

THE LEGISLATIVE ASSEMBLY OF MANITOBA

8 o'clock, Monday, April 1st, 1963.

MR. CHAIRMAN: Department of Mines and Natural Resources, Item 4 --

MR. GUTTORMSON: Mr. Chairman, was the Minister during the dinner hour able to get any information regarding these bombardiers in the Grand Rapids area?

MR. WITNEY: Mr. Chairman, I understand that it was something to do with the purchasing department, some problem that arose in the mechanics of things, that's about all. The Honourable Leader of the Opposition asked about three lakes that we were putting whitefish in. We are experimenting with them by putting whitefish from Falcon Lake in one lake; whitefish from Lake Winnipeg in another lake; and whitefish from some other lake in the other one. We want to test them to see whether in time to come we can tell any difference between these different whitefish. The other lake is whitefish from Clearwater Lake. We don't want to get them all mixed up. We want to be sure that we can tell that these were Clearwater Lake whitefish, these were Lake Winnipeg whitefish and these were Falcon Lake whitefish.

MR. GUTTORMSON: The Minister said that these bombardiers had something to do with the purchasing department. Well surely, would they purchase -- or sell these machines without the authority of your department and not make provisions to have new ones in these for the fishing season?

MR. WITNEY: I don't know exactly how it happened, Mr. Chairman, but it did happen.

MR. GUTTORMSON: How long were the inspectors without bombardiers?

MR. WITNEY: Would you repeat the question please?

MR. GUTTORMSON: How long were the inspectors stationed at Grand Rapids without bombardiers?

MR. WITNEY: I didn't ask.

MR. CHAIRMAN: Item 4 --

MR. MOLGAT: Mr. Chairman, sometime last fall there was a newspaper report about poaching where the Dauphin River flows into Lake Winnipeg. At that time, apparently some of the poachers or someone fired at the boats that were to come and survey this on behalf of the department. I wonder if the Minister could indicate whether this matter is now under control or whether the poaching continued. The newspaper report indicated that the Fisheries Department were going to go back in there with some RCMP personnel on board and this seemed rather drastic action. I wonder whether the Minister could report to us.

MR. WITNEY: We've had the assistance of the RCMP on the poaching at any time that we have wanted them to give us assistance. I think the honourable member knows that we have had several times when poaching has taken place. We feel that we've got it under control and if we need the assistance of the RCMP we know that they are there and will give it to us.

MR. CHAIRMAN: Item 4 - passed, Item 5, Field Operations -- passed. Item 6 --

MR. CAMPBELL: Mr. Chairman, on Field Operations -- you, I gather, are planning on taking these all at once rather than (a), (b), (c) and (d). I was planning on asking about the registered trap line program. I see that the review of the Department's activities, which of course is now a year old, points out that we had a very serious situation a year ago with regard to muskrat and to a lesser extent with beaver and some other animals. Muskrats, through the years, have really been the great fur-bearer of Manitoba. I'm sure that all of us have been very encouraged by the comeback that the beavers have made too, but I would suggest that through the years the bread and butter of the fur industry has been our old friend the muskrat. Is that not correct? Getting up, I think by the table that I have been looking at here, as high as practically 1 1/2 million pelts at one time; but they were down tremendously, if I remember the figure rightly, 166,000 in the year for which we have a report. Can the Minister tell us what the situation has been since that time? Are they staging a comeback? I know that they seem to go in cycles and I presume those cycles are related to the water conditions. Are they on the way back and is the situation more promising? How about the beaver and the mink -- I'm speaking, of course, of the ones in the wild state. When the Minister answers, would he deal with the trap line program, particularly in the Delta and Ambroise area.

MR. WITNEY: Mr. Chairman, the muskrat population this year apparently still appears to be down in this province, and I gather that it is down in other parts of Canada too. One of the reasons which we find it to be down here, at least we believe it to be as a result of the very

(Mr. Witney, cont'd)... low water that was prevalent about a year or so ago. The beaver populations have retained their strength and are strong throughout the whole of their particular range. I believe that with the water levels coming back now that the muskrat, which are cyclical in nature, that they too will stage a comeback in the very near future. I was trying to find some information here with respect to the particular area that the honourable member was interested in, and I regret that I cannot see anything specific with respect to the Delta area. They have been better by at least about 25 to 35 percent and the beaver prices have been up at the same time.

The registered trap line program, generally speaking, where there hasn't been too much competition from fishing, has been strong. In some areas of the province the registered trap line program is in full swing with the trap lines being taken care of, and in other areas the trap lines are not being utilized to the extent that they should be. Quite often we find that this is a result of the fish market. If the fish market happens to be good, the trapper is out fishing; whereas if the fish market happens to be poor, the trapper is back on the trap line. We have extended the activities of the trapper education officer from the north country. He now covers all areas of the province in order to draw to the attention of the trapper the fact that he must pay attention to his trap lines if he is to get the most out of it and also the manner in which he can best handle his furs, and we have had some success in this matter. The pelts that are being received now are much better than they were, particularly in areas where the trapper education officer has been holding meetings. I regret that with the specific area that the honourable member is interested in, that I have not any detailed information here at the moment.

MR. CAMPBELL: Mr. Chairman, do the seasons overlap for quite a period? I thought that, generally speaking, the fishing season so far as our area was concerned was well over if not finished by the time the muskrat season came on. Is that correct?

MR. WITNEY: I believe that is the case in the portion of the province in which you are interested, in the southern end of the lake. Up in the north country there is some overlapping of the two seasons.

MR. HRYHORCZUK: Mr. Chairman, about two years ago the department lumped all their field men into one sort of a service instead of having the game officers under the Game Branch and the forestry conservation officers under the Forestry. At this time there was considerable dissatisfaction amongst the men themselves. I had occasion to speak to quite a number of them. The Game men were pretty proud of the work they were doing and the same applied to the Forestry men, and neither one of them knew anything about the other man's job. I wonder whether you've been able to educate them enough to carry out their duties in the branches that they weren't familiar with. What has been done in that regard and how far up does this combined effort go? Who are the field men responsible to, immediately above their superiors?

MR. WITNEY: The reorganization of the department I believe has gone along quite well, particularly in the field. The seven regions that we have operating in the province seem to be operating well now after having some difficulties at the beginning, which we rather expected that we would have. The Conservation Officers are generally responsible -- well not generally responsible but are responsible to the regional supervisors and then the regional supervisor, of course, is responsible to the Winnipeg office. We have had a constant number of schools in training of our men in order to make sure that the conservation officers receive a full grounding in all the renewable resources such as game, fish and the forest. We've had three field staff schools this year with approximately 20 to 24 men attending at each time. We've had three fire-fighting courses in addition that were held for the field staff at Falcon Lake and at Carberry and at the Duck Mountain. We had one Indian fire-fighting school held at Cedar Lake where some 20 key Indian fire-fighters were schooled. The matter of continual training of the staff will be carried on during this year when we expect that we will be able to have three to four schools in operation. We are finding that through these schools our conservation officers are exhibiting quite a considerable amount of interest, not only in perhaps the field that they were in before reorganization but in the other fields as well. In some cases, we find that these men have responded exceptionally well to the training that we have and I think, in them, we can see some of the potential leaders in the type of work that they are doing for the future. The regional supervisors meet here in Winnipeg regularly along with the directors, and the

(Mr. Witney, cont'd)... directors and the Assistant Deputy Minister and the Minister all meet with them. They discuss various aspects of resources, renewable resources, administration, new techniques, and are lectured by the biologists in many cases. So the program of training has been stepped up during the past year and will continue, as it has been stepped up and continued, I feel confident in saying that the move we made some two years ago is working out successfully now and will be of benefit to the province as we go along.

MR. HRYHORCZUK: Mr. Chairman, what positions did these regional supervisors hold before you started this combined effort?

MR. WITNEY: Most of them are forestry people, but the one in the southwest corner was a game man. The others are forestry men and the Chief of Personnel is an ex-game man.

MR. HRYHORCZUK:Mr. Chairman, out of the seven men who are regional supervisors had no experience in game conservation until this new program was undertaken.

MR. WITNEY: In the regional supervisors -- yes.

MR. CHAIRMAN: Item 5 -- passed. Item 6 --

MR. MOLGAT: Mr. Chairman, under Surveys Branch, the other day I was asking the Minister about the park that he intends to develop north of the Whiteshell -- between there and the Berens -- I thought he indicated as a wilderness park. I presume that the boundaries are being established by the Surveys Branch. Now in that general area there is a very substantial mining development. Does he wish to discuss that now or under the next item? I presume the Surveys Branch are laying on the boundaries, and my question really is what is going to be done about the natural resources within the areas set by the Surveys Branch?

MR. WITNEY: We would utilize the natural resources within that area under the clause in The Parks Act which permits us to do so. Those people who want to use one of the natural resources will have to work through the provincial forester, but The Parks Act is based on the multiple use of resources within the province providing, of course, in these Park areas that the aesthetic values and the scenic values are maintained and respected by whoever does the developing.

MR. MOLGAT: My point, Mr. Chairman is that in the case of the federal parks, there's a very major discussion going on at all times that has been revived in the past few months regarding the use of federal parks for other than strictly recreational purposes. The federal department decided not to permit mining or forestry in the federal parks. In view of the fact that this particular area has, as it stands now, a fairly substantial mining activity and the possibility of further forestry development, plus the fact that some years ago my honourable friend the Minister of Industry and Commerce had indicated that a road would likely be built through this area -- and my honourable friend at that time had indicated to us that under the roads to resources plan, it would likely mean a highway on the east shore of Lake Winnipeg -- now we haven't heard a great deal more about this since that time, and what I want to know from the Minister is, will this wilderness park mean an end to the possibility of a road along the east shore and forestry in the area and new mining developments in the area?

MR. WITNEY: I'm not sure of the position with respect to the road because I'm not sure of the proposed boundaries as I have seen them at the present time or in relation to the road that the honourable member is mentioning. As for the utilization of the resources, if the resources can be utilized, as I say keeping with the aesthetic and the scenic values that are in the general area through the provincial forester being the -- I suppose you would call him the watch-dog, then those resources would be utilized; we won't have the strict position that is taken by the federal parks people.

MR. CHAIRMAN: Item 6 -- passed. Item 7 --

MR. MOLGAT: Mr. Chairman, in the case of Item 7, I've heard some rumours that there's a possibility that the mines at Bissett may be closing. I wonder if the Minister could indicate whether this is correct or not?

MR. WITNEY: I can only say at this juncture, Mr. Chairman, that we are watching that situation at Bissett very carefully.

MR. GUTTORMSON: Mr. Chairman, does the government have a program whereby they assist people going into the mining business?

MR. WITNEY: No, Mr. Chairman. One was considered about three years ago with the prospecting people, but there didn't appear to be that much interest in it. We examined the

(Mr. Witney, cont'd)... effects of such programs in other provinces and felt that it was not necessary to institute one here.

