

THE LEGISLATIVE ASSEMBLY OF MANITOBA  
8 o'clock, Tuesday, April 2nd, 1963.

MR. CHAIRMAN: We have some guests in the galleries tonight. I think perhaps the Honourable Member for St. James would introduce them, knowing them.

MR. STANES: Mr. Chairman, this is an honour which I didn't expect to have this opportunity. I'd like to introduce to you Sir, and to the members of the House, in the Speaker's gallery, a group from the Home and School Association of Linwood School, and in the other two galleries a group of students from Silver Heights School.

MR. D. L. CAMPBELL (Lakeside): . . . . . say to the visitors, Mr. Chairman, that this is quite a school that you're going to watch in operation tonight.

MR. CHAIRMAN: Item 1, department 6 -- Passed.

MR. NELSON SHOEMAKER (Gladstone): I would yield to my honourable friend if he wishes to -- (Interjection) -- Well -- (Interjection) -- Mr. Chairman, I think that I would like to enter this debate very briefly and make a couple comments. It is a debate, apparently, and the debate seems to be whether or not the farmers today are so much better off than they were ten years ago. That debate started last evening and carried on this afternoon. Other debates got into the picture as we progressed. But I would like to join the other members at the beginning and pay tribute to the staff under this department -- it is a large staff -- and I would like to particularly mention Dr. Bell, because my association with Dr. Bell goes back, strange as it may seem, nearly 40 years, when he used to call at my dad's farm at Grandview, and we have associated with him over the years. I've always found Dr. Bell, busy as he might be, take the time to sit down and discuss problems with everyone. I would like too, to welcome to the staff Mr. Jarvis, the Deputy Minister. Mr. Jarvis stems from the Gladstone constituency, his parents and brothers are residing there now, and I would like to congratulate Mr. Jarvis on his recent appointment. And I must not forget all the ag reps in the province. I have always maintained that there were not enough of them, but the quality was good -- the quantity not good enough -- but the quality excellent, of the ag reps.

Now, Mr. Chairman, it seems quite evident too, that the members on this side of the House are a little reluctant to go along with this "story by the Tory" as my Honourable Friend mentioned last night. He said -- "he would rather be a Tory with a story, than a nit-picking Grit." -- (Interjection) -- But I don't know just what a "nit-picking Grit" is -- I've heard of "cotton-picking" -- maybe it means the same thing. But anyway, his story must be slightly false or irregular in spots, because several members on this side of the House seem a little reluctant to go along with it. Well, I think that my honourable friend seems to forget that he was one of the large delegation of farmers that went down to Ottawa about 1957 I think, wasn't it? -- (Interjection) -- Well, of course, Mr. Chairman, my honourable friend has agreed that, considering the agricultural picture today and what it was ten years ago -- it was much better ten years ago. That does bring up the -- Mr. Chairman, I do not intend to use a lot of statistics tonight -- but today's Free Press carries one of the annual -- I forget what it's headed -- "Success on Every Hand", or something of that nature, about a 20-page effort. It appeared in the Tribune about a week ago. And it's quite a story that it tells there, but not so good on agriculture. If you want to compare the -- this is a 10-year comparison that they're making all the way through in the whole edition -- and if you take 1961 and 1962 and take the average of those two years, it isn't as good as any of those years back when. For instance, I have the 1962 one before me, under Natural Resources, Agriculture 1961 -- \$263 million as compared to \$350 million in 1951. Then I think -- I haven't got today's before me -- but I think it was 378 roughly. So, if you take the \$263 million of last year and the \$378 million of this year, it certainly doesn't come near the 1951 or '52 figure. So they're not so all-fired good as all that. And I'm not one of the "gloom and doom" boys, and to prove that I'm not, our oldest daughter married a farmer about a year ago, and I invested quite a bit of money in that farm; and I told my new son-in-law that if I was qualified to give him any advice at all, and I have had some experience, I said "If you will get around to what appears to be about three times as much work as you can do, and then get busy and do it, you'll probably make a success of farming;" and that goes for many of the other industries as well. And to point up the high cost of farming, and I don't have to do that for my honourable friend, because he has already told us of the high

(Mr. Shoemaker, cont'd)... cost of farming. I built a barn on the farm last year and it cost \$100 a foot, 36 x 80 -- a hog barn, too -- and quite a bit has been said about hogs this afternoon Mr. Chairman, and they weren't referring to the members on this side of the House when they said that either. They were talking about the kind they eat the better the mash .....perhaps. However, \$100 a foot for a barn does point up what it does cost in this day and age.

Now, my honourable friend the Minister took, or seemed to take, great delight in telling us last evening that the Farm Credit Corporation of Canada was going to loan \$100 million to the farmers of this country in 1963, and he repeated it. 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, he repeated it. Now, I don't know, but I believe that there never has been a period in our history when the farmers, by and large, and in total, owed as much money as they do today. And maybe there's nothing wrong with that. It seems to be the trend these times, particularly if you can get money at a low rate of interest. There seems to be a kind of a competition going on to see if you can get in debt a little further than the next fellow. But if it is a fact that their indebtedness today is greater than it's ever been in our history, and we intend to loan them a hundred millions more, unless a lot of that money is going to be used to take over their present debt -- some of it will, no doubt -- but it does seem to me that the farmers are not just quite as prosperous as we're lead to believe, otherwise they wouldn't be requiring this kind of money. It points up too, Mr. Chairman, that the Manitoba Agricultural Credit Act is not filling the need otherwise they would not be loaning this kind of money. I know the hundred million is not going to be loaned to the Manitoba farmers, but no doubt they will be making application for a great deal of it. I have before me somewhere here -- here we are -- the Annual Report of the Farm Credit Corporation for 1962 and it's quite evident from that report that even in 1962 that the Farm Credit Corporation loaned to the farmers of Manitoba more money than the Manitoba Agricultural Credit Act loaned to the farmers of Manitoba. Not too much difference perhaps, but a million dollars or more than the Manitoba Agricultural Credit, I say there's good reason for that. In our own territory of Neepawa, as an example, the Farm Credit Corporation have an inspector placed there and it's just so much easier to get a loan from the Farm Credit Corporation than it is from the Manitoba Agricultural Credit Act. It's easier, it's faster -- much faster -- in fact it is quite possible to get an appraiser out in Neepawa within two weeks in the summertime. My honourable friend will probably remember -- what it is two or three years ago -- that I had a resolution on the Order Paper at that time suggesting that if this government were really anxious to loan money to the farmers that it would be quite possible to make loans 12 months of the year, and I still say that I'm right on that one. I think it is a fact now that most of the farm lands in the province have been assessed by the provincial assessors. There definitely is a relationship between the assessed value and the real actual cash value, and certainly you can assess a man's character, his ability, his implements, his livestock and everything else but the land in the wintertime, and if they did, Mr. Chairman, a lot of the young farmers today, and the older ones too, could plan their year ahead accordingly, because if a farmer makes application for a loan now with the hope that he will be able to purchase a new parcel of land and cultivate it this summer he's just out of luck, that's all there's to it.

