -- I did talk to appraisers who were working on this and I asked one at a meeting at which there were 150 people, I asked him if he could justify this differential and he said, "No you cannot." And I didn't try to infer, and I'm sorry the honourable member did infer that I said that I meant that people were being fleeced and gypped. That isn't the point in dispute. What I'm trying to extract from the Minister and from the government is if they can justify this differential. Now it appears that they cannot justify it and I would -- it's really pointless to carry on from here except I have to conclude and observe that it is unfortunate that we should have such discrepancies -- even if it is between two levels of government -- such discrepancies and policy for the purchase of land, for the price of land. What are the

(Mr. Schreyer, cont'd.).... people supposed to think? They can only conclude that there is no real justice; there is no real equity. How can there be when you have a differential, not just of \$5.00 or \$10.00 an acre but of \$100.00 an acre. -- (interjection) -- Well did the federal government pay too much? I don't know. I'm not an appraiser and I suppose I should apologize and leave it go at that; this point will not get anywhere. But would it be so wrong to have got in contact with the federal department to see their reasoning for paying the price they did for the St. Andrews Satellite Airfield, for the property there, and to have tried to arrive at a price policy that would bear some resemblance to their policy. This way there's no resemblance at all and there is frustration. Understandably so. I wish that I knew more about appraising of land and about the mysterious workings of government and policy making. I don't because if I did perhaps I could fathom this tremendous -- and that's the only word -- tremendous discrepancy. I don't think that the Minister of Agriculture can really fathom the differential because it's unfathomable.

MR. CAMPBELL: Mr. Chairman, the Honourable Member for Swan River is always very logical and forceful when he addresses the committee and I think never was he more logical than when he was making the point that things aren't done today in the efficient manner in which they were when he and I were running the affairs of this province -- would be admitting that with enthusiasm. I would still say that I would be prepared to bet that very seldom, if ever, in all that wide experience that the Honourable Member for Swan River had -- and he did a good job -- very seldom if ever did he go to the person who had to contribute some right-of-way and file an expropriation order first. I'll bet you that 99% of the time he went there first in a reasonable logical way and said "Let's make a deal about this, we have to have your land, let's make a deal about it." And that's where the mistake was made out east here. That's where the beginning of all this trouble was made because certainly if you're going to have this floodway you've got to have the land. But the program got off on the wrong foot when you did differently to what the Honourable Member for Swan River and I used to do, and you planked on the expropriation order first. That gets it away to a bad start. It's got this one away to a bad start and it's a problem that they will just have to work out and they'd better get back to the basic principle of my honourable friend and me and deal with everybody fairly and reasonably.

MR. FROESE: Mr. Chairman, I have three points to bring up under resolution 37. I prefer doing it all at once. First, the other day I referred to the survey in the Morden-Winkler area to which the '61 report refers to. I would like to know from the Minister the results of those surveys made regarding the 35,000 acres of the soil survey, and also the study of the topography. And the other item was the determination of physical and chemical properties of the surface deposits. Now we see in the estimates for the Pembina River study an item of \$50,000. Is that still going to the same survey? Is the same survey involved? Just what are the results of the surveys made? Further to that, last summer the government drilled a number of wells in the Winkler area. I suppose it was done to establish, find out how much water Winkler had and whether they could propose the proposition that has presently been made to the town. I would like to know a little more about the results that the government had from drilling those wells.

And the third item is regarding the Hespeler Creek -- the drainage and the work that has been done on the Hespeler, at the east-end. I'm informed that the municipality involved have been informed that work will be done on a further three miles. I hope the Minister can speed this matter up because at that rate it will take probably almost another ten years before its completed and the people up in the west-end are waiting for this completion very badly. Water is eroding the land up in the west-end and the sooner we have this done the better. Could we have some information from the Minister on these items?

MR. HUTTON: Well, the honourable members should be very careful about talking about speeding up the drainage program in this House. In certain quarters it's not considered to be good conservation to construct large drains, but I'll tell him that we'll do our best to get the Hespeler drain completed. We have to schedule this work along with work in other municipalities. We've got to spread our funds about because the same desire that the people have in your area to get the Hespeler drain completed is shared by others in other areas who have their favourite projects and we can only do so much in one year. We will do our best and that's the only commitment that I can give you.

(Mr. Hutton, cont'd.).... In respect to the Pembina River study and the results of studies on irrigable lands that were made, and soil testing, I expect that this will be rather a technical report. I would imagine that I might be able to get a summary for the honourable member outlining the results or the conclusions that they have come to, if indeed they have come to any conclusions as yet, because this is part of the study that will be continued during the next couple of years and is related to the Pembina River investigation. The \$50,000 represents monies in this vote that will be used to carry out the Pembina River investigation. However, there are additional studies that are carried out by the Soils and Crops Branch in respect to this matter. They are provided for in the earlier votes. We dug some wells down in the Winkler area. We were looking for water and we found water, and as a result of finding water an offer has been made to the Town of Winkler to supply them with water.