MR. GUTTORMSON: Am I to understand the Minister correctly then that nobody in the mining business gets any assistance of any kind from the government. Is this correct?

MR. WITNEY: The mining industry and the prospectors have the use of the maps that we have prepared such as those from the aeromagnetic surveys which are being done at the present time and the information which is released finally from the various reservations that we have. They also have the services of the Assay Branch here in Winnipeg which handles quite a number of assays during the period of a year; but that's the only type of service that we have; we don't have any financial assistance at all -- (Interjection) -- No.

MR. CHAIRMAN: Item 7 -- passed.

MR. MOLGAT: Mr. Chairman, the question I asked of the Minister, he said that he was watching the situation at Bissett, I think he said with great interest or something of the sort. But could he indicate to us whether it is correct that there is a likelihood of that mine closing down?

MR. WITNEY: I can say that there is a likelihood of it closing down. That's as far as I can go right now.

MR. WRIGHT: fascinated by the reserves of potash that extend westerly and easterly from Saskatoon. This reserve of potash I guess is about the greatest in the world and it has been known for some time that these reserves extend into Manitoba. I'd like the Minister to explain why we're only now drilling test holes to find out how much potash we have in Manitoba.

MR. WITNEY: Test holes have been drilled over the past two or three years, Mr. Chairman here in Manitoba and I think the exploration for potash in the province has kept pace with the exploration in other provinces. Here in Manitoba we seem to be on one end of the potash area, but there has been a considerable amount of drilling of an area about 14 square miles, I think it is, along the Saskatchewan-Manitoba border, and drilling has taken place outside of that particular area also over the period years.

MR. CHAIRMAN: Item 7 passed. Item 8 passed

MR. GUTTORMSON: Mr. Chairman, are members of the Legislature permitted to use this area service if they're interested in going north on provincial business or interested in seeing some area in the north?

MR. WITNEY: No. We have made the air service available for one trip a year only to the members for Rupertsland and for Churchill and apart from that -- the Ministers of course use it if they're going into any particular area.

MR. GUTTORMSON: in other words then, for example, if the Leader of the Opposition is desirous of going to a certain area because of some particular incident, he wouldn't be allowed to go, is that correct?

MR. WITNEY: That's correct, Mr. Chairman.

MR. CHAIRMAN: Item 8 passed....

MR. WRIGHT: Mr. Chairman, I'm amazed at the scope of operations of the air service. I notice they do work for the Lands Branch, the Hydro, the Department of Health; they do work for the Game Branch and for Fisheries, even the Government Liquor Control Commission and the Attorney-General's Department. I believe that there are eight aircrafts. Would the Minister tell us what type of aircraft are used?

MR. WITNEY: We have six Beaver and two Otter. We have standardized up on those two types of aircraft.

MR. GUTTORMSON: these aircraft operate full-time all year around? I mean are they owned by the department?

MR. WITNEY: The aircraft are owned by the department and they operate with the exception of the breakup and the freeze-up periods when they change over from skis to floats and vice-versa.

MR. GUTTORMSON: Where is the base of these aircrafts?

MR. WITNEY: The main base is Lac du Bonnet. During the fire seasons they are at Lac du Bonnet, with aircraft base at The Pas, at Norway House and at Wabowden.

MR. CHAIRMAN: 8 passed. Item 9 passed. Item 10 passed

MR. HRYHORCZUK: Mr. Chairman, throughout this department, you see Items; Canada-Manitoba, ARDA agreement and in none of these items do we see any recoveries from Canada, and anywhere else that you have a joint responsibility it shows recoveries. Does that mean That Canada spends money on its own not through the usual method?

MR. ROBLIN:revenue estimates.items will be shown in the revenue estimates.

MR. HRYHORCZUK: But in all other cases where you have joint programs you show them here. Is there any reason for the difference?

MR. ROBLIN: No, not in all other cases. In the ones in the very early cases we do, but that's not our practise nor has it been for the last few years.

MR. HRYHORCZUK:any new programs that have come in within the last few years, you don't show them that way?

MR. CHAIRMAN: 9 passed

MR. MOLGAT: No, Mr. Chairman, under 9 c) Soil Survey Work and Operation of Pastures. Which pastures are involved in this at the moment? I think the only pasture there was provincially that we were responsible for was the Sleeve Lake pasture, and I understand that that is being turned over to the Federal Government under the PFRA. Will that leave us with any other pastures in the province and are we opening new pastures under this department?

MR. WITNEY: The only pasture that the Department of Mines and Natural Resources operates is the Birch River pasture and that is the only one that this item applies to. The Sleeve Lake pasture is a Department of Agriculture pasture.

MR. MOLGAT: Is there no possibility of the Birch River one then being taken over by the Federal under PFRA?

MR. WITNEY: Not the particular one that we have, no. The PFRA I believe are examining the potential for another one in that area, but they would not be taking over this one.

MR. MOLGAT: Well is there any reason Mr. Chairman, why we should be operating pastures under the Lands Branch in one field and under the Department of Agriculture in another. Wouldn't it be advisable we get them all under the one administration?

MR. WITNEY: The only reason we happen to have this one as I understand it, it came as part of the Birch River land development. When the Birch River land development took place some years ago, it was decided to put a pasture in there and as the development was handled by the Lands Branch of the Department of Mines, we of course handled the pasture. So far it's worked out all right, we've never really thought of the problem of being -- of ourselves handling one and agriculture having another.

MR. HUTTON: I wonder, Mr. Chairman, if I could say a word on this. The new PFRA pasture will be under construction in the next few months, but there will be no management provided there until it comes into operation and at the date that it comes into operation then we can unify the administration of two pastures.

MR. MOLGAT: Will they then take over this Birch River pasture as well?

MR. HUTTON:think so.

MR. CHAIRMAN: 9 passed. Item 10 ...

MR. GRAY: Mr. Chairman, may I ask the Minister how much Crown Land is available for mixed farming in the?

MR. WITNEY: I'm sorry I couldn't tell you how much is available for mixed farming right at the present time. I just can't answer the question. I'm sorry.

MR. CHAIRMAN: Item 9, passed. Resolution 10, passed

MR. HRYHORCZUK: Mr. Chairman, under 10. The items here are pretty general. Could the Minister give us a breakdown on them. An idea of where this money is going to be spent?

MR. WITNEY: Yes. It will be spent in such matters as repairs made to the Grace Lake airbase up in The Pas where we will be doing some work on the dock; in landscaping of the Whiteshell fish hatchery; in installation of the cold water pipeline -- we're installing a cold water pipeline at the Whiteshell Fish Hatchery to improve the efficiency of the operation there-- and in the building of a marine railway and dock which we need to help take our boats out of the water; net shed, troll cabin; in extensions to warehouses and shops and offices and carpenter

(Mr. Witney, cont'd)... shops in the various regions. Such matters as fire ranger cabins, stop-over cabins, tower cabins and warehouses and completion of the Thompson office and warehouse area. In fire-guards and towers -- new towers -- we'll be having one in the Turtle Mountain this year, for instance, we'll be replacing two or three towers. In completion of roads that are under construction now such as the L... road, the Sandilands central road, the Sandilands north boundary and Whitemouth Lake road, fire-guard trails; and in such matters as gravelling the road to St. Ambroise beach and completing the Birch Point dock; construction of a two-way washroom at St. Malo; new access road to Norquay beach and various recreational developments such as boat launching ramps; two-way toilet facilities, car parking pads and additional camping units for the various recreational areas throughout the province. Those are the general type of thing which the money is used for -- in recreation, in forestry and in fisheries.

MR. HRYHORCZUK: Mr. Chairman, I didn't hear the Minister mention the road that runs from No. 10 west through the headwaters of the Pine River where we have built several dams in the past eight years or so, down to the Wellman Lake road that goes north and south through the Duck Mountains. Is that part of your program for this year?while the Minister is looking through his notes that this is a very important road in the maintenance of the dams on the headwaters of the Pine River. It also is an important road from the aspect of fire control and so forth.

MR. WITNEY: I'm sorry at this moment I can't give the honourable member the answer. I'll have to get it for him separately.

MR. CHAIRMAN: Item 10 passed.

MR. JOHNSTON: Mr. Chairman, I was just wondering if the Honourable Minister -- in the acquisition of land under No. 10, is it the policy of this government and your department to watch for large estates that may come on the market where they could be purchased at a reasonable price and then used for park land, cottage sites or wild life and so on? I'm referring right now to the Delta area. There's a Donald H. Bain estate with about five miles of lake frontage and large marshlands behind it and I know there has been a great deal of interest in this area by people who are wondering if they'll ever have the chance to purchase lots. I was just wondering if your department watches for these opportunities to buy up these good and choice pieces of park land and recreational land that is near population centres.

MR. WITNEY: Yes we do, Mr. Chairman, and we have been watching very closely the particular estate that's been mentioned by the honourable member. Although if we were able to purchase that we would use it for waterfowl purposes. I think one of them he's perhaps familiar with that we did purchase sometime ago, is what we term the "Armstrong Property" in the Delta area. So the answer to the question is "yes".

MR. CHAIRMAN: Item 10 passed. Item 11 passed.

MR. MOLGAT: Mr. Chairman, could the Minister indicate what there is exactly under Item 11? Here again the major part of the ARDA work comes under the Department of Agriculture, but there's one item here apparently directly connected with Mines and Resources and I wonder if the Minister could give us some information. My impression was that the ARDA development was largely dealing with the Minister of Agriculture.

MR. WITNEY: In this division it's for land acquisition basically for forestry and wild life and recreation and for wet land; that is what this particular item refers to. If we are able to purchase some land for those particular purposes and we are able to do so under the ARDA Agreement then the land acquisition moneys would come from this amount of money here.

MR. HRYHORCZUK: Mr. Chairman, on what proportion do you share these expenses with the Federal Government?

MR. WITNEY: On a 50 percent basis, Mr. Chairman. We pay half and they pay half.

MR. MOLGAT: Regardless of the purpose of the purchase, whether it's for forestry or for wild life or wet lands?

MR. WITNEY: That is right.

MR. MOLGAT: And then title to the property is in whose name after that -- the province or joint?

MR. WITNEY: The title comes to the province. It's ours.

MR. MOLGAT: And we control it completely from then on, as to what we do with it,

(Mr. Molgat, cont'd)... whatever purpose we put it to?

MR. WITNEY: That is right.

MR. CHAIRMAN: Item 11 passed. The Member for Rhineland.

MR. FROESE: Mr. Chairman, I probably missed out the right place for this question that I would like to put to the Minister. It's got to do with the sale of land. When the members took a trip down north last summer or early fall we had a good look at the Pasquia project. I'm just wondering whether the Minister could tell us whether there's going to be any of that land put up for sale this year and whether more land will be reclaimed on that area which could be sold later on?

MR. WITNEY: The major capital works with respect to the Pasquia program have been completed now and we have entered into lease options agreements with the settlers that are there at the present time, and the other plots of land that we have available we do so on a selective basis. We have applied what is generally called the V.L.A. formula and when we have been able to bring all those lands under a lease option type of agreement that these people can buy it after they do certain things and then once we come to the end of that, we will see what happens with the Pasquia project, how successful it is going to be.