Now Dr. Gilson had something to say about farm credit. I'm referring now, Mr. Chairman, to an Information Services Bulletin issued September 22nd, 1961, and it is headed, "What is the Future of the Family Farm", and that's a good question, Mr. Chairman. It's a good question. He says, and I quote, "The fear is growing that the family farm will be replaced by factory farms and mass production techniques. This fear reached a climax in the recent alarm over the development of vertical integration and contract production of such commodities as broilers, turkeys, eggs and swine. In certain circumstances however, contract farming has had the effect of strengthening the family farm.", he indicated. The impending threat of the vertical integrated or factory farm has been unduly exaggerated. Now I wonder if my honourable friend, when he is replying, if he would say that the threat of vertical integration has been unduly exaggerated or is there some cause for alarm, because it's true that they have gone into turkeys and poultry in particular, but now it does seem as if they intend to branch out into swine and cattle. In fact I had a fellow tell me the other day that it

(Mr. Shoemaker, cont'd)... would be quite possible now for a businessman or a group of businessmen to go to the industrial development bank, say, and borrow \$100,000 or more, for the purpose of starting a feed lot or feeding operations, and I don't think that that is good for the industry and certainly it does not retain the family farm.

Now Dr. Gilson has this to say about credit -- "A thorough study of credit for agriculture should be made." Maybe, Mr. Chairman, it has been made, because this is a year and a half old; maybe they've come up with all the answers, but here is what he says and I quote again: "While a greater quantity of credit is available to farmers, study should be made towards provisions for the beginning farmer, use of supervised loans, and the means of preventing credit from being offset by increased land values." Now I think it has been established that by reason of the fact that credit is readily available, the price of land has gone up. I have always maintained that this relationship between the assessed value and the real value or the actual cash value in years gone by, that you could double the assessed value and come up with about the real value of farm property. Today I know from experience that you have to take about three times the assessed value and in some cases, four times. Now my question would be at what stage in the increase in land does my honourable friend consider it good business? How much can we afford to pay for farm lands, in other words? What can you afford to pay for farm lands and still make a profit? I don't know whether my honourable friend will be able to give me a satisfactory answer to that one and I'm sure that I couldn't, because in recent trips to United States I'm simply amazed at how in the world they can pay \$700 or \$800 an acre for land down there in Iowa and Indiana and Pennsylvania and places like that -- land that doesn't look any better than ours, -- but they seem to pay it and are probably more successful than we are.

Now on the same subject, Mr. Chairman, Manitoba Agricultural Credit Corporation. I know that the farm union group are not very happy with the way that we are progressing in this department. Incidentally, Mr. Chairman, I would like to ask my honourable friend, are we going to get an Annual Report from the Manitoba Agricultural Credit Corporation this year or is it contained in the Annual Report of the Department of Agriculture? I think in years gone by we did get one. But this is it, is it, for the .....

MR. HUTTON: ..... able to report.

MR. SHOEMAKER: For the Manitoba Agricultural Credit -- (Interjection) -- It may be so. There's a brief one in here. I was unable to locate my Annual Report. If one was tabled I couldn't find it. I asked two or three others and they were unable to find it.

However there is an advantage -- there is an advantage -- I don't want my honourable friend to say that I'm not in favour of the Manitoba Agricultural Credit Corporation. We all voted in favour of it when the Bill was before us, and it has advantages over the Farm Credit Corporation by reason of the fact that the interest rate for the young farmer is one percent lower, and one percent is a lot of money if you're going to take 30 years to pay it back. One percent runs into a great deal of money, and I'm glad to learn from this report that approximately 75 percent of the loans made by the Manitoba Corporation were made to young farmers. On the other hand it is cheaper to get -- for a farmer to get money from the Farm Credit Corporation if he's over 31. By the same token the Manitoba Credit Act charge a half of one percent more than the Farm Credit Corporation for farmers in the age group of my honourable friend from Lakeside and myself. I'm afraid we'd have to go to the Farm Credit Corporation.

Now on the subject of crop insurance. I'm not going to spend too much time now because we can deal with this when we get a little further on with the Estimates, but I would like to ask my honourable friend a question now and he can reply when we get to that part of the Estimates, if we ever do, Mr. Chairman. But on page -- The Manitoba Crop Insurance Annual Report -- I don't believe the pages are numbered. The pages are not numbered, but I want to refer you to what is called Exhibit "B" -- I don't know what page it is, but my question is: at the top of the page marked Exhibit "B", are we to assume that the total premiums paid by the farmers in 1962 amounted in total to \$434,782.96? I take that that was the premiums paid by the farmers. Then on the next page, no number again, Schedule I; am I to take it that the total expenses of the Manitoba Crop Insurance Corporation, in the first column there, total \$240,260.61? Because if I read it correctly it appears that they're using more than half of the money -- that is half of the money collected from the farmers -- for the operating expenses

(Mr. Shoemaker, cont'd).... of the corporation, if I read it correctly and I think that I do. Now I know -- I know -- that the Federal Government make a contribution in this field, but surely it doesn't cost any money. I've said this before, Mr. Chairman. Surely it doesn't cost this government any money to get a contribution from the Federal Government. There's no cost involved in getting the \$109,000 from Ottawa. So that it seems to me that once again that the cost in relation to the premium paid by the farmer is away out of line, away out of line, in comparison to the insurance industry as a whole. Now when I raised this point, what would it be, two years ago, Mr. Chairman, I guess; my honourable friend told me at that time, well we're just nicely getting started and of course the costs in the first year are going to be an awful lot higher because we had a lot of promotional work to do and this kind of thing, and he indicated that in future the administration costs in relation to the premium would be considerably lower. I have before me the figures for the Co-operative Hail Insurance Company, and I think I used them two or three years ago, where they show that the commission and the administration percentage cost to the premium average for about 14 years in a row here, around 23 to 24 percent. It's the administration cost and the commission represent about 22 to 23 percent of the total cost. However, Mr. Chairman, we can discuss this further when we get along the estimates as I've said.

Now my honourable friend this afternoon, with that gleam in his eye that he gets occasionally seemed to delight in telling us that this year they had paid one cheque out for \$9,000, and I don't doubt that; I'm not doubting that. I would like to know in this particular case what the premium was for that particular policy, if he could give it to me, because it shouldn't be hard to look up. He mentioned probably that there was only one loss of \$9,000.00. Now that's quite a little bit of money, but I guess that I could mention one that I paid when I was out hail adjusting four or five years ago, that was over double that amount, over double that amount; about \$19,000 I paid one farmer. My honourable friend from Morris here seems to think that's not so, but it .....

MR. HARRY P. SHEWMAN (Morris): I didn't indicate that at all. Not for one moment did I indicate it and I think that he should withdraw that remark.

MR. SHOEMAKER: Okay, I will withdraw it. I thought be the gleam in his eye that he....

MR. SHEWMAN: .....quite honest, Mr. Chairman.

MR. SHOEMAKER: Well, Mr. Chairman, to quote my honourable friend, the Minister of Agriculture -- "I guess that we will have to proceed" -- I'm quoting the Minister of Agriculture here, Tribune, February 16th, 1963. "We'll have to proceed on the assumption that law and order will be restored in Ottawa, so I guess we will now proceed."

The floodway came into the picture this afternoon and the Portage diversion. I do not intend to talk on that subject matter now, only to say this, that during the election campaign and many times before and many times since, the Winnipeg Floodway has been referred to as a \$63 million project or a \$64 million one or a \$65 million one or something of that nature. One year ago, March 27th, 1962, my honourable friend told this House -- Mr. Hutton told this House that over the fifty-year period the average annual cost of the flood control and conservation projects will be about \$4.3 million. Now I don't know whether that was just for the floodway or not, but if you take 50 times \$4.3 million you get about \$212 million, and that is the figure I will admit that I used during the campaign. I talked about a \$212 million project rather than a \$63 million one, because if you're paying off a mortgage or if you're buying a farm or a house and you've got so much a year to pay for 50 years, that's what you pay. There's always a cash price and there's always a time price; and, Mr. Chairman, I believe we're going to have a bill come before this House, before long I hope, that has something to do with the cost of buying things on time.