MR. CAMPBELL: Mr. Chairman, the other day I asked on another item with regard to the water supply program for the villages of McGregor and Austin -- the farm area there. Has my honourable friend got any information to give on that matter?

MR. HUTTON: The Honourable Member for Lakeside regretted the delay in getting this program under way and he stated earlier that he thought it was a relatively simple thing, just a matter of taking over this pipeline from the railway. Well I have an idea that he knows just how complicated it can be when you start to take over property from the railways, and it has been a long time and rather involved; but I understand that these negotiations are coming to a conclusion. I can't tell him just how soon we'll be able to make an offer, but if he would ask me this out of the House I'd be happy to get him the information, to bring him up-to-date on the matter because I know how important it is to them out in that area -- not only to the town but to a lot of people who rely on that water supply for their needs and who live on farms in the district. So, although I haven't got maybe as conclusive a report to give him as he'd like, I'd be glad to get it for him.

MR. CAMPBELL: I'll accept my honourable friend's invitation to check this matter further with him and we won't inflict the discussion on the rest of the House, Mr. Chairman.

MR. PAULLEY: Mr. Chairman, I just have one question, if I may. It's in connection with the Pembina River study. Is this based on the study that was made previously by the Arthur D. Little Company and presented to the former government in respect of supplying water into the Pembina Triangle area? And if I recall correctly -- a brief perusal of that report, if I recall, mentioned the possibility of tying into the aqueduct or into Shoal Lake for a supply of water into this general area. Is this involved in the same general orbit? And is this a repetition of that study?

MR. HUTTON: No.

MR. FROESE: I just would like the Minister to know that I would appreciate getting that report that he's offered to give. I'm sure the people back home would appreciate the information as well.

MR. PREFONTAINE: Mr. Chairman, I have a cutting clipping from the Free Press of April 6th. It says that the two governments -- the Government of Canada and the United States have asked the International Joint Commission to study the question of a dam on the Pembina River and they would enquire with respect to the domestic use of water and sanitation, control of floods and something else and everything else connected with the scheme. I wonder if this government has a representative on this International Joint Commission, because I feel that the interests of Manitoba are involved with respect to this dam on the Pembina River. It must be remembered that the reservoir investigation basin has declared that in 1950 the flow of water around Walhalla was 20,000 cubic feet second. That's a lot of water, and it might have some effect with respect to floods around the Winnipeg or in the upper valley. If such a dam was built down there with a reservoir of a very large size and close to Emerson and Winnipeg relatively, it would possibly provide quite a bit of protection. The proposed dam around Manitou would be some 50 miles further from Emerson and Winnipeg also. It would not provide the protection against a flood that a dam closer to Emerson would, because the distance has a lot to do with the results that might be outlined. So I would think that it is very important that Manitoba should have a representative on the joint commission when they are studying this matter, and I would like to ask the Minister if there's no representative that he should try and get someone to represent him on that commission.

MR. HUTTON:..... have a representative. Mr. Don Stephens, the Chairman of the Manitoba Hydro is the representative from Manitoba on the commission and if they decide to build a dam on the Pembina, or when it is built I should say, and if we have a repetition of the 1950 flood, it would reduce the flood stage at Winnipeg by three inches. If you have a flood of greater magnitude than that it will reduce it by less than three inches.

MR. PREFONTAINE: Mr. Chairman, the Wauhalla Dam or the dam at Manitou?

MR. HUTTON: Either one.

MR. PREFONTAINE: Ah, that's a different story.

MR. ROBERTS: Mr. Chairman, our discussion of flood protection for Winnipeg has been pretty well centred around the floodway. Is there a program of dikes for inside the flood area along the Red River. And if so, is it included in the deal that's being made with Ottawa?

MR. HUTTON: I didn't catch

MR. ROBERTS: Is there a program for building dikes within the floodway along the Red River? We have been discussing the floodway itself. Now is there a program for further construction of dikes along the Red River, inside the floodway area?

MR. HUTTON: Why would you want to have dikes -- more dikes -- along the Red River once the floodway is built?

MR. ROBERTS: I don't know why your men are out making the surveys and arranging for the land along the Red River in St. Vital, but this is your department not mine. I was asking the question.

MR. HUTTON: I know what the honourable member is referring to. He's referring to the dike that is built in conjunction with the diversion structure. There is a dike that runs east and west of the river at the diversion structure and directs the flood waters into the diversion channel.

MR. ROBERTS: This is the only dike structure that's being planned --....

MR. HUTTON: Yes.

MR. ROBERTS: I presume according to the Ministers remarks that there'll be some dirt moved this year and I presume that the contracts are now being prepared to be let for this work. Could the Minister tell us what size these contracts will be? How many cubic yards?

MR. HUTTON: Well this hasn't been firmly established as yet, but I expect that they will probably run -- from the preliminary work that has been done -- they will probably run from two million to ten million. That is considering the whole floodway.