MR. MOLGAT: Mr. Chairman, there was some controversy I think, either late last year or sometime during the course of the year over the Saskeram area. Does that come under this ARDA Agreement?

MR. WITNEY: No, the Saskeram agreement -- it was an agreement arranged with the Department of Mines and Natural Resources and the Ducks Unlimited people where we gave them a 21 year lease and they in turn said that they would build capital works which would keep the area in pretty well what it normally has been over an average period of ten years. It will be used on the multiple use basis; the major portion of it will be for waterfowl and those areas that have been utilized for hay and grazing in the past will still continue to be utilized for hay and grazing, much in the same manner that they had been before. Does that answer your question?

MR. CAMPBELL: Mr. Chairman, I too may be bringing this up at the wrong place, but I didn't have the opportunity of bringing it up earlier and just before we leave the department, I would like to check with the Minister regarding the personnel of the department which is shown just inside the front cover of the annual report that we have. That lists the permanent staff as at March 31st, 1962 -- that's one year and one day ago -- as 406, and from the figures that were supplied as to the number of civil servants in this department this year, we have 453. I was wondering if there really had been 47 additions to the department in the period under review.

MR. WITNEY: Yes, we have made additions to the staff. I am a little at loss to say whether it is the exact 47, because we have some of these positions that are on the establishment with the money appropriated for them, although they are not filled. For instance in the Mines Branch we have some there where we are retaining the flexibility of being able to obtain staff if we were to find a substantial increase of activity in the southwest corner of the province. The staff has certainly gone up. We have hired a new biologist, some new clerk-stenos; we will be taking a new Agriculturist V on the Lands Branch and a new clerk-steno there. We will be taking on an Accountant I in the Accounts Branch. We have taken on over the past year a Silviculturist; we have taken on another permanent geologist for the work that we have done in the field and right at the moment I can't think of the other acquisitions we have made.

MR. CAMPBELL:was Mr. Chairman, that on the list as furnished in the report, that there are 32 permanent positions unfilled there, and that even if those 32 had all been filled it'd still leave a total establishment of only 439, and yet the list that was given us at the beginning of the consideration of estimates gives a total already in the department of 453, and I gather the Minister is saying that there are some more to be taken on as well. Perhaps the Minister could check that at his convenience, Mr. Chairman.

MR. WITNEY: Yes, if I could please, because right at this moment I couldn't just place where these people have been placed.

MR. CHAIRMAN: Item 11 -- passed.

MR. MOLGAT: Mr. Chairman, before we leave the department altogether, I think there were some questions left unanswered -- questions asked by the Member from LaVerendrye

(Mr. Molgat, contd)... regarding the share -- the percentage charges to people who have businesses in the Falcon Lake establishment. I don't recall the Minister bringing the reply in. I don't ask that he do it now, as long as it's understood that we will get it at a subsequent time.

MR. WITNEY: Yes, I will do that Mr. Chairman.

MR. CHAIRMAN: Department VI. Agriculture and Conservation.

MR. HUTTON: Mr. Chairman, I think at the outset as I introduce my estimates for 1963-64, I would like to pay tribute to a friend of agriculture who has left the service of the provincial government -- and I am referring of course to Dr. Jim Bell -- who served the Department of Agriculture and the farmers of this province for 46 years. He was an outstanding figure in the agricultural scene in Manitoba for a long long time. He made a tremendous contribution. I think that when he was feted at Brandon 4-H Centre on the 17th of December, the host of friends, well over 500 -- I think there were 600 of them -- who came from all of Manitoba, gave an indication of the contribution that he made to the agricultural industry and to the people-- and this is the most important part -- to the people associated with agriculture. He made the most important, I think, contribution of any man in Manitoba in the last 50 years. I would like to pay tribute to him because even after he is gone the imprint of his counsel and his confidence, his belief in agriculture and his efforts on its behalf are still there and I believe they'll be there for some time to come.

I would also like to pay tribute to my staff. The people in Manitoba have now a new Deputy Minister of Agriculture in the person of Mr. Esmund Jarvis. He is young; he is imaginative; he has a great deal of energy and I know and I'm confident that he is going to give great leadership in this field in the years to come. But along with him I would like to say thank you to all the members of the staff who have worked so hard through the years, and this past year in particular, and who have put a lot of hard work and thought into planning a program for the future that we believe is going to bear fruit for all the people in Manitoba.

I believe that the goal, the objective, of the Department of Agriculture in Manitoba is to help the farmers of this province to bake a bigger pie so that there can be more for all -- not just for the farmers but for all the citizens in Manitoba. Agriculture is still a mighty important segment of our economy and as the COMEF report has indicated we're going to have to rely on growth in agriculture to create jobs off the farm in Manitoba in the years that lie ahead. So the job of the department is to help the farmers, our farmers, to be the best farmers in the world. It may sound pretty ambitious but I don't think we can afford to settle for anything less.

I'd like to give you a quotation from a speech delivered by David Kirk of the Canadian Federation of Agriculture at last fall's conference of the Co-operative Union Conference here in Manitoba. He said, "if you don't get what you want, you will end up wanting what you get. You will end up thinking that what you have, what you actually have is okay and it won't necessarily be okay -- it could be quite unsatisfactory, and being ourselves part of the unsatisfactory situation we may not even realize it." And he went on to say later, "to the extent that we make things happen for us instead of letting them happen to us we'll be a happier people." Well, I think that we can take a little credit for our agricultural program, for having made some things happen for us. There are still too many things happening to us but we have had some success.

In my short experience in farming, I think I can say today that the outlook is brighter; the long-range outlook is brighter than I have ever seen it; the challenge is greater and we must be prepared to meet it. I said we'd had some success. 1962 has been the best year that the farmers of Manitoba have experienced, at least back to 1939, and that's quite a ways, that's 24-25 years. To give some idea of the kind of a year it was for us, the best year since 1939, prior to 1962, was the year 1948, and the average net income per farm in that year was \$3,299 per farm. In the year 1962, the average net income per farm in Manitoba was \$4,300 and better -- over \$4,300. But I'm the first person, Mr. Chairman, to give the good Lord his due -- we were blessed with a tremendous crop here in Manitoba. But that wasn't the only reason -- that wasn't the only reason that we have been able to realize this kind of return to the average farm in Manitoba. There have been some changes taking place on the farms in Manitoba and one of the reasons why this net return per farm is so large is the fact that there are fewer farms. In 1962 there were 42,500 farms in Manitoba as compared with -- let's just

(Mr. Hutton, cont'd.) . . . go back a few years, say to 1954, when there were 50,500 farms; or let's go back to 1958 when there were 46,700 farms in Manitoba. There are fewer farms; they are larger farms; they carry quite a bit larger capital investment. The average farm size in Manitoba today is 435 acres in 1963. This is an estimate. The census figure for 1961 was 420 acres. This compares with an average acreage in Manitoba, according to the 1946 census, of 306 acres. The average capital investment per farm in 1946 was only \$9,240.00. In the year 1961 the average capital investment per farm in Manitoba was \$24,950, almost \$25,000.00. I think that noting these larger units, still family farms, still family farms, noting the capital investment that is available to the farmers today, and noting the returns that they were able to achieve in the year 1962 when providence smiled upon them we can feel we are moving ahead with the rest of the economists.

I make no suggestion that we can rest on our laurels, or that we can feel that we have reached Utopia. Not all the farmers in Manitoba shared in this bounty that was showered on Manitoba in 1962. There were large areas in Manitoba, fairly large areas, that suffered substantial losses. The Crop Insurance Corporation in the year 1962 paid out over 1/2 million dollars in indemnities. These were paid out largely in the Red River Valley in the area northwest of Winnipeg. But we learned in those areas the value of crop insurance and those who were protected -- and thank goodness I can say that a majority in the areas that were hardest hit were protected, carried some protection of crop insurance -- these people learned the benefits of this program.

Beef prices were high and the sales of beef were maintained in the year 1962 with the result that the sales of livestock products in Manitoba in the year 1962 were second highest on record, second only to 1961 when a good many farmers had to cull their herds in order to be able to carry them over in the face of a shortage of beef. The cattle prices slipped in December due to somewhat heavier marketing of U.S. cattle but the outlook is that they're going to remain steady at this lower level.

Exports of grain were high; the prices were exceptionally good, and this contributed a great deal to the strength of the farm economy.

The Manitoba Agricultural Credit Corporation continued to do a good business. It loaned over \$3-1/2 million in 1962, roughly 75 percent of these monies went to young farmers between the ages of 21 and 31. As of March 1963, arrears amounted to only \$17,774, or 1.9 percent of the amount due -- virtually all of these arrears are less than six months old -- and this is on the amount of money, \$17.9 million that has been loaned to 1,693 farmers in Manitoba since 1959.

Crop Insurance, I've mentioned its value, paid out \$518,000.00 in 1962. Crop Insurance will be available this year in another new area. This new area is referred to as the midwest test area; it includes the municipalities of Harrison, Saskatchewan, Clanwilliam, Minto, Odana, Daly, Elton, Whitehead and Cornwallis.

In the Fall of 1962, we graduated the first 100 members of the Farm Business Group. This program was established in 1958 and there are now 27 of these groups in the Province of Manitoba, with over 700 farmers participating. I don't know whether you appreciate what this means. We'll likely level off with probably a thousand farmers enrolled in this four-year course in farm management, animal husbandry, soils and crops -- and other courses which are designed to help them in this business of farming. This means that in the next decade we will have thousands of Manitoba farmers who have availed themselves of this opportunity to study courses which in many respects are up to the kind of a course that they would get at the university if they were able to attend; but we have endeavoured to take the benefits that they might gain by attending the Diploma course, we have tried to take it to them, and I think with great success. One of the most striking features or results or consequences of this program is the fact that as these men complete their four-year course they are casting about for a farm management service which give them the kind of farm accounting and analysis that they learned is so important to the successful operation of their business, during their four years in training. At the present time, the Department of Agriculture is endeavouring to establish a procedure whereby we can provide a service of this kind, a farm management service at cost to these people.

I announced in the House here not long ago one of the research successes that has taken place at the university in the licensing of Tanka, a new rapeseed variety and this is just one of

(Mr. Hutton, cont'd.) . . . many successes that are, if not accomplished -- are in the formative stage out at the university.

In 1962 we opened a new animal science centre at the university, a multimillion dollar projects, and it is now serving the farmers of Manitoba. The Faculty of Agriculture at the university acquired a farm south of the university at Glenlee, about 1,150 acres, and this will provide for the necessary expansion of research and plant science, animal science, soils, agricultural engineering and entomology. It will provide the university with the opportunity for field testing their research projects. It will provide an opportunity for applied research. The Department and The University are co-operating in further field trials on tobacco; three new crops were successfully tested in 1962. Mint and coriander grew very well in Manitoba; the market potential is good and we can therefore look forward to commercial production in the near future. an all producing crop similar to rape also grows well; and because this crop contains more erucic acid than rape we're going to have to continue the research on it to refine the product.