Now, Mr. Chairman, I would like to ask my honourable friend a little more about the ARDA program and is it the intention now to more or less scrap the -- what were the two bills that we had three or four years ago relating to water conservation -- I forget the numbers of the bills but I know that it provided for the setting up of the Riding Mountain Whitemud River watershed. That bill was -- I forget the number of the bill, but I know that away back on July 3rd, 1959, the then Minister of Agriculture was telling the House what a wonderful piece of legislation that this was and then later on he congratulated, not me, but the people of the Gladstone area on being the first watershed to be set up under this new legislation. Well, Mr.

(Mr. Shoemaker, cont'd)... Chairman, the people of the Gladstone area did have great visions of having a lot of work done under that legislation -- The Water Conservation Act, I think that was it that was set up in 1959 -- The Water Conservation Act -- the Honourable Minister can correct me if I am wrong, but he certainly knows of what I speak.

The Minister of Agriculture on July 8th, 1959, had this to say -- I guess we're discussing the bill on second reading, I don't know -- "well I don't want to talk about the advanced set-up" he says. "The set-up in regard to conservation follows pretty closely the same as the Drainage Boards and you will have an outstanding engineer as the chairman of that board. He will give you the services which you need, and also you will have available plenty of financing from the Water Control and Conservation for whatever purposes are needed. You are, I think, fortunate that at the moment you are alone as far as the conservation districts are concerned and that you are the first watershed and, therefore, you might get greater attention than would otherwise be the case. I think you are most fortunate but your own people should have the credit for that. They had the enterprise to go for the legislation which was here; they took advantage of it; and they've done a good job and they'll reap the benefits." I'm quoting, Mr. Chairman, from Hansard of July 8th, page 706. Well I think every year since that, the Department of Agriculture has made a report and it has always been a "nil" report -- every year. It was again this year, so really nothing was done in that regard except a lot of talking. I'm not blaming my honourable friend because I know that he did try to sell it, to sell the idea to the people of the Riding Mountain Whitemud River watershed.

I have before me here three issues of the Neepawa Press, one headed "Watershed Fate Known in 60 Days" -- that's March 10th, 1961. On February 2nd, 1962, "The Watershed Door is Still Open." In 1962, "Watershed Decision Referred to Hutton" it says. Well I think that probably one of the reasons that it was not the success that it might have been was due to the fact that the area is too large to give any uniformity of decision, and we said something about this on some of the school divisions. When you get an area so large that it takes in -- in this case I think nearly 12 million acres -- no, 1.6 million acres, it seems to me that that was one of the problems. I know my honourable friend will say, "Well it was a watershed." Well that is true; it is a watershed, but you run into problems when you start dealing with a great quantity of people.

Now under ARDA, I hope that it is intended to do more than this other Act was. I hope it will be more successful. It would need to be more successful. At the last, and I guess it was the annual meeting of the Whitemud River Watershed Committee held on Friday, January 11th, last, there was a motion put and I think it was sent to my honourable friend from the executive of the Whitemud River Watershed Committee, simply asking that the area -- and he was referring to the watershed area -- be considered as an ARDA project and that the necessary surveys and studies be undertaken by the Provincial and Federal Governments under the ARDA program. I don't know whether the committee has received a reply to that letter dated January the 14th or not, but prior to that, about one week before that, I think they did receive a letter from the co-ordinator -- no, on December 20th they received a letter from the Co-ordinator of ARDA. Is that his correct title -- the Provincial ARDA Co-ordinator? I'm a little disappointed here because, and I want to quote just one paragraph, "Assistance under ARDA for such study depends on the designation of the Portage-Neepawa-Carberry area as a designated rural development area. If sufficient interest is shown by these towns and associated communities to have the area designated as a rural development area, the forms of assistance to the kinds of studies noted above would be available." Well now, according to this, not only is it intended to include all of the area that was formerly under the Whitemud watershed, but in addition to that all of the Portage and Carberry area. I'm afraid with an area that takes in about half of the Province of Manitoba, half of the arable land, it will be running into certain problems, but I hope not.

I haven't heard, Mr. Chairman, too much about the economic survey that was made of the various sections of Manitoba back here a couple of years ago. I think the last one was made up in the Dauphin area. But I have before me the one that deals with Neepawa -- I can't find any date on it -- "Economic Survey Southwest Manitoba" that was prepared apparently by the Economic Research Corporation, Montreal and Toronto. They made recommendations there as to what they think should be done in Neepawa, Minnedosa, Carberry, Erickson and so on,

(Mr. Shoemaker, cont'd)... Rapid City, and everyone of them seems to place quite a bit of stress on Christmas tree farming. They recommend four projects that might be considered in the Neepawa area, Christmas tree farming; Minnedosa they mention six, one of them Christmas tree farming; Carberry they mention six, Christmas tree farming; and in Erickson they mention seven, Christmas tree farming; but they do say that as regards Neepawa, that Neepawa might be the logical centre for the proposed Christmas Tree Marketing Board. Well, Mr. Chairman, I don't know whether ARDA will come up with the same recommendations that these people did, but it would seem to me that if they do, we're going to have more Christmas trees than we've got Christmases. We'll have to introduce several Christmases, I think, to get rid of the Christmas trees. However, we'll wait till we hear what our honourable friend has to say about ARDA a little later on.

Now, Mr. Chairman, I think that I will take my seat and be prepared to discuss a little further.

MR. HUTTON: Mr. Chairman, I think there's been quite a bit to say, at least words have been spoken since I stood here before. I'd like to deal with some of the points raised by the Honourable Member for Neepawa. I'd just like to point out that I'm not going to get into this battle of statistics because I'm not a statistician, but I'd just like to point out that the honourable gentleman who has just spoken took an average of the years 1961 and '62. The year of 1961 was the greatest drought that the Province of Manitoba had ever been subjected to. He averaged that up with '62 and then he compared that with the years 1951 and 1952, which were amongst the biggest years that we've had in Manitoba, and he came to the conclusion that we weren't doing as well as we were back in 1951 and '52. Now if it means anything, the Honourable Member for Neepawa and Gladstone will have to get up and speak for an hour or more to just draw the attention of this Committee to what this really means.

Once again I affirm that this government does not take the stand that the farmers are better off today than they have ever been, but it does take the stand that they are better off today than when we took over the responsibilities of guiding the policies for agriculture in Manitoba, and they can't refute that. You never hear them dealing in the statistics from 1954 to 1957 because it's on the basis, not of the statistics, but of the experience that the farmers had and the fact that going through that experience and encountering the cold indifference of government during that period to their needs and to their aspirations, that's why this government in Manitoba changed hands. Let's not forget, Mr. Chairman, that the government of a few years ago -- the previous administration -- was supposed to be a farmer's government. It took the farmers a little while to wake up to the fact that they weren't being represented, and when they found out, it didn't take them long to change their minds and throw them out of office. I didn't see in the rural areas of Manitoba anything that should cheer the hearts of the Liberal group in this House in the last election. They aren't any more popular out there now than they were then. You can quote all the statistics you like, but "the proof of the pudding is in the eating" and believe me out in Rosser in 1954, '55, '56 and '57, it didn't feel the same way as it felt in Tuxedo or any of the other places that the Liberal members must have been, because we had tough going in those years, statistics or no statistics.