MR. ROBERTS: Well there's a huge difference between two million and ten million though. Is there no -- have you no more firm idea as to what the size of them will be? You mean that some will be two million and some will be ten million cubic yards? I presume that you are not aware that we have very few, if any, contractors in Manitoba who will tackle a 10 million cubic yard job. I think one of the really strong points that we should be emphasizing at this time is that Manitoba contractors should be given every opportunity to do the work. Certainly the same opportunity as any other firm would have, and the only way that we can give them the same opportunity as any other contractor who could do it would be to make the contracts themselves small enough or of a reasonable size so that any Manitoba -- good Manitoba contractor can bid on them. I don't know for certain, but I would suspect, knowing what I do know about the contractors in Manitoba, that very few, if any, will be prepared to tackle a ten cubic yard job.

MR. HUTTON: There'll be a great many who will be prepared to tackle ten million yards because they'll have three to four years to move the earth. Over a three of four year period they will have an opportunity to move ten million yards, and they'll have an opportunity to amortize the cost of their equipment over a sure contract. They know the work they will have to do and the period they can do it in and they'll be able to amortize that equipment. I'd like to inform the committee that we are in close touch with the Roadbuilders Association on this matter and have been for some time; that the proposal for the contracts and the size of them has been submitted to the Roadbuilders Association and through their directors to the members of the association for their study and consideration. There are serious limitations on our ability to reduce these contracts -- engineering problems. You have to have drainage for one thing for every block that is let and there are only so many drainage ditches along the course of the floodway. So you relate the work that any contractor will do to the available

(Mr. Hutton, cont'd.).... drainage and it is in the interests of getting the work done within an acceptable period of time and working within certain of these restrictions, and drainage is one of them, you are forced to accept the fact that the contracts may be a little larger than our contractors have undertaken before. But I think you would have to consider the size of a contract in relation to the time that they're going to have to complete then, I think that a good many of our contractors are going to be able to bid and bid successfully -- at least I hope they bid successfully. Of course we have no control over that -- but they will be in a position to bid. What is may necessitate, and we have given ample time and ample information to the contractors, hoping that the smaller contractors who may not be in a position to take on this work by themselves will amalgamate or syndicate over the period required in order that they can in this way put themselves in a position where they can finance and carry out a project successfully.

MR. MOLGAT: Mr. Chairman, we've been discussing for some time the arrangements with Ottawa on the matter of the floodway. Due to the fact that a good deal of the water does come from the United States, in fact a major portion, has there been an approach made to the American Government in regard to assistance on the floodway? And is it likely that we will be getting some assistance if an approach has been made?

MR. ROBLIN: Mr. Chairman, our dealings in this matter of necessity must be with the federal government and it is because of the international aspects of the matter that they're giving us 75% on the excavation as the resolution that is being debated explains. There is no possibility that I'm aware of, of receiving any contributions from the American Government.

MR. CAMPBELL: Mr. Chairman, with regard to the dikes that the Honourable Member for LaVerendrye mentioned. Would these dikes in connection with intake structure extend so far this way that they would be actually inside the south perimeter?

MR. HUTTON: No.

MR. CAMPBELL: I think perhaps it was in that area that the Honourable Member for La Verendrye was mentioning because there has been work going on the Red River bank inside the south perimeter. That wouldn't be in connection with the intake I'm sure. Could the Minister find out as to what that work is?

MR. HUTTON: I can try to find out, but it's not in connection with the control structure that I know of.

MR. CHAIRMAN: ... 15 passed? Resolution 37 passed?

MR. SCHREYER: Mr. Chairman, I have just two questions left on this item. They arise out of page 100 of the annual report of the department. In 1960 \$48,000 was expended for 1960 emergency costs and \$49,000 for 1960 flood building damage costs. Now in the first instance, flood emergency costs, that would be to municipalities I presume? Would the Minister tell us what the first item is \$48,000 flood emergency costs, and \$49,000 flood building damage compensation?

MR. HUTTON: Well the first item would deal with flood fighting. I think there were some monies paid out in 1960 for flood fighting, sandbags, equipment, -- (interjection) -- Seine River, yes, and I think there were additional costs in other areas. We had a beautiful flood up in the Gladstone-Neepawa area. The other costs \$49,000 were in respect to buildings, assistance to repair buildings as a result of flooding on the Seine and in other parts in Manitoba where streams and rivers overflowed.

MR. SCHREYER: The last item specifically states "Flood building damage compensation", in other words compensation to those who had to spend money to repair buildings. I would ask the Minister if any money was expended to those for contents as well?

MR. HUTTON: No.

MR. SCHREYER: None at all eh?

MR. CHAIRMAN: Resolution 37 passed.

MR. ROBLIN: Mr. Chairman, this concludes the agriculture estimates so I will move the Committee rise.

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

Mr. Speaker, the Committee of Supply had adopted certain resolutions 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

(Mr. Martin, cont'd.)..... Honourable Member from Swan River that the report of the Committee be received.

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

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 Wednesday afternoon.