We added two new weed control districts in 1962, bringing the total number to 14. We are adding or providing for the addition of two more weed control districts in the year 1963. This program has proved extremely effective in weed control work and its proved extremely acceptable to the municipalities who have responded in co-operating with one another in establishing these districts and carrying out co-ordinated weed control programs.

Manitobans distinguished themselves once again this year at the Toronto Royal Winter Fair. They won four grand championships in livestock; they won the top aggregate score for butter as well as championships for poultry and honey.

I'd like to mention the success, the dramatic success, that I referred to earlier in the debate today, the work amongst the Indian and Metis and the role that the co-operatives have played in helping these people to come into their own. Many of the communities that relied almost entirely on welfare are seeing their way clear, or seeing the possibility of being able to look after themselves and to rely on themselves. There was one very dramatic example where one community just two years ago was living entirely on welfare payments, the following year through its efforts, through a co-operative enterprise, was relying entirely on its own energy and initiative. Of some \$36,000 in guarantees granted by the Co-operative Promotion Board for these northern co-ops some 14,000 has expired without being used. The co-ops are engaged in pulp cutting, consumer goods and fish marketing, and it is significant that in the case of the latter almost one million pounds of fish were marketed co-operatively in 1962 -- and this could be doubled or tripled in the coming year. In the estimates that I am introducing is provision for additional supervision of these co-operative ventures in northern Manitoba amongst our native people.

During 1962, although you don't consider the Department of Agriculture to be in the forestry business, we planted one million, one hundred and thirty thousand trees; these were planted in field shelter belts. Research has now given us quite an ally in this program; a new chemical weed control product has been developed called simozene or symozene, which provides effective weed control in our trees without doing any damage to the tree, and we have made an arrangement with the municipalities whereby the department contributes one dollar per mile where the municipalities hire someone to spray these shelter belts. I think we plan on planting about two-thirds of a million this coming year, of trees in the department.

The Charter was granted for the establishment of the Agriculture Economics Research Council for Canada. I trust I'll be forgiven Mr. Chairman, if I suggest that some of these people who are running for their life these days are suggesting that if they ever got there that they'd establish such an organization. It has been established. Its Charter has been granted. The editor of the Country Guide is the representative on the board of governors for Manitoba and Saskatchewan. He was elected the President of the Board of Governors. Dean Weir of the Faculty of Agriculture was appointed to the Research Directorate and has subsequently been elected the Chairman of the Research Directorate of the Agricultural Economics Research Council for Canada.

The department in co-operation with the Canadian Broadcasting Corporation and The University of Manitoba, staged its second television short course for farmers, called "This Business of Farming". Like the first television short course that we undertook, this one has been

(Mr. Hutton, cont'd.) . . . a phenomenal success and we are providing in the estimates for a continuation of this media in our extension work with the farmers of Manitoba.

During this past year, we carried on our water control and conservation program. We called for tenders on two excavation contracts on the Red River Diversion, a total of over some 7 million yards of earth -- over a million yards was moved last fall before the frost made it impossible or uneconomic to carry on. Several of the bridges have been -- tenders have been called -- and they are under construction. We recently called tenders and approved the tender for the outlet structure at Lockport; so this project is well underway.

The agreement with Canada has been signed providing for a 50 percent contribution to the projects on the Assiniboine, the Shellmouth Reservoir and the Portage Diversion. These projects are moving ahead; they're in the planning stage, but will be underway as soon as preliminary engineering and designing is completed.

The program in drainage was carried on at its usual rate and we continued to carry on our water supply program assisting many of the towns in Manitoba in acquiring a satisfactory supply of water and enabling them to offer this convenience to its inhabitants and to add some lustre to already a very satisfactory community.

Looking ahead, I mentioned this challenge that we face. We are actually moving into a period when the extent of the production quotas that we must meet in Manitoba represent a challenge to our ingenuity, our initiative and our energy. This is the most wonderful thing that can happen to farm people because there's nothing so disconcerting; there is nothing frustrating; there is nothing so disappointing to a farmer as to be in a position where the fruits of his labours are not wanted. I know this is true of a carpenter; it's true of anything, but to a farmer whose mission in life is to make two blades of grass grow where one grew before, it is a heartwarming challenge to him to be told that he's going to have to really nuckle down if he's going to be able to meet the demand. And the challenge that we face in the next fifteen years, and even less, is that we must double our cattle population in Manitoba. This is a formidable challenge because we all remember what 1961 was like and how we searched high and low, and we even tried to raid those soil conservation plots down in the soil bank areas, down in the U.S.A. in order to try and find some hay to feed our cattle. So the job ahead of us is a big one.

In the estimates in my department, and in the Department of Mines and Natural Resources, we are providing for a 10-point program of cattle improvement and of cattle increase. I'm not going to go into it right here; I'm going to leave that until we reach the appropriate place in the estimates. We are going to introduce, are in the process of introducing a new quality selection program for swine. We're doing this to try and provide a source of superior swine breeding stock in the Province of Manitoba. And this again is aimed at bolstering our livestock production and the quality of that livestock production in Manitoba.

The record of production program in beef in Manitoba is at a crossroads and we believe that it is essential that this program moves forward as part of our total livestock improvement program, and these estimates provide for such a policy. The estimates provide for the establishment of a soil testing service situated at the university which will make available to farmers a detailed soil analysis at cost. This service is of particular significance in Manitoba to those who are engaged in special crop production, vegetable production. But if we're going to reach that goal that I was talking about, it's going to be of particular significance to the livestock producer too, who wants to grow more tons of feed.

We are opening a new agricultural representative office in Manitoba and will be opened at The Pas to serve the new farming area of the north. We have had in the past a student-assistant working out of The Pas but there are 150 farmers up there now -- they tell us that there are going to be 175 by mid-summer. There's a new community pasture going in there to serve this area and in consideration of the type of soil and the conditions that the farmers have to work in we believe that it is essential that they have a full-time ag rep to get this little nugget polished up. If it's handled right the Pasquai can be a little gold mine for the northern community; if it isn't handled right it can be something less than that. That's the reason why we are making a full-time and experienced agricultural representative available to these farmers.

The 4-H movement in Canada will celebrate its 50th anniversary in 1963 and Manitoba has been selected as the province in which to mark this occasion. The first known 4-H Club was established in Roland, Manitoba, 50 years ago. It is of significance that the 4-H movement

(Mr. Hutton, cont'd.) in Manitoba is still growing. We had one of our biggest years this year -- a significant increase -- not only in numbers of young people but amongst 4-H leaders. And I say that it is important and significant that it is growing at this time because we have so many of our young farm people leaving the farm -- nine out of ten of them are forced to find a place for themselves in society off the farm. Now a lot of people think that 4-H is something where you learn to use your hands and you learn to do a project, that you fatten a calf or you learn to sew a seam, or any other like project. The aim of the 4-H and the goal of the 4-H program is to build character and citizenship, and it provides our young people with a training which stands them in good stead no matter where they go. I'd like to tell you one thing that can thrill a Manitoban's heart is to attend the Toronto Royal -- and at that time the 4-H'ers are gathered there from all over Canada -- it will warm the cockles of your heart to see those young Manitoban's down there, taking their part; representing their province in a way that every Manitoban can be proud of.

Some people I know think that maybe we spend a little too much with these young people; that maybe there are programs which would return more dollars -- maybe there are in the short run -- but no matter what we produce on the farms of Manitoba we'll never produce and ship away to other communities anything more valuable than the young people that for generations in Manitoba have left the farm to build a bigger and a better province for everybody to enjoy.

This brings me to the end of my opening statement. I know I haven't covered everything but I will attempt to give the answers to questions that I may have raised as we move through the estimates.

. Continued on next page.

MR. CAMPBELL: Mr. Chairman, I was interested in the Honourable Minister's rather brief review of the agricultural situation as he sees it, with some little forecast of what is to come. I would certainly like to join with him in the tribute that he paid to Dr. Jim Bell. I had the pleasure of knowing him intimately through all the years of his service to this province, because it just happened that he began that service in the Portage la Prairie area. He was a great agriculturist, an outstanding public servant, and a fine citizen, and I trust that in his years of retirement that he will have good health and a happy period to contemplate the fruits that will undoubtedly blossom from his work. And though I can't pretend to know the new Deputy Minister as well as the former, I have met him on occasions and heard him address public meetings more than once and I think he is going to maintain the high standard that we have come to expect and have received from our agricultural staff in this province.

Now I would have been disappointed if the Honourable the Minister of Agriculture had not give us a bit of philosophy. I consider him to be the official philosopher of the House here -- certainly of his own party -- and I think even of the House, and I would have regretted it greatly if he had allowed the Honourable the Minister of Education to usurp his position this year, because the Minister of Education treated us to a definition of education and a bit of his philosophy -- it was very good -- and I was glad to hear the Minister give his objectives as far as agriculture was concerned; to help the farmers, to bake a bigger pie, as I caught it, so there's more for everybody -- not just for the farmers themselves, but for everybody. I think that's laudable. And I liked his quotation of Mr. Kirk, too, where he said it was worthwhile to make things happen for us. Well, I agree with that, and I commend the Minister for his objectives.

Now the definition that the Minister of Education gave us for education, as I recall it, was, to think clearly and to act rightly. And I think that's good too, and that would do for agriculture or anybody else, but it's hard to think, even if you think clearly in agriculture these times in Manitoba. It's hard to be sure that you're going to act rightly, economically speaking, when so many of the things that affect farmers so greatly are beyond our control and so I'd like to philosophize a little bit about agriculture too. What can we say about the basic philosophy of agriculture? I don't object to my honourable friend's suggestions at all -- I agree with him -- but the time honoured expression, I guess, is that "farming isn't only a business, it's a way of life" and that's true. I suppose that's one reason that all the parties, all the parties, Mr. Chairman, at the present time are making great protestations about being in favour of the family farm. They're all going to preserve the family farm. Everyone is for it -- busy at it now; get very interested in this, among other things, at election time. The foundation of our society, they say, and I wouldn't disagree with that either. It's a good, sound, solid foundation and the other oft quoted statement, I guess is, "that it's the responsibility of the farmer to feed the world." Traditionally he's carried that responsibility on his shoulders.

The Honourable the Minister frequently speaks about the revolution that has taken place in agriculture and there certainly has been a series of revolutions and it's a lot easier now, as far as numbers of people are concerned, it's a lot easier to take on that job of feeding as much as possible of the world than it used to be. It used to be quite a program. Just a small percentage -- I don't know what it is, but I know it's a small one -- just a small percentage of the numbers are required now to feed a given number of people, what used to be required years ago.