Farm loans. He says that farmers owe more money today than ever before. He says, and he echoed the thought of the Honourable Member for Lakeside, that because farmers are borrowing money today that it indicates that farming is in trouble. Well I'm not an industrialist; I'm not a financier; but you know, I have a sneaking suspicion that when an industry is hungry for money and when it wants to invest money, that industry is on the up-swing. That is a healthy industry that attracts investment. Now my honourable friend may not think so, but that's my knowledge of it, and the people who are engaged in agriculture today want to borrow money; they want to build their farm businesses. They want to build this industry and I take it as a healthy sign and a sign that this industry is growing. Now we know that the farmers are borrowing money to buy adjacent farms, adjacent acreages; they're trying to enlarge their farm acreage-wise. They're also investing a lot of money these days in farm buildings. They're investing a lot of money in livestock. We have a growing industry; a healthy industry.

This isn't to say that we've gotten there, and the very fact that the Federal Government intends to loan \$100 million in this coming year indicates, I think, that there is a long way to go in building this farm industry. He says that the farmers seem to prefer the federal loans.

(Mr. Hutton, cont'd)... He says that it's easier and faster to get a federal farm loan. I'm not going to deny that it's easier and maybe faster to get a federal farm loan, but I'd like to point out that our farm agents are handling a good deal many more loans per man than the representatives of the Federal Farm Loan Board, and naturally when each man is carrying a heavier load he can't deal with this load as quickly possibly as the federal agent can. I don't think that because they have lent a million more dollars than we did in the past year that this indicates that the farmers prefer them. The truth of the situation is that we could lend far more money if we had it available, but we have to relate our moneys that are available for investment in the farm industry to the other needs of the province, and we have been only able to make available this kind of money to the corporation, but I think that combining these two programs that we are meeting the overall needs of the farmers in Manitoba.

I'd like to point out that if we were to leave this field today there would be many farmers who would go begging because the Federal Farm Loan legislation doesn't provide for those older farmers over 45; doesn't provide as beneficial lending conditions as ours does. Under their federal loan scheme farmers over 45 years of age can only borrow money on the security of their land, while under our scheme they can borrow on the security of land and chattels, so we are able to meet the needs of farmers who would at any rate have their ability to lend money restricted. They get a more generous treatment from our scheme.

He asked the question as to whether our availability of credit was creating an appreciation in farm value. I have a recent report here which has something of interest on the subject. The indications are that it's having a very marginal impact upon the value of farm land. The values are up and down depending upon the area and the type of land that is being sold in each year. But the average value of land -- for instance this past year was sold in Manitoba at \$42.00 an acre, and this compares with \$39.00 an acre three years ago, but then again, a year ago it was up to \$45.00. It depends upon the type of land that is being sold. There is no strong evidence or bulk of evidence to indicate that the government's making credit available to the farmers is creating a boom in the farm land business. It wasn't our intention to do this and I think that you must give great credit to the Manitoba Credit Corporation and also to the Federal Farm Credit Corporation that, in spite of the fact of their pumping millions and millions of dollars into the farm economy each year, that they have done it wisely and that they have not upset the value of land. I think it's an important matter; one that they must be aware of at all times because there's a growing demand for land in Manitoba. I believe last year there were 40 farms that came available in the Pasquia district last year and there were 400 applications for those farms. We only have a limited amount of land here in Manitoba and despite the fact that some of the people here think that farming is such a dreadful occupation and pays such poor dividends, there are a lot more people wanting farms than there are farms available for them.

The Honourable Member for Inkster earlier today asked about the numbers of young people leaving the farms, and I could tell him that there are about 1,500 young men who become eligible as farmers in Manitoba each year and there are only 600 farms that become available each year in Manitoba; and then out of this report we find that of all the lands that are sold in Manitoba or change hands in Manitoba in a year, 75 percent of them are taken up by, or go into consolidation of farm units, so this means that there are really only 150 farms that become available as units. Now this gives some idea of the limitation of opportunity to get into farming today.

On this question of supervised loans, this legislation that we are bringing in this session to provide for loans on beef cattle, I think are the ultimate in lending money on character and performance. How much can you pay for a farm and make it go? Well that all depends on the manager and it depends upon the kind of production that you're going into. If you go down into our Pembina triangle into the Winkler-Morden area, you'll have to pay a pretty high price for land because the farmers down there have found that by going in for speciality crops, these high acre value crops, they can pay a price for land that is probably double that of say the Red River Valley generally. Of course, if you try to pay that price for land just to grow wheat on, I don't know whether you'd ever live long enough to pay for it, but this all depends on the type of production that you're going into.

Now again, I must deal with this crop insurance, this question of the cost of administration. I think that when you consider the cost of administration of the crop insurance plan, that

(Mr. Hutton, cont'd)... the only fair comparison that can be made is to take the farmer's premiums plus the federal government's contribution to premiums, plus the administration costs, and then relate to total administration costs to that figure. I've said this before and I say it again, that if it were not for government participation in this program then the total premiums would be equal to the premiums the farmers are paying, plus what the government is contributing by way of both premiums and administration costs. This is what the total farmer premium would be. This is what it is in hail insurance. The farmer pays the total costs. There is no government there to take up the slack. When you make a comparison on that basis, our Crop Insurance Corporation has done a fine job of administration and has kept its costs in administration well in line with those of the Co-operative Hail Insurance Company. I don't have at hand the exact figure that the farmer would have paid to get a \$9,000 indemnity. I don't know what his total coverage was. I probably can find that particular information and give it to the honourable member at the time that we're discussing this in detail.

On this question of the total cost of the floodway, it is true that the honourable members opposite ask me as Minister to tell them what the annual costs of the building and maintaining the floodway would be over a 50-year period, if the costs were amortized over a 50-year period, and I replied undoubtedly \$4.3 million. If we were to amortize all the costs of the floodway over a 50-year period this is what it would cost, but you will note from the estimates that there is a \$7 million item in here and this should be some indication to the honourable gentleman that it's not going to cost \$200 million over a 50-year period. I would like to once again emphasize the fact that Manitoba's share of this project is only some 26 or \$27 million, and when we talk about 4.3 we are talking theoretically about amortizing the total costs over a 50-year period. Well anybody in Canada knows that the Federal Government doesn't amortize its costs on these projects. They don't carry capital projects; they pay for everything out of their current revenue. This isn't to say that they sometimes borrow money in order to do so, but on a project like this, their share of the project is not amortized. So that \$200 million that he was talking about throughout the constituency during the election was not a very valid figure to be using. It just shows you when you get started using figures and statistics how far off the beam you can get.

On ARDA. Does this mean that we're going to scrap The Watershed Conservation Districts Act? No, it does not. As a matter of fact, I'm going to be introducing further amendments to this Bill in an effort to meet and overcome some of the objections to the existing legislation. I have been greatly concerned because we haven't been able to sell this to the local people and we feel now that we have -- or we hope that we have devised a means of administration of one of these districts which will meet the approval of the majority of the people who are concerned in a watershed district. The honourable member feels that the area is too large, but the reason for taking this area is: where are you going to put Carberry? Where are you going to put Portage la Prairie? Where are you going to put the Rural Municipality of Portage la Prairie? They have to go into a unit and Portage la Prairie is an integral part of the economy of the Whitemud watershed. It draws a great deal of its business from the Whitemud Watershed so you can't possibly leave it out. We have to take into account the fact that there are natural areas where there are common interests and common bonds and marketing patterns and so forth, and it's on this basis that we make up our rural development areas. One might say about the Interlake area that it's a tremendous area, and yet how do you start carving up the Interlake? And because it is totally related and people may be moving far more than you or I suspect they are from one community to another, and one community is relying on another, and so when one considers their developments you have to take an integrated whole rather than a part.

I come now to a different kind of a speech than we were treated to this afternoon -- at least I was treated to it. To borrow a phrase from the Honourable Member for Lakeside, "it passes the imagination" that the Honourable Member from Portage should accuse me of innuendo; of spouting misinformation; of a rigid dogmatic approach of abuse and insults. He intimates that anybody that comes to see me is likely to have to salute in the outer office with a big "Heil." He doesn't like being called a chameleon and he says he isn't going to take it. Well I didn't know that he had taken anything in the House. Until he informed me that he was the butt of my remarks, I hadn't been thinking of him at all. He says I was proven wrong on wheat

(Mr. Hutton, cont'd)... sales and came to the conclusion, much like his colleague from Gladstone, he came by some roundabout way to a conclusion that if I was wrong on wheat sales I was probably wrong on my decisions on the feasibility of water control projects. You know I didn't think I was going to get an opportunity to make a rebuttal to the Member for Lakeside because he very cleverly talked out the clock and I didn't have a chance to make my point on rebuttal. But now I have an opportunity and it was given to me on a silver platter and so I'm going to talk about wheat sales because, apparently, unless I justify my contention on the wheat sales, I haven't any basis for making any recommendations as to the feasibility of water control projects.

Now I know you need water to grow wheat, but I'd just like to point out that once in awhile I read the Canadian Wheat Board statements too. It was pointed out, when I said that the Liberals lost the market for Canadian wheat, that this was "passing the imagination" that any Minister of Agriculture in Manitoba would make such a statement; that any Minister of Agriculture in Manitoba would intimate that a Federal Government, whether Liberal or Conservative, would take the attitude if people want to buy our wheat they can come and get it; it's good wheat. Well I'm sorry to say that that was the attitude of the former administration at Ottawa. Oh yes, it was, and Mr. C. D. Howe, bless his soul, was down at Morris and a farmer asked him what we were going to do with our wheat -- remember that't the time he punched him in the stomach and said, "there isn't much wrong with you." This farmer said, "Well what are we going to do with all our wheat, Mr. Howe?" His answer was, "I guess we'll have to eat it." The farmer took some wheat out of his pocket and suggested that Mr. Howe could start right there.

The fact is that all over Canada we knew that the Government at Ottawa in that day had taken the attitude that they couldn't do any better than they were doing. Now I'll admit that the figures that were quoted by the Honourable Member for Lakeside, that the Liberal Government did sell in 1951-52, 355 million bushels; in 1952-53 they sold 385 million bushels; back in 1943-44 they sold 343 million bushels; in 1944-45 they sold 342 million bushels; in 1945-46 they sold 340 million bushels. But how did they operate in between? How did they perform in between? I want to remind this committee that from '43 to '46 you had a devastated Europe with people starving to death and you didn't have to sell wheat; they were coming to get it in those days. We had our granaries full and they came to get it and they were able to sell that kind of wheat -- (Interjection) -- All right, just a minute, I'll deal with that too. Down in 1951, when they sold 355 in 1951-52 and in 1952-53 they sold 355 and 385, I remember that. There was a Korean War scare and people were busy looking for wheat. But what happened after that? She dropped from 385 to 255.

I made the statement in this House during the Throne Speech debate that the Liberals were satisfied with selling 250 million bushels of wheat a year and when they sold an average of 275 they thought they were really going great guns, and this is a fact. This is what they were selling. This is what they were selling and they tried to justify that to the western Canadian farmer and tell them "that this is as good as you can expect." This is what I objected to. I wasn't giving misinformation; I was giving accurate information, because let me read to you the figures for 1954 when we got into trouble and the reason that you had an agrarian revolt out here in the west. We sold 255; we sold 251; we sold 312; and we sold 264 from 1954 to 1957. I know because I was a farmer. I know because my granaries were full. I know because my gross income dropped to less than half in one year. I don't need these statistics. I know that in 1957 I had 25,000 bushels of grain piled up on the farm and I had to build a barn to keep it. And to say to me that "it passes anybody's imagination" that I should suggest that the Liberals did less than their best to sell wheat when they were in power the last four years, that passes my imagination. I know; I was there and so were a lot of others here. The Member for Brokenhead was there too, and he remembers how skimpy the pickings were. Well we've sold wheat since then. We've sold wheat so that the farmer's income -- he's been able to go out and sow fertilizer once again and try and grow better crops.

Now I think I've probably made all the points that I want to on that except one more. You think that I am playing politics when I suggest to you that I'm worried about the outcome of this election. One of the men who makes policies for this Liberal Party federally had this to say about the outlook for wheat sales for Canada. He wrote -- he was the author of Canada's

(Mr. Hutton, cont'd) . . . Economic Prospects, the Chairman of a Royal Commission and you know who he is, and this is what he said: "In the short-run the outlook for exports is 220 to 250 million bushels; in the long-run by 1980, if you're still out there, you can expect to sell from 255 to 300 million bushels." The Party that is at the present time in charge of agricultural matters federally said, in 1957, "We've got to sell 300 million bushels a year right now." They were laughed at; it was impossible; probably because Walter Gordon had said so. But they sold -- they sold on the average in the last four years, they've sold 321 million bushels a year. So perhaps they sold them to China -- that's fine. There are better ways to fight communism than trying to starve them to death, and believe me, if we don't make wheat available to them, they'll come and get it, and they'll form their own bridge -- human. I don't think that we want to scoff at the fact that the government only made these sales because the Chinese people were hungry. After all, it was the policy of this government at Ottawa to make that wheat available to them through credit arrangements. I don't like communism anymore than anybody else in this House, but you can't starve communism off the face of the earth; and if they're hungry and they need our wheat, they're as entitled to it as anybody else. The fact is that they wouldn't have gotten our wheat if it hadn't been for the credit arrangements that were made and the fact that the Federal Government put up hundreds of millions of dollars in order to finance these sales.

Now maybe I can come back to my -- now maybe I established that I wasn't giving out misinformation -- I can come back to this question of water control. The honourable member, aside from being very insulting, didn't say very much -- the Honourable Member for Portage. He misquoted me once again, as he has done before, as is recorded in the newspapers and other places. He said that the Minister of Agriculture, speaking in Portage, told the people out there that the government had no intentions of ever building a canal from Lake Manitoba to the Assiniboine River. I said that the government had no immediate plans, but I also recall saying that I was as certain as I was standing there that such a canal would be built and that Lake Manitoba and Lake Winnipegosis would be harnessed for the benefit of the people of Lake Manitoba. I spent many an hour in this Legislature with my honourable friend trying to outline a comprehensive water control program for Manitoba last year. We brought in maps and we brought in pointers, and one of the newspapers suggested that the next time I'd better bring a lantern -- maybe I should have brought the lantern. I don't want to have to go in and explain tonight, try and explain the fact that we have such a comprehensive program and that these matters are all related, but I just know that I didn't go out to Portage la Prairie and intimate to the people there that a canal, which was shown on the map here as potential, would never be built, because I recall being questioned from the floor about it.

MR. JOHNSTON: Mr. Chairman, I have an affidavit here from a witness that will swear to the fact that he said this, and I can produce any number more. If anybody wishes, I would table this.

MR. HUTTON: Yes, be happy if you would, because I think I could probably find someone who would indicate otherwise.