I knew a family -- there's a lot of you think I'm getting along in years anyway -- but I knew a family living out here just one mile west of High Bluff -- they came there when the young lady was a very young lady but she was already a bride, and they settled there in the year that Manitoba became a province and that young lady saw her husband sow the first crop on the little bit of land that they scratched and put in that spring, broadcast by hand; cut it with a cradle and thresh it with a flail. There were reapers of course -- there weren't binders, but there were reapers at that time. Cyrus McCormick had invented the reaper quite a few years before that. Another inventor had a reaper on the go as well, but not a binder, but these pioneers didn't have the reaper to start up with and Mr. MacKenzie sowed the grain broadcast by hand, cut it with a cradle -- which is a scythe with an attachment on it to make it into a sort of a sheath -- and threshed the little bit of grain with a flail, and that lady, who came there as a bride -- a very young one at that -- lived to see her sons on exactly the same quarter-section

(Mr. Campbell, cont'd.). . . . of land sow the grain with a power drill, drawn by a tractor and cut it with a self-propelled -- cut it with a swather and thresh it with a self-propelled combine. My honourable friend the Minister of Public Works knows the farm. That one person in her own lifetime saw that transformation take place and I reckon that the job of feeding a given number of people just in that one lifetime, was cut down to one percent of what had formerly been required and the end was not yet.

I spoke about Cyrus McCormick with the reaper. My father bound behind a reaper in Ontario -- he didn't harvest with a cradle, but the reaper was already in Ontario before he came west in 1880 and he bound behind a reaper -- the reaper had been invented, but it cut the grain only and carried along -- the original one just dropped it off the end. Later on it elevated it and they got a self-binding attachment, but people went along and first they rode on the reaper and bound, made the band out of the straw, the grain straw itself and bound there and pushed the sheaves off. Then, of course, later on there was the steam thresher and the separator and when the self-feeder came on the grain separator -- that was a wonderful advance by itself, before the bands had had to be cut -- of course, the self binder had come in between and then of course the gasoline tractor and the swather and now the self-propelled swather and the self-propelled combine. These have made the job that the farmer undertakes of feeding a given number of people much easier, much easier -- than they used to be, but because of this modern machinery that my honourable friend has spoken of, the capitalization on the farm is high and he must have a very different return to what he had a few years ago. This is what has happened in Manitoba and it's very sketchy and there's been as great a revolution in recent days again, in the last few years as took place back in those years, but in those years that I'm speaking of, in that period of Mrs. MacKenzie's lifetime -- not only her lifetime, but her lifetime on that one quarter-section -- there was in my opinion as much advance made in the progress of agricultural production as had been made in all of 70 centuries or whatever preceded that time.

But what about the rest of the world? What about the rest of the country that the farmer, the rest of the world, rather, not the country, that the farmer has the responsibility to feed? Not many of us realize the number of people in this world of ours that are still in a stage that approximates what the MacKenzies were in Manitoba in 1870. Not many of us realize that more than half the people of the world, well over half the people of the world, live not only in a food deficient area, and a food deficit position themselves, but that the amount of arable land that they have available to them, simply will not permit of the kind of farming that we take for granted -- and it never can. In that area where more than half the people of the world live, China and India and their immediate neighbours, there is -- well in China there is much less than a half an acre per head of population of arable land; in India, much less than an acre, and the agriculture has to be primitive under those circumstances and yet the people have to be fed. As the Minister has indicated, there is a responsibility that the people of this greatest surplus-producing area in the world would like to assist in, where given the opportunity. By contrast we have 1-1/4 acres of wheat, sown wheat alone for everybody in Canada. We sow enough wheat here for everybody in Canada to have an acre and a quarter. We sow enough of the other field crops, taken together, to give them approximately another acre. When you add in the amount of land lying fallow, getting ready for the next year's crop, you have another acre and a half per person in Canada, approximately; and when you take the pastures and woodlots and all the rest it adds up to five acres or more of arable land that we people in Canada have for every person in our country. No wonder we're in a favoured position as far as our food is concerned. No wonder we are ready and willing and anxious to do something for the rest of the world.

So it looks as if we have some responsibility to do that in feeding the rest of the world, but the point that I'm coming to -- and at last I am getting back to Manitoba -- the point that I'm coming to is if the farmers of Manitoba and Canada are going to accept the age old tradition, responsibility of the farmer to feed the world, we have to have some guarantee that there's going to be for the farmer, at least a paying business afforded to him and this is a key point of agriculture as far as I can see it. The farmer can do this job of production the Honourable the Minister has been talking about -- we can do that. We can run all the risks that have menaced agriculture through time immemorial of drought and flood and storm and hail -- and we've had

(Mr. Campbell, cont'd.) . . . crop insurance and other things to help us along the way a little bit -- but we can accept all those hazards. We'll have troubles at times, but we can accept them and do the job if at the end of the road we have a market at a remunerative price and if our cost of production doesn't get too high.

So we need an assurance that we are going to be able to stay in business. We can grow the food, but how do we get to those people in the world that need it so bad? The farmer can't do that job and who's going to guarantee our costs of production so that we can continue to do our job? It's a good life as the Honourable the Minister has mentioned -- farming -- but it's a hazardous occupation even at its best. Not as hazardous as it used to be, because we've got such things as crop insurance and we've got the Canadian Wheat Board to at least level out, to some extent, the price fluctuations that used to beset us. We've got PFAA and we've got other things that have taken some of the difficulties away, but it's still pretty hazardous this farming game, even at its best. Not as hazardous as it used to be because we've got such things as crop insurance, and we've got the Canadian Wheat Board to at least level out to some extent the price fluctuations that used to beset us. We've got PFAA and we've got other things that have taken some of the difficulties away, but it's still pretty hazardous, this farming game. In recent years in Manitoba -- and I'm not going back a half a century; that's comparatively recent time in the long period that agriculture has been in existence -- in recent years in Manitoba, we've seen the price of wheat six times as high in one year as it was in another. I've seen that in the time that I've been farming. I've sold wheat at more than \$2.53 a bushel clear and I have sold it for 38 cents. That's quite a variation. We've seen the yield -- we've seen the yield of wheat three times as high in one year as another. We've seen the total field crops, taking them all together, ten times as high -- just in the recent years 1952, the field crops taken together were ten times as high as they were back in 1931. I know that this is a combination of acreage plus price plus yield. You've got the combination; but you can get some combinations that have been extremely hazardous for the farmers of this province, and this province there's been more sure crops than either of the ones to the west. Even livestock -- and it's never been considered as hazardous as a field crop, and it isn't; it's generally speaking the sheet anchor to the windward for the farm operation. But even livestock returned to the farmers of Manitoba twelve times as much in 1958 as it did in 1932, and the dairy products which are usually considered more stable, certainly than grain, even dairy products were five times as high in 1958 as in '32.

As I mentioned, we have some stabilizing factors now, the Wheat Board, PFAA, PFRA, The Stabilization Act, Crop Insurance, and other factors; but even so, we still get these tremendous fluctuations that even as short a time ago as 1961, we got down to where we had only half a crop even in Manitoba, and this is where I come directly home to our own situation because acreage and price and yield, important as they are, they aren't the whole story, because the other side of it is the cost of production, and that's the one that I want to speak about briefly now. This is the only thing that I intend to mention in these opening remarks. Like my honourable friend I'll deal with some of the others later on. But this cost of production and the so-called cost price squeeze is where I come into disagreement with my honourable friends who occupy the treasury benches, because it's true that the revenue is up; it's true that it was up in '62.

I listened carefully to what my honourable friend the minister said because I wondered if when he was telling us of the fine record that we had in production undoubtedly in 1962, I wondered if he was going to complete the picture by mentioning that the costs were up too, because this is the key point. If your costs don't rise at least -- if your production returns, your net returns, don't rise at least as fast as your cost of production, then it's a losing game that the farmers are engaged in. It's true that the revenue is up greatly and it's customary for people in the department to tell optimistic stories about the conomic situation. I hold in my hand a clipping from the Tribune of March 28th with a picture of a very handsome gentleman named Evans, and the heading says, "We produced more than ever before." There's an optimistic article here: I've no doubt that the figures therein are true, and this is dealing mainly with the industrial side, rather than agriculture, but we could say the same thing about agriculture. Yes, we produced more than ever before, but what about the costs?

Here is the Tribune of the same issue telling us that "Manitoba farmers in the main

(Mr. Campbell, cont'd.) . . . livestock area of the province are exhibiting increased interest in expanding their beef herds, extending cattle operations, " etc. An optimistic report. Factual, I have no doubt, about the great production in 1962, but what about the cost figures that have accompanied it? And this is what makes the cost price squeeze that we've been talking about, and Mr. Chairman, this cost price squeeze is what imperils the family farms that we're all so concerned about. This cost price squeeze is what is making the problem in agriculture. The cost price squeeze is the bugbear of agriculture today, and it's not new; it's been here for a long time; and would you believe this? It's been getting worse, not better. There's no doubt that it was recognized quite awhile ago when the present Prime Minister of Canada was campaigning away back six years ago, and again five years ago. He is reported to have said that he was in favour of "parity not charity". Now what he did say I don't know. There's been some difference of opinion about that. But certainly he was understood by people in the agricultural segment of the economy to be promising that this cost price squeeze was going to be dealt with, that this was going to be the first item on the agenda of a government that took over under his leadership, and that government did eventually take over and what has happened in the meantime? Well I'm going to give you some figures on that, but in the meantime there's no question about what the First Minister of this province said, because he's on record, -- I wasn't in a position to check up on the other Prime Minister as well -- but this one was made right here in this House, and this was just before an election too. This was in March 16th, 1959, just before an election, and there is no doubt that the First Minister of this province understood what the cost price squeeze was at that time because he was making a statement of policy with regard to it, and I'm going to read so that there's no danger of being taken out of context, exactly what he said, and he had been speaking about several provincial tax sharing arrangements, and I'm going to start as soon as he finishes with that matter. "The proposed" -- this is after he has dealt with the tax-sharing arrangements; by the way this is on page 45 of No. 3 of March 16th, 1959. He says, "The proposed meeting of the continuing committee must, however, be a prelude to a resumption in the near future of the full Dominion-Provincial conference." That's tax sharing. "This is particularly true for Manitoba as there are a variety of other matters in addition to tax sharing arrangements which are also ripe for consideration and I propose to refer now to some of the more important of these problems.

"At the head of the list I place the situation in respect to our agricultural economy. Governments have been attempting, both at the federal and provincial level, to provide a measure of security for the farming community. In its efforts to adjust to an ever-changing situation, agriculture has been called upon to bear a burden often in excess of the burdens borne by other sectors of the economy. Uncertainty of income, risk of great or even total loss are the perpetual partners of the prairie farmer. The Government of Manitoba feels the prime responsibility to speak strongly on behalf of Manitoba agriculture.