On the question of the validity of the recommendations for this water control program, our honourable friend from Portage has quoted a minority report; he has quoted a former federal member of Parliament who is an excellent physician; he has quoted everybody but those people who are generally assumed to be the most knowledgeable and the most experienced in this field. He has found fault with the fact that we have not as yet announced the location of the route of the Portage diversion. I don't understand that. We have said all along to the people at Portage that when we had an opportunity to indicate, or to determine where the route would go; when we had an opportunity to determine whether it was possible to reduce any dislocation or harmful effects of the floodway by an alternative route; then we would meet with them and discuss it. Now he finds fault because we are troubling 150 people instead of 40. Well if I were living up to the reputation that he has tried to make for me, we would just go out and we would build that diversion just where we wanted -- probably right down Main Street -- if we're to act the role that my honourable friend has tried to paint me in. But we don't behave that way in Manitoba. We have tried to take every precaution to accommodate the best interests and the wishes of the people of Portage and district and we will continue to follow that course of action regardless of all the nasty names that the Honourable Member of Portage wants to

Mr. Hutton, cont'd)... call me. I have no intention of taking out upon the people of Portage any hurt feelings that he might cause to me.

Now he talks about the water supply again, how it's going to be cut off. He says the superintendent says he can't guarantee water supply during construction of the floodway. Well it isn't the responsibility of Portage or the superintendent to guarantee water supplies to the City of Portage during the construction of the floodway; it's the responsibility of the Provincial Government if we undertake this, when we undertake this diversion channel. Naturally we have to guarantee to the City of Portage la Prairie that their water supply will not be interfered with. You know it's passing the imagination -- if I may use that phrase -- we have an aqueduct that runs underneath the Red River and it's going to run under the Red River Diversion. We've got a metropolitan area here of almost half a million people, and we're going to be able to keep them all watered. I think that we're going to be able to find enough water for 13,000 people in Portage.

Then he expressed a great deal of concern about water priorities. He thinks that all the water is going to be taken out of Lake Manitoba to flush the rivers through Winnipeg. Well he objected to my charge that the Liberals like to indulge in parish pump politics and here you see is the old story about it's a question of who's going to come first. Now the priorities for water use are laid down in The Water Rights Act and pollution is not a top priority. The fact is that for years and years and years to come, long after we're gone, if we harness the waters of Lake Manitoba and Lake Winnipegosis there's going to be water for everyone -- more than enough. The fact is that apparently we'd rather quarrel and scrap over nothing than put our shoulders behind the wheel and work for something that will provide more than enough for all of us for longer than we are going to be here to use it. Winnipeg first? No. Just because there are lots of people in Winnipeg we're not going to give them first go with the water from Lake Manitoba.

The Honourable Member from Portage should know that the people in Winnipeg are going to be using Lake Manitoba for recreation purposes. These same people that live in this area value Lake Manitoba for other reasons than just flushing the river. Metropolitan Winnipeg has now underway, or in the planning stages, and is providing for the diminution of the present pollution in the river; and as this program moves ahead, the requirements are going to be less for water for cutting down on the pollution in our rivers. In any event, there's so much water in Manitoba if we'll only take it in the places where it's needed. To fight over it, it's ridiculous. There's Lake Winnipegosis up there which covers a million and a quarter acres and there's 1.1 million in Lake Manitoba, and six inches of water from both those lakes maintained as a reservoir to draw on. It gives you over a million acre feet of water that can be used to increase and maintain the flows in our rivers, and there's still enough for all those who want to work with water in that area itself.

I could talk about and I think I must -- just to get the record straight on this question of misinformation and innuendo and so forth -- I must bring some information before this committee. The Honourable Member has made a big thing about the fact that if we build this diversion there's going to be no room for expansion for Portage la Prairie. He went on to say the other day he was speaking about this, and he said something to the effect that there was only the area north of Portage and people only went there as a last resort. I wonder what all the people who live over there think about that kind of a statement. He seems to think that if we build the Portage Diversion that he won't even be able to -- well he'll have to look to recognize it once it's constructed and . . . . down. He seems to think that this is going to stand in the way of the initiative and the energy and the vision of the people that he represents. Well I don't know how St. Vital and St. Boniface happened to get where they are. I don't understand why here at the crossroads or the concurrence of the two great rivers in Manitoba the city seems to grow in every direction. But out there if you construct a channel, a gentle sloping channel, that it's going to stand almost as a moat or a barrier to any further expansion. It's hard to comprehend.

As a matter of fact, it passes the imagination how anybody could make such a statement as this. But they made an awful lot of statements about this Portage Diversion; all the terrible things that were going to happen. I have here some of the Liberal campaign literature out of the Portage Graphic, what this thing was going to do. Oh yes, they were telling the people of

(Mr. Hutton, cont'd.) . . . Portage la Prairie -- they had one of these experts again that they dredge up from some place or other to support their point of view. They had this one and he was supposed to be a Mr. Goodspeed, and this man was head engineer of the Province of Manitoba and he went on to Ottawa and he was head engineer for the Government of Canada. His report was that the diversion was not practical. Well you know we did a little bit of research and we found out that this head engineer of the Province of Manitoba and the head engineer of the Government of Canada was an undergraduate in engineering at the University of Manitoba, and the Liberals decided that they were going to build their campaign and their point of view on his findings. He wrote this as a paper in his undergraduate year and it wasn't Mr. Goodspeed at all.

Then they went on and they said lots of things, "nowhere else in the world has there been a similar project with which to make comparisons." Now that did it. Right here in Manitoba you can go and look at the Seine River Diversion, or ask the people out there who were faced with flooding year after year and ask them how it works. It works beautifully. Right in Portage municipality you can find a floodway. In the southern area of Portage municipality there's a great big floodway and it works just wonderfully. I was out there during the flood last year when we were hit with those heavy, heavy rains and seasonal rains, and you know I just wished that we had those kind of floodways out in my part of the country to protect us. That one was working dandy and our ambition is to get more of them and protect more of our area with this kind of a diversion. Down in the United States -- I went down there a year ago and they're building one of these right through Sioux City, right through the heart of it. They have been built before. Some of them were built 40 years ago in Manitoba. They worked pretty well and the engineers at that time didn't have the knowledge and the information that they have at their hands today.

Then they told the stories about -- oh, all kinds of stories here -- they told the story that ice jams had been the cause of practically all our floods in the past 60 years. Well I just must answer that. Here I have a list of all the flooding. I have the list right back to 1913 and I don't see how there could have been very much ice in the river on May 8th, May 18th, May 16th, May 15th, April 22nd, May 18th, April 18th, May 23rd, May 26th, but nevertheless this is where, according to them, all our troubles were coming from. Then there was this great question of seepage. "The dam is to be built to raise the water level and force the flow of water into the diversion. Raising this water level will naturally affect the water level in the surrounding country, so immediately there will be danger of basement flooding in and around the city -- seepage." Well, this has troubled me a little bit too, because I've had I don't know how many letters from the council of the city of Portage requesting us to build a low level dam on the river to ensure their water supply at Portage. I couldn't see how you could build one there for water supply and hold it there all year around without causing any seepage, and yet at the same time be against one that was going to hold water there for a relatively short time in the time of the year when the frost is in the ground and there can be very little lateral movement of water.

Then they told the people how we were going to take 3,000 acres of the best farming land in the world out of production. Well that's just a mild exaggeration -- about 50 percent exaggeration. We'll probably take at the outside 2,000 acres of good farm land and probably 1,000 acres that is in the marsh area. But that shouldn't bother anybody -- a little distortion like that -- only 150 percent more than what we need. "The diversion will cut access to both cemeteries west of Portage except by No. 1 highway. One survey stake is presently at the very corner of Hillside cemetery. Seepage into the cemetery is a factor here too." Now there's a nice gory detail. That's sure a high level to appeal to the people on -- (Interjection) -- Yes, inspired leadership of the Liberal Party.

"The diversion is planned to start approximately 165 yards away from the city's water plant and the site is in jeopardy. Trunk water lines in the city would necessarily have to go under the diversion." Well, to imply that the water supply is going to be jeopardized is ridiculous because wherever the Province of Manitoba undertakes a thing like this, it has to be responsible for the maintenance and for any damage that is caused to a public utility of this kind. Then they went on to say that we were going to fill the channel -- that the channel would fill up with snow in the spring and the water couldn't get into the lake and the lake would back up, and

(Mr. Hutton, cont'd.) . . . . Heavens we were going to flood -- well the river breaks up from two weeks to a month before the ice is out of Lake Manitoba so all of the Oakland country could be flooded. Well the lake would have to be 20 feet higher to get back to Oakland, but this was the kind of stuff that they fed the public on. Here's another nice one. "New housing projects should not be allowed to proceed in and around the city before adequate attention is paid to water levels and flooding conditions. Why should our river have to be diverted around our city to protect such a development." Talk about innuendo -- Wow!

Then they go on to some more and then this honourable member attacks me as a Minister for innuendo and misinformation. I've got all kinds of his clippings -- I kept track of them -- his picture on every one and I just like this one especially. Do you want to hear them all? Well I'll just read you the real juicy ones. "To the voters of Portage la Prairie and district, I would respectfully suggest that you drive out and observe the indicated diversion by the stakes as it affects the cemetery." That's a nice high thing as I said before to appeal to the voters. But I'd like to ask the honourable member, and I'm not faulting him for being against the diversion; I'm not faulting anybody in the Portage area for being against the diversion; I do fault them for fighting in this way. I think it's enough to say that they are against it, but to fight it in this way just doesn't appeal to me. The honourable member didn't like my reference the other day in debate in this House to parish pump politics and the fact that I've said that one member of the Liberal Party was off in one constituency saying one thing and another was off in another constituency saying another, and you know I still don't believe that the Honourable Member for Portage thought of all this by himself. I really don't. I think he had some expert coaching on this approach and I'd like to know what his honourable leader, that he's so proud of, told the farmers of St. Eustache and Elie when he went to speak there. I'd also like to know why his honourable leader of the party didn't go to Portage to speak. Now I'm not making any charges. I want to make that clear. Yes, a little innuendo -- yes. I'd like to know what he said at St. Eustache and Elie and why he didn't go to Portage. Maybe it was so he wouldn't embarrass the Liberal Party in Portage and maybe it was so that he wouldn't be embarrassed as he campaigned in other parts of Manitoba.

It hasn't been an easy thing to try and sell a controversial policy, because any policy you come up where the comprehensive development of a resource as widespread and as important as water is to the economy of Manitoba, is going to be hard to explain. In the first place I'm not an engineer and a lot of times what may look to be reasonable from a practical point of view or a layman's point of view is quite impractical from the engineering point of view. I suggest that when you have to fight against stuff like this, and I show this to the Legislature, on the question of information this came to my attention, a little map that was tied to everybody's milk box in Portage la Prairie and it says on it, "By authority of the Johnston Election Committee," and I'd like to point out when you talk about information and distortion you want to check before you put a thing like this out, because that diversion is shown on this map just 50 percent larger than the scale on the map, and if that isn't a deliberate attempt to distort the facts of the situation, I don't know what is. I have no intention of speaking on this matter or even raising this point on the Portage Diversion with the Honourable Member for Portage, but I thought that he was least qualified to embark upon the trend of a speech that he made this afternoon in the Legislature, and I'll just let the honourable members of this Legislature look at this and draw their own conclusions on the perpetrator of misinformation and distortion of the facts. Thank you.

. . . . . Continued on next page.

MR. CAMPBELL: Mr. Chairman, I wanted to say a few words about this question of wheat statistics. My honourable friend says that he's very glad that he got handed the opportunity to restate his position with regard to this, and I was glad to hear his contribution on it too, because he claims that he did not give misleading information or misinformation. Mr. Chairman, I haven't the Hansard in front of me -- I think perhaps my honourable friend has -- I haven't the Hansard that contains his remarks, but I'm sure that the Hansard will bear me out that when my honourable friend was speaking on this subject he was not talking about those years that he mentioned in the forties. Those were not the years he was talking about. If Hansard doesn't prove me right when I say that it was the fifties he was talking about, then I'll not continue with this argument.

My honourable friend said that the Liberal Government lost the market in the fifties. -- (interjection) -- Pardon . . . .

MR. HUTTON: Yes, they dropped 385 to 255 . . . .

MR. CAMPBELL: Yes, that's right, but that isn't what he said. He didn't even know about the 385. He was talking -- go back and read Hansard and you'll find out what you said. You tried to revise it tonight, but it won't work. The fact is that my honourable friend was talking about the fifties and he said that we lost the market, and when it was pointed out to him that we had the very highest export of wheat that we ever had any year up to-date, he was quite surprised about it. He had not checked the figures at that time. He checked them carefully since and he tries tonight to go back and talk about the ones in the forties, and for anybody in the position of my honourable friend to stand up and try and pretend to an intelligent group of people that the remarks of C. D. Howe to "a" particular farmer who buttonholed him after a political meeting, represented the considered policy of a governmental department, I think is an insult to our intelligence. I repeat what I said, that we've never had a government in Canada -- and I'm not inclined to pay any compliments to the ones that we've had recently, but I certainly apply the same remarks to them -- we've never had a government in Canada that would be stupid enough to take a "come and get it" attitude that my honourable friend talks about. The Wheat Board was doing the selling of the wheat at the time that my honourable friend is talking about, even in those years when they had the low sales -- and there were some years; he didn't happen to hit the right one. The Wheat Board was doing the job then as it's been doing the job since, and the Wheat Board was not taking that attitude and they haven't been recently, but my honourable friend, also giving misinformation, uses the term "that they let the wheat pile up, to where the wheat was piled up to the Rocky Mountains." They did because they were the three biggest crops that we ever grew in any time in the history of Canada, and the honourable gentleman knows it, and this supposed correction that he's given, or explanation of these figures tonight, doesn't change the situation a bit. This was misinformation that he was giving. It was misinterpreting the statistics that he should have been acquainted with, and he didn't give them properly.