"We have already demonstrated our vital interest in provincial and national policy in the fields of agricultural credit, crop insurance, production and market research. Other long-term agricultural policies including soil and water conservation can be undertaken most effectively by means of the Dominion-Provincial Co-operation. However there are some interim decisions particularly in matters of market and price which are most urgently required. The factors bearing on the cost price squeeze in our agricultural economy may well require protracted investigation and debate if they are to be clearly identified and properly eliminated. But the effects of the cost price squeeze on the farmer's well-being, crystallized as they are in declining net farm income cannot be left to protracted discussion. There may be room for differing views on the various solutions put forward, but most of us will agree that the farm problem is real, acute, and demands action not only by government but by the industry itself. While doing what we can as a province, we believe it is our responsibility also to request a place among the top priorities for discussion and decisions respecting outstanding agricultural questions at the full Dominion-Provincial conference level. A greater measure of equality between agriculture and other sectors of the economy is our constant goal."

There is no question what the First Minister of this province thought was the real problem in agriculture. It was this cost price squeeze and the Federal-Provincial conference, the Federal Government and the Provincial Government both doing what they could with the industry itself, was overdue and was going to be looked at immediately. So we had the Prime Minister

(Mr. Campbell, cont'd.) . . . of Canada and the Prime Minister, the First Minister of Manitoba both concerned about that problem.

And what has been the result since that time? Do the honourable members doubt that the situation has got worse instead of better? Is there a doubt on that score, Mr. Chairman? I want to quote from the brief that was submitted by the Manitoba Farmers Union to the Cabinet and later on to members of other groups, on -- it's dated January 10th of this year; I presume that's when it was presented to the Cabinet -- and they give here the price index of commodities and services used by the farmer. They give also the farm cash and net income. Without going into detail regarding them, their conclusions, supported by figures that they produce here, is that the cash income is up. Yes. They take two periods 1952 - 56 as one period, 1957 - 61 as another; five-year averages they call them in both cases; and the production is up; the cash income is up; the operating and depreciation costs are also up; but the total net income is down. These are averages. Now it may be that they're not long enough averages but that is their conclusion. And then over on a later page they give a list of the price index of commodities and services used by farmers: '58, 59, 60, 61 and 62, and the net result -- any of you can read these for yourselves -- the net result is that the composite index exclusive of living cost is up in that period from '58 to 62, 28 points up. Farm machinery, same period, is up 33 points. Equipment and materials, a little less than 24 points. Taxes and interest 17-1/2 points up. Farm wages 65.7 points up. And the farm family living a little less than 12 points up. So much for the position of the Farmers Union. Then there are other statistics that could be quoted in the same connection.

But, Mr. Chairman, I have to go to this voluminous authority to get the word of these experts who have recently worked on this matter and see what they say about agriculture, because it could be suggested that the Farmers Union are spokesmen, at least, for the farm group and to an extent would look at it from their point of view. But on Table V-2 this group has this to say, and I must read this into the record because this is the report of the Committee on Manitoba's Economic Future. I think it deserves to be put on record as dealing with this question of cost of production, and I'm reading from page V-2(8) -- that's the section on agriculture. "The net value of production measures the actual contribution to the output of the provincial economy made by any sector of economic activity. It is measured by deducting from total output the value of all goods, raw materials, fuel and electricity which are purchased. Measured in terms of net value of production, agriculture has not kept pace with growth in other sectors of the economy. Moreover, when measured in terms of net income to farmers, it has declined proportionately even further from 17.5 percent of total net income to seven percent in 1960. The reasons for the decline of net income to farmers are many and complex. From 1945 to 1951 returns from farm commodities increased in line with operating costs; in 1951 total net farm income reached near-record proportions. However, in 1952 there was a substantial downward break in livestock prices, followed in '53 by a drop in grain prices. Since then, prices for farm products have remained relatively stable although operating costs have continued to rise, and as a result total net income has shown a distinct downward trend from '51 to '61 as indicated in Table V-3. With lower income per farm, income per farm person declined in the 1950s dropping from \$644.00 in 1951 to \$499.00 in 1956. In 1946 farm income per person was as high as 63 percent of the income per person in the entire province. By 1961 it had dropped to less than 33 percent as indicated in Table V-4." Then we have Table V-3 which bears out the same contention and V-4 which shows that personal income.

I don't know, Mr. Chairman, why the Committee on Manitoba's Economic Future went only as far as 1960. Surely with the number and capabilities of the people that they had available to them, plus the 38 consultants and consulting firms that were working with them, surely they had the '61 figures because they're in other publications; surely they had at least an estimate of the '62 figures. Why they stopped at 1960 I don't know. And while I fully appreciate the fact that the Honourable the Minister has mentioned quite properly that '62 sets a very high production record, yet '61 told a very different story. But why they didn't give these, I don't know. As a matter of fact on the personal income per person and per farm person in Manitoba, the figures are shown up to '61, but frequently they have stopped at 1960.

I shall give only one more quotation out of here but in the appendix, page 22 of the appendix,

(Mr. Campbell, cont'd.) we have a statistical table dealing with the same question. The gross income, the net income, and farm expenses of Manitoba, 1941 to 1960 -- and again they go only to '60 -- and I have made some rough calculations which seem to me to say that if you take -- and I would like to have had 1961 and 62 figures in here, even if they had been only an estimate of '62, to have carried these computations further -- but if you take the whole of the 50's right from '49 to 58, if you take that period, and I used 1949 because they have used it in several of their comparisons dealing with agriculture, if you take right through the ten years 1949 to 58, the average total gross income was \$252 million plus; and if you take the 1959 and 60, the other two years that are given here, the more recent ones, the average is \$256 million plus, up about 1½ percent. But the farm expenses are up practically 10 percent as given here, with the result that the total net income is down approximately six percent. Now this is an unbiased authority. And I suggest that it points up the real and continuing and, unfortunately, worsening -- so far as recent years have been concerned -- position of agriculture in this province, as far as the cost price squeeze is concerned. But I think this is the real central point before a study of the agricultural estimates.

I remind the Government of Manitoba that this was something that they were going to tackle practically five years ago. This is something the federal people were going to tackle. We've got a lot of plans that are proposed and some things so far as the province are concerned have been done -- I freely admit that -- some of the things that they believe to be quite But the situation remains, according to these people, as described. Now what has gone wrong? I take the same position that I did years ago that the remedy for this, the real remedy lies in the federal field, even in the international field, perhaps more in the international field. I'm not trying to take part in the present election campaign by talking about where the blame lies but we can never, we can never get progress made in the agricultural policy, in my opinion, until we have the active and full co-operation with the federal government and I don't think they have been on the job. And I don't think this government has been able to get them on the job. I think they tried -- they tried to do what they could in their own sphere, but it appears to me it has not been successful up to date. So I ask my honourable friend the Minister of Agriculture, what do you propose to do now after all these years to start to remedy this situation, because I believe it to be the central problem of agriculture? Others, regarding the proposals that are made here, with respect to beef and many of the other proposals that are made here, with respect to beef and many of the other proposals we can discuss at length in the Committee, but I present this one to you, Mr. Chairman, as what I believe to be the continuing problem of the family farm in Manitoba, of the farmer himself and of the agricultural industry.

. Continued on next page.

MR. HUTTON: Mr. Chairman, usually the Minister allows quite a number to speak, but I would like to reply to the Honourable Member for Lakeside because he was for 14 years the Minister of Agriculture in this province and the first thing I move to say is to repeat the story that I heard Lord Amory recount at a luncheon last week, in which he said that "statistics to a politician were like a lamp post to a drunk, usually used more for support than enlightenment" and I think that the statistics that were used here and the manner in which they were used, were used more for support than for enlightenment, because I think that if there's one thing we want to remember when we use these statistics on farm income, we want to relate them to certain periods to which they belong, and if you take a combination of years, which include good years and bad years, you can get not too bad a picture. This is what the Honourable Member for Lakeside did, because I can take no responsibility, and neither can this government here, for what went on in Manitoba prior to 1958. As a matter of fact, what happened here in Manitoba prior to 1958 accounts for the honourable gentleman being over there and this government being here.

In the four years prior to this government coming into office, the average net income per farm in Manitoba was \$1,842.00. That's for '54, '55, '56 and '57 -- \$1,842.00. The average income per farm during the period, 1958, '59, '60 and '61, according to my figures which are based on the D. B. S., the average income per farm in Manitoba was \$2,346.00. Now I know that it's only a matter of some \$500, but percentage-wise it's a pretty substantial increase over \$1,842.00. And one thing I'd like to make clear, Mr. Chairman, to the committee, is that when we talk about net farm income, we're talking about the gross income, less operating expenses and depreciation, so that you have already taken into account the cost-price squeeze when you talk about net farm income. I think this is pretty important in consideration of the argument that the Honourable Member for Lakeside has raised. If you take the four-year period -- the last four-year period -- from '59 to '62, you get an average farm income -- net farm income -- in Manitoba of \$2,698.00. These figures I know are not available to the honourable gentleman but this is when you take into account this good year that we've just had, in 1962. I know, and I wouldn't want to base an argument on \$2,698.00 because it has been a very bountiful year, but nevertheless in the last four years the average income has been well over \$800 higher than it was in the four-year period for which he was responsible.

Now I don't want to go on record here as being content with the progress that we've made -- I don't want anybody to go out of this House and say that the Minister of Agriculture feels that we've done the job -- but I think that it's only fair to point out that we have made progress; that the concern of the First Minister in Manitoba has in some degree paid off for the farmers of Manitoba; and I think some credit should be given to the Federal Government who, during these years, have carried out their policies in a way where this progress was possible. When I mentioned that figure of over \$4,000 average net return per farm, that took into account your cost-price squeeze. The expenses had all been subtracted and the depreciation on equipment and so forth. So that on the average -- and we know how averages work -- some people are on one end and some people are on the other -- but on the average, the farmers of Manitoba had the best net returns in 1962 that they've had in the last 25 years, in the last 50 years. I guess the only year that would approach it might have been the year 1915; I don't know whether even there it would have. I didn't go back that far.

When we talk about the cost-price squeeze; when we look at income to the farms of Manitoba, I think we want to take into account the fact that fewer people are sharing in this total income. Yes, and I remember when the Honourable James Gardiner said to us that this was the only solution. He said, "go home and cut the pie in fewer pieces." That's why I'm saying today we got to bake a bigger pie. That's what they said when we went down in those years when our net income -- our total net -- was \$65 million in 1954; \$91 million in 1955; \$130 million in 1956 and \$77 million in 1957. We were in real trouble then, and all I'm saying today and all I'm claiming on behalf of the First Minister of this province and this government, is that we're an awful lot better off today on the farms in Manitoba than we were then, because we've got a lot more income and there are fewer of us to share it. But I want to also say that if it hadn't been for this government lending money to farmers so they could buy land, this consolidation would have taken place under far greater hardships. Now I'm not going to deny that there was consolidation going on before we came along with a credit program, but she was

(Mr. Hutton, cont'd.) . . . a tough cold cheese type of consolidation, because the only way you could get out was with your hat in your hand or something along that line. There wasn't the opportunity to retire from farming in the same way that there is today, and the programs that have been carried along by this province have allowed for orderly adjustment; and this is mighty important. You can't stem the tide of change. We recognize that; but you try to alleviate the harsh impact of those changes on the people and you try to allow the people to adjust to these changes with a minimum of dislocation.

And he said Mr. Chairman that the government likes to indulge in stories -- optimistic stories. Well I'd rather be a Tory with a story, than a nit-picking Grit. And the story that I come with tonight is one of not an easy job for the farmers, but a job for the farmers and one that has some optimism attached to it, and I believe that the farmers of this province have a chance in the long-range point of view of doing a job -- of being needed -- in the next 10 to 15 years and beyond that. We haven't finished the job by any means; we're only well underway. We can tell that by the continuing demand for farm credit. I think just to give some idea of the tremendous demand for farm credit is to tell you that in this coming year, the Federal Farm Credit Corporation is planning on lending \$100 million -- \$100 million. Do you know what the average amount of money loaned up until 1960 was -- the annual amount lent by that corporation across Canada -- \$4 million a year, that was their average. They intend to lend more money in one year than they formerly did in 25 or as much, on the average. This is the demand for credit by the farming industry. It's hungry. It wants to make changes, but it has to have the tools and the means of making these changes. And by making these changes the farm industry is better able to cope with your cost-price squeeze; to cope with these pressures that the modern economic community has placed on the farming industry. I just want to emphasize that even though the cost price-squeeze continues; even though there are more pressures today than ever before on the farmers of Manitoba and elsewhere, still I believe that there are probably greater opportunities and long range opportunities for farm people to fulfill their role in the community than there ever has been before. There's been too much emphasis upon the destruction of the rural community because people are leaving it. The tragedy of people leaving a farm community is in having them leave when they are not equipped to take their place in other than a rural society; and if you haven't got (recording failure of few words) -- that they do leave the farm community and make their contribution to the larger social structure. This government has done a great thing for rural Manitoba by helping them to acquire the means by which the people who live in rural Manitoba will be able to equip themselves to take their place anywhere in the society of Manitoba -- and this is part of our program. I always consider the work of the Honourable Minister of Education very close to the work of the Department of Agriculture and maybe it'll pay even larger dividends in the long run to the people of rural Manitoba than the work that we are doing in our department -- maybe it will. Certainly nobody can measure the great advantages that young people and others are enjoying today in Manitoba. It's to allow this industry to adjust to modern and changing times, this is our job here in Manitoba, and if we do this, we'll help the rural communities to take the cost-price squeeze in its stride. I think we want to keep this thing in perspective.

You know there's one more thing I must say about this question of the exodus of farm people. It has been calculated that in the horse and buggy days you had quarter section farms and you had a lot of people living in close proximity to one another, and people today look back and they say, "those are the good old days" -- you had so many friends; you had so many neighbours; you could have so many social functions, and so on. Today with people moving out of the rural community, we can't enjoy the same kind of a life -- I wish I had the figures before me -- but the fact is today that with modern roads and modern conveyances, the average man on the farm and his wife can work with more people than he ever worked with before -- about ten times as many people -- and he can work with a tax base and with a resource many, many times at which he did 40 years ago. Actually the people on the farms in Manitoba today, those who are fortunate enough to be there -- because I still believe there are only two kinds of people, those that are farmers and those that wish they were -- the people in rural Manitoba today have the possibility of building a better life than they ever hoped for, even 10 years ago. They have the possibilities before them, and I trust the probability, that they can build a better and a fuller life than was ever possible in the past.

(Mr. Hutton, cont'd.)

I know that this may not seem to be too much related to the cost-price squeeze but I still believe that the programs that have been introduced have counteracted this to some extent and I believe that just as my honourable friend from Lakeside used the statistics to prove that we're going downhill, I can use them with equal validity to prove that we are making progress.

MR. CAMPBELL: Mr. Chairman I am not using statistics at all. I'm not using them. I'm just saying what the Committee on Manitoba's Economic Future said. I read the article. When it comes to interpretation of statistics, I completely agree with my honourable friend, but surely there's no interpretation comes in to where I read their statement on the record my honourable friend can find it for himself. But I'd like to ask my honourable friend, why did his department not make available to these people the '61 figures, at least the '61, and the best estimates that they've got of '62? My honourable friend tells us tonight the figures that he is willing to use as the production of 1962. I'm sure it's less than a month ago that this volume was laid on our desks. Surely he had an estimate at that time. Why didn't we get them in here? This is a current document. This isn't something that you'd expect to have the latest figures in at 1960. It's just come here. I admit there are some places where '61 shows up. If they could be used in one case, why couldn't they be used in another? Will my honourable friend please tell me that?

The other question: In my opinion the honourable gentleman has just given exemplification of using the statistics in the way he mentioned, because what he's talking about is the return per farm and he admits that the numbers of farms are going down, and this makes a great difference. Why doesn't he follow the method in this report and use the return of the whole of the industry because it's surely to be assumed that with the number of farm people going down that the acreage has been taken up by others; the herds and flocks have been absorbed or continued because their growing population by others and the total production could still be used. But when my honourable friend takes a lesser number of farms in order to divide it up and bring it out to the farms, it, of course, creates a different figure. Now, I'd like to invite my honourable friend's attention to page 22 of the appendix of the report and tell us what his feeling is about -- I certainly think that he should have seen to it that '61 at least was included there, and I wouldn't in fairness want to see '61 included without '62, because it would give a wrong picture for it was a particularly low production, but at the time that this report was completed we could have had at least a good estimate of the '62 production. I don't know why it wasn't in there.

Now to my honourable friend's argument about the young people leaving the farm: I think that he and I are not likely going to agree on that either. I can tell you why I think a great many of the young people are leaving the farm, because they think that the remuneration they are getting there now is not as good as what they can get in other places. My honourable friend speaks about them not being well trained to go into other areas. They're the best trained people that there are to go into the service jobs. Ask your Hydro people when they come here tomorrow morning; ask your telephone people any time; ask your highway people; ask the Department of Mines and Natural Resources, they'll tell you that they're the best people that they've got, are the young men who come from the farms, because they have grown up trained to work; with a physique that they're ready to work; they're able to work; they take responsibility; and they can get jobs, and to a young fellow, particularly a young fellow on the farm, sitting there and seeing the difficulty with which he acquires this amount of money that my honourable friends are arguing about what he has left over at the end of the year -- when he looks at that amount and then looks at the \$400.00 a month or so that he gets for just going out and doing a day's work that isn't anything like the day's work that he's been used to, that looks pretty attractive to him and that's why the young people leave the farms. And I know that they don't usually take into account the fringe benefits that they obtain by staying on the farm, they don't when they're young. I agree with my honourable friend that it's the best place to be. I'm just as optimistic as he is about the long-term position in agricultural, but I maintain that use these statistics as you will, they prove that the situation has not improved in the last few years. I wouldn't want -- if I was arguing my honourable friend's side of the case -- I wouldn't want to use the huge amounts of money that have been borrowed, or are going to be borrowed in the next year or two by the farmers, as an argument to prove that they're getting along well. I think if this

(Mr. Campbell, cont'd)... industry was doing so well that it should have some capital of its own to go in and this is the trouble, it hasn't been making enough money, not just in the time that my honourable friends have been in office -- even before. The agricultural sector, even at the time that the war is on, their position improves too slowly and it gets held down for national reasons, while the wartime is on. By the time the prices are about starting to go up, well after the war, some chain circumstances set in and they don't benefit the way the other sectors do either in wartime or peacetime. And so they've been having to borrow a lot of money. But they shouldn't be borrowing that much if their own industry was paying the way it should pay. So I think that's why the young people leave the farm. It's been a pretty discouraging prospect for them, compared to what they see in other places. They can step out and get a job at hundreds of dollars a month and they don't reckon the difference in the cost of living in the other places.

Now, I know that so far as the statistics are concerned, of course the costs are figured in there. That's why we've got the net income shown over at the one side. Of course they're figured in, but that's the point that I'm making, that when you take the total gross income, take off the farm operating expenses and the depreciation and machinery, you get a lesser figure in the years that I've been talking about than the last two that are given. So I don't suppose my honourable friend and I will convince one another about the statistical analysis but I certainly do think that when a report of this calibre was being prepared that somebody should have seen to it, coming in here as it did in March of this year, that the latest available figures were here so that we could base our judgments on those.

MR. SCHREYER: Mr. Chairman, I thank the two previous speakers for at last giving me an opportunity to say a few words on this department, because after all I do represent a rural constituency and I was sent here largely because of the feeling and the voting of a good number of farm people in the constituency of Brokenhead. On the other hand, I suppose I should properly be hesitant in rising when we have an exchange like we did have between two people who have a tradition of being completely immersed in the problems in the industry of agriculture here in this province. We have the Minister of Agriculture, who at a very early age as I understand it, found it necessary to engage very directly and fulltime in farming; and we have the former Minister of Agriculture who came here more than 40 years ago -- riding in here on a protest, shall I say, of agrarian discontent -- and in that 40 years I suppose he came to know the agriculture industry of this province more than -- probably more than any one other single person. I like to think of myself as having at least a little bit in common with both of the previous speakers because I, like the Minister of Agriculture, for a short while at least, for three years did farm -- it's true I wasn't completely on my own as he was, but I was doing most of the operation at a fairly early age -- and it was my tough luck that it happened to be in the years 1955 - '57 and if the Minister of Agriculture -- I'm sure he's aware of this -- happened to have been the worst three years in the entire post-war period, I'm not saying that I would have stayed with farming, but because of the peculiar coincidence of my being there and those three years being the worst I got fed up and I made up my mind that I certainly wouldn't stay -- wouldn't want to make my living farming. So I rode into this Legislature on a protest vote you might say just like the Member for Lakeside did forty years ago. I'm not saying that I'll last as long: I think it's almost miraculous that one could. But I feel that I do have a few observations to make that might help to get some consensus of opinion as to just what it is in agriculture that requires priority of attention.

And I'll start with the little dog fight we had about statistics and the use of them. I'm not trying to be any kind of mediator here, but I think that I, during the course of my remarks, can show that both of the former speakers had right on their side for part of their time, part of their time only. I think that I could say that I agreed with the general sentiments of the opening statement made by the Minister of Agriculture, but I simply must disagree with him on his long range prediction or prognosis of what is in store for agriculture. I happen to have here some statistics -- I'm not going to use them extensively -- but what I do want to point out is that on -- and I'm going to deal with net income only -- whenever I use statistics here it'll be net income -- source: Dominion Bureau of Statics, quarterly bulletin of agricultural statistics. The general picture that one gets from referring to any table of net income agricultural statistics is that the realized net income of Canadian agriculture has gone down, has gone

(Mr. Schreyer, cont'd.) . . . down since 1952. The Minister of Agriculture of course will say there are fewer farmers so on a per farm basis realized net income is better now than it was a few years ago. And this is true. On a per farm basis net income is better today than it was from in previous years, but surely the Minister understands or realizes that the dollar does not have constant value. If you want to be specific when you use statistics you must use realized net income, and have it on a constant dollar basis, and I have that here too; and on a constant dollar basis, per farm, even per farm per farmer, there are fewer of them, but even so, in constant dollars, net income is lower today, and has been consistently lower than it was in the period 1948 to '53. And let the Minister try to refute that. -- (Interjection) -- Well I win, oh yes of course, of course, but that's precisely the argument that seems to be going on here before.

Now I think that it's only fair if I'm going to deal with statistics for another couple of minutes, that I should point out that there has been a marked improvement in realized net income per farmer since 1958, and that is shown up pretty clearly. I'll just read the figures from 1953 onward. In 1953, \$1,764; 1954, \$1,221; 1955, \$1,238; 1956, \$1,497; 1957, \$1,442. And that's the period when I happened to be trying to make a go of it. -- (Interjection) -- It was. And then in 1958 it was \$1,755; 1959, \$1,630; 1960, \$1,698; 1961, \$1,760. Bearing in mind of course Mr. Chairman, that these figures I've quoted are realized net income on a per farmer, per farm basis. So there has been -- (Interjection) -- in constant dollars. It's not as good as I pointed out as the period '48 to '53, but it is better than the period '54 to '57. In other words you have this effect if it were plotted on a graph. And I think that perhaps is the fairest basis of using statistics in analyzing the agricultural picture. Certainly it doesn't leave room for any kind of satisfaction, because as I pointed out -- and I repeat now for the third time -- the picture is not as favourable as it was up to 1954.

Now the Minister of course is not in a position to really foster a program that can deal, that can impinge directly on this income picture which I have painted, and insofar as he is able by reason of division of authority under the BNA Act, he has embarked on a few provincial programs which in some ways or another have been beneficial, and I intend to deal with them as I go along. I think that I could say that if agriculture is to be treated with as much fairness as the politicians seem to make out at election time, we simply must come around to accept the basic premise that we have to have a pricing system that takes into relationship the cost of production, takes into relationship the return based upon investment and so on. I think that, however, a lot of this will simply be "barking in the wind" unless we have a government that is prepared to look kindly upon the farmers themselves, producers themselves, establishing marketing boards; I think this is one matter that certainly can stand some positive stimulation by government.

I'm not accusing this government of being hostile to the idea of marketing boards, but on the other hand, I get the distinct impression that they are not doing as much as they could in making information available, in playing a more positive role. Producer controlled marketing boards, Mr. Chairman, not state controlled or province controlled. And coupled in with a system of producer controlled marketing boards -- there would have to be some kind -- if we're going to have an adequate type of program for agriculture, there must be some kind of guarantee as to price. Marketing boards I don't think by themselves are quite able to solve that problem all by themselves. When I speak of guarantees as to price, I have in mind not necessarily a 100% parity system, but something which will provide an even greater degree of stability. Because I'm under the impression that -- we can talk all we like about diversifying, and I'm not saying that the diversification is wrong, I think it's a good thing, but without any kind of minimum guarantees of price, more adequate than they have been to present you're going to have diversification, you're going to have instability of production not only because of nature, but because of uncertainty on the part of the producer, and consequently you're going to have diversification into a new line or some other line that has had under-production, and there'll be perhaps -- price fluctuation will cause gluts in fields that farmers enter into having abandoned some old line of production.

Just the other day we had here the association of beef cattle producers. I forget their exact designations -- stock growers. I'm not saying that I found myself in agreement with all parts of their brief, but one point which they made that I feel -- I'm not sure if they made it

(Mr. Schreyer, cont'd.) . . . themselves or if I read in between the lines -- but I got the distinct impression that they were afraid, that even though at the moment the livestock industry is buoyant and capable of sustaining greater numbers and more production, they were afraid that possibly if we encouraged too much of a swinging away from other lines and into beef cattle, they were afraid of a glut and the possibility of harmful effects on the pricing mechanism for livestock. So we can talk all we like about diversification but it seems to me that we're still going to be treading in danger unless we have adequate price stability in all agricultural commodities. On the other hand, it's sometimes pretty difficult to get diversification, sometimes -- and I think that this can be said with some accuracy -- sometimes farmers will hesitate to go into new lines for whatever reasons, we have a large number of reasons, perhaps they have had their fingers burnt, I know of a good many who took up the challenge thrown to them by the Federal Minister of Agriculture to feed their grain into hogs and a lot of them did that. And what happened -- a glut and consequent drop in price. The Stabilization Act wasn't all that effective. They got their fingers burnt. Following that, there was under-production, and for short periods of time, fairly -- well short periods of time, but quite often, we had under-production of that same commodity and importation from the U.S. So there's one concrete example of why sometimes farmers are hesitant to diversify into a new line.

I have here before me the same clipping which the Member for Lakeside was referring to and I find that with regard to diversification, sometimes strange things can happen. They speak as though the demand for potatoes is increasing and that here would be a good line for more diversification. The fact of the matter is, that the actual acreage seeded in potatoes was less last year than it was the year before, so we can't look for too much along that line. I would like to ask the Minister however in that connection, just what it is that is holding back on the increased acreage of potatoes. Is it lack of processing facilities; is it a lack of confidence as to markets. I think that one or other of those two must really be the major reason for the reduction in the acreage of potatoes.

The Minister of Agriculture made a good point about farm credit and I have no serious quarrel with him. I think in the order of things as they were in '58, '59, '60 and so on, and are now, that it facilitates the adjustment; it does facilitate adjustment in our agricultural economy. I would just like to take the opportunity to ask him whether it might not be possible and desirable to embody right in the statutes providing for more leniency in cases of natural disaster. I know at the moment that the Board -- the Agricultural Credit Board -- may use discretion in the matter, but it seems to me it would be a degree of comfort to farmers to know that, in cases of natural disaster, the Act will be applied with leniency and that the protection will be right in the statute, rather than in the discretionary good-will or leniency of the human beings that sit on the Board. Now I don't know how the Minister will react to it, but I think it is a suggestion that has some merit.

I'm not going to criticize the effect that has gone into the signing of the ARDA agreement and all of the preliminary work that has been done with a view to making ARDA a living thing as far as rural Manitoba is concerned. I see on pages 2 and 3 of the ARDA pamphlet which the Minister sent around, that there are some ten or 11 phases or projects that ARDA can help some of our rural people to delve into, and I notice with interest, there's one specific one -- it's on page 3 (g); reference is made to projects to acquire marginal and other related agricultural land for public recreational purposes, and I think this is a very desirable sort of thing, but one can't make too much of it because Manitoba simply does not have the population to make the demand for recreational areas all that great, but in the United States -- and I pass this on as a matter of information -- in the United States where the government has found itself most anxious in recent years to cut down, to have farmers cut down on acreage seeded -- that they have a pretty extensive thing going there, long term credit and actual grants in encouraging farmers to put actual arable land with perhaps a few potholes and so on, convert all this into actual recreation areas with small ponds or lakes -- six, seven, eight acres in extent, stocking them with trout in a few places. Well I think the long-range picture in Manitoba could be somewhat along this line, but in the meantime and in the short run, our wooded areas and natural playgrounds will be more than adequate, so I don't expect too much from that, but I do think it's amazing foresight that it should be included here.

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

With regard to crop insurance, I think that, of course, it's not really possible to commend this government -- the Minister -- too much, because although I understand first of all that they are limited largely because of the action or lack of it on the part of the Federal Government, making this available to a greater part of the province, at the present time, as I understand it, it's available to 30 percent of the farming area of the province, and of that 30 percent, roughly 40 percent actually have availed themselves of it in the past years -- the average -- so you have the grand total of 12 percent of Manitoba's farmers availing themselves of crop insurance, and there is no possibility of this really improving any marked degree until such time as two things happen. First of all that the Federal Government provides re-insurance -- there's no argument there. We, I suppose, are in agreement on that point now, although I can remember a time when the Minister of Agriculture of this province was not all that fired up that Ottawa should provide a system or scheme of re-insurance to the province; and secondly, it will not really take hold to a marked degree until the premium price is adjusted downward somewhat.

I think that all I had to say I have said, up to now, except to recapitulate my conviction -- and it is a conviction with me -- that the agricultural industry, while it has shown somewhat of a resilience, an ability to bounce back, in the last few years, that this is really a statistical picture. You get that only if you look at the net income per farm tables. It seems as though it's bouncing back. But even with that temporary kind of lightening, or temporary kind of improvement, I really do not have an optimistic picture for the long range as the Minister seems to, unless we do something very substantial and concrete in the matter of marketing boards, so that the farmers can have countervailing bargaining powers. After all the other segments of our economy, either monopolies or oligopolies are very well administered in the sense of an administered economy, and the farmer is one of the few remaining examples of free and private enterprise in the Gladstonian or early 20th century interpretation of free enterprise, and so he is at somewhat of a disadvantage in the market place, and until there is countervailing power to a greater extent than we have now, we are going to have this problem, and so marketing boards are a very definite necessity, and coupled with that, there has to be a policy -- as I say, this is a conviction -- there has to be a policy of providing more adequate guarantees as to price, and only then will we see the industry emerging out of the slump -- and it is a slump, no matter how you look at it -- out of the slump that it has entered into since 1953.

Now of course it is possible to overstate it. I think the Minister of Agriculture was right when he pointed out that statistics can be misused, but I think if you'll read Hansard tomorrow, you will find that the statistics I've used were not unfair and presented both sides of the picture. The Minister might say if your view of agriculture is so -- how is it that you haven't been able to elect more members, and of course if he asks me that I couldn't answer him, except to say that this is part of the vicissitudes -- ups and downs of politics. There was a time, a few years ago, when we did elect a good many farm members in at least one or two of the other provinces. Politics has its up and downs. The Minister knows that. One of his former friends is now a "nit-picking grit" and it goes to show him, at least, that maybe his views all along haven't been so right either. I didn't mean to be sarcastic. I just point out that because we got less votes in the last election doesn't mean that our policies have been unrealistic. I think that perhaps as we move along, we'll be able to do something -- something really that counts in the way of remedying the old but effective pricing mechanism in agriculture, and I would conclude, Mr. Chairman, by saying this: that unless we do something, we're going to have the situation where you'll have fewer and fewer people spending more and more to produce more and more for less and less, and that's exactly what's been happening over the years. It's going to continue unless we have a social democratic system in this country.

MR. EVANS: Committee rise.

MR. CHAIRMAN: Committee rise, call in the Speaker. Madam Speaker, the Committee of Supply has adopted certain resolutions, directed me to report the same and asks leave to sit again.

MR. MARTIN: Madam Speaker, I beg to move, seconded by the Honourable Member

(Mr. Martin, cont'd.) . . . for Kildonan that the report of the Committee be received.

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

MR. EVANS: Madam Speaker, I move, seconded by the Honourable Minister of Education that the House do now adjourn.

Madam Speaker presented the motion and after a voice vote declared the motion carried and the House adjourned until 2.30 o'clock, Tuesday afternoon.