Now I have a couple of things to say about my honourable friend's statistics in another regard. He tells us here tonight that no one has dealt -- when we're talking about these statistics -- he didn't hear anybody deal with 1954, 55, 56 along there. Those were exactly the statistics that I was dealing with last night when I talked about The Manitoba Committee -- The Committee on Manitoba's Economic Future. Those were the statistics that they were using, but I notice here when I look at them again today that in the one case they only go to the year 1959. Why, Mr. Chairman -- I've asked this question before -- why when we had a committee of this type working on the agricultural statistics with the number of people that they had at their disposal, why in the world did they include only up to 1959 in this one table? I'd like to have the further figures. Why in the world didn't they put them in? But, these aren't my figures; these are the figures that they gave, and they give the two years 1956 -- that's in the report here and the net value of production in Manitoba that they show; agricultural is \$188 million. Then they jump to 1959, \$174 million. I don't know why they took these years. They must have had some reason. Over on the next table -- and this was one that I mentioned last evening -- over on the next table, the next page, Table 5 (3) they give the very years that my honourable friend said tonight had not even been mentioned, exactly those years, 1954 to 1958, that's one set. Then 1956 to 1960. I don't know why they presented them with that overlapping. These aren't my figures. The honourable gentleman ought to know more about them than I do,

(Mr. Campbell, cont'd.) . . . because he's been -- presumably the Department of Agriculture have worked with these consultants, but what they show is that the 1954 to 1958 -- and this is the average net income per farm -- table, 1954 to 1958 \$130,375,000; 1956 - 60, \$113,615,000. Those are the years that my honourable friend said nobody had dealt with, and these are the ones that I was talking about last night, and this is the conclusion they come to -- I mentioned it last night -- and this is the committee that my honourable friend the Minister of Industry and Commerce is very proud of, and they have competent men there. I would like somebody to answer me. Why did they not give the later figures? This report wasn't given to us until well on in March, I think. Why in the world did they not use the figures up-to-date? What's the use of having a committee of this size and this capacity with 38 consultants or consulting firms? Of course a lot of people have contributed -- people in firms have contributed individual research and assistance. And then they leave the story here, but the conclusion they come to if it's measured in terms of net value of production, agriculture has not kept pace, and this is the report that reached us in March 1962. That's not my figures, so when my honourable friend says that nobody has dealt with the 1954-55 figures, he's certainly not talking about me. I did deal with them and I used this committee's figures to deal with them. If they're not right the honourable gentleman should tell us why. If there's some interpretation other than I'm putting on them, let us have the interpretation. I ask again, why are they not up-to-date, presented at the time that they were?

But I have to follow my honourable friend into another place, because if my honourable friend insists on talking politics in this Chamber, then we'll talk them too. If my honourable friend wants to turn the agricultural estimates discussions into a political discussion then that's fine with us. He said here a little while ago that he didn't find any Liberals around in the -- he didn't find any people out around in the election campaigns that gave much encouragement to the Liberals. I quoted the figures here before. I think we can get a lot of encouragement out of them. The Party that my honourable friend represents went down 12 percent in popular support; we went up 17 percent. What does that mean, but a change in sentiment? -- (Interjection) -- That's right; that's right, and my honourable friends will find out that those things change in time, and my honourable friend who made the interjection is a great man to believe in statistics and surveys and studies and drafts and percentages and trends. I'd like him to check that trend because it's there.

Well, I have a few other matters that have arisen out of my honourable friend's remarks. I want to tell my honourable friend that if he thinks it's wise in this Chamber on his agricultural estimates to drag in the Federal and Provincial political arguments then it's fine with us, and don't make any mistake about it, Mr. Chairman, he's the one that started it. He's the one that talked about parish pump politics. He's the one that talked about "the kiss of Judas" and things like this. He's the one that started it, and if he wants to start it, we're quite willing to play it according to those rules.

But to get back to the agricultural -- and the discussion that my honourable friend had that I think was dealing mainly with the Honourable Member for Brokenhead. He gave the statement that it's the small producer who loses out when prices are guaranteed, but later on he gave what seemed to me to be the answer to the problem that he raised himself, because he mentioned that in the case of hogs that the price has been held to just 100 units, and isn't that enough if it can be employed? Isn't that a way that you can have guaranteed or floor or stabilized prices and apply them only to a unit so that you do protect the small farmer, so that the small farmer is not the one who has to suffer. If we believe in the family farm, the way all of us pretend that we do, instead of just paying lip service to it, why don't we establish some system like that and have a quota such as has been applied to the hogs? What's the matter with that plan? My honourable friend admits that it's been applied as far as the hogs are concerned. Why can't it be applied in other commodities as well?

He doesn't seem to be very much in favour of a marketing board legislation and of marketing plans under that legislation. He expressed disapproval, as I understood him, of that type of control and regulation, but he was the man -- or that government was the government -- that has made it easier for marketing boards to be passed in this province by easing the voting regulations that had been in before. Yes, is it not correct that my honourable friends by regulation put in a provision whereby the vote would only have to be a majority of those voting.

MR. HUTTON: . . . . more democratic. We didn't make it easier.

MR. CAMPBELL: It's easier, easier. My honourable friend has his own definitions of democratic. I'd say it's easier, perhaps more democratic as well. He eased the method of bringing about marketing boards in this province. He says that this legislation was born of desperation. Why is it that the Federal Party, both parties, are, as they go around in the election campaign, are paying lip service to the marketing boards too? Is that because of desperation now? Was it desperation in Ontario? Because these were brought in?

MR. HUTTON: I wasn't talking about the principle, I was talking about the legislation.

MR. CAMPBELL: Well, it seems to me that the legislation and the principle of legislation are quite alike. If there's a differentiation I'd be glad to hear it.

MR. HUTTON: I'd be glad to tell you about it.

MR. CAMPBELL: Well, if you'd just wait your turn, you can have a chance to tell us all that you like. You don't usually suffer from any inhibitions when it comes to telling us about it. You certainly wouldn't and you don't. But I'd like the Honourable the Minister instead of spending his time in talking politics in this Chamber to tell us something about how the Ontario Hog Marketing Board is getting along. Instead of criticizing the whole system and philosophizing about what he believes in as principles and policies and all, tell us how the Ontario Board is working out in practice, because after all that's what farmers are usually pretty interested in. How does it work out in practice because they had one going there for quite awhile? What's happening?

And then my honourable friend before the dinner adjournment had something to say about politicians; politicians spreading gloom and doom to the people in agriculture. He says that every time we turn on the radio or TV that we get the story of gloom and doom in agriculture. -- (Interjection) -- A good statement made. Mr. Chairman, let me tell you something and I think you'll see it demonstrated within a very short time now again, that the people do not pay the attention to these politicians -- including the ones in this Chamber -- that a lot of us seem to think they do; that people have learned through the years to take their politicians or leave them alone, as the case may be, and don't worry too much about what the politicians are telling them on the radio or on the TV. The farmers, if there's any group in the world that have learned to make up their own minds, it's the farmers. And they don't take the politicians too seriously or make their programs based very much on what they're telling. In fact I doubt if they pay very much attention to the argument between my honourable friend and me about the wheat sales. What they want is to get the wheat sold and be able to grow more wheat, and they don't listen too much to these arguments. But he says, "How can we keep our young people down on the farm the way that we folks have been talking about?" Give them the returns, give them the returns and they'll stay on the farm -- (Interjection) -- and that's the reason, give them the returns enough and they'll be able to see Paree some time. Under these circumstances there's no danger. That's what counts with the farmer, not what the politicians tell them or anybody else. Give them the returns.

Then my honourable friend, talking about hog production, got into the story of credit. Said that it was because the former administration, when we were in there, because we didn't give farmers the credit, that Manitoba hadn't made the strides in hog production that we've made since. Does my honourable friend forget that without us extending that credit that he's talking about, that we had many thousands of hogs more in Manitoba back a few years ago than they've ever had since? -- (Interjection) -- Pardon? Yes, many thousands of hogs; 300,000 or thereabouts more than they've had since, and more than they've had with this government giving them the credit. So this couldn't all have been credit that made that difference. The same old story. Perhaps there was a patriotic effort in it at that time because the pork was needed in wartime and the farmers responded as they always have when there's been -- (Interjection) -- Not just after that time. Later on, perhaps. But we did a production job then; we did it without the kind of credit that my honourable friend is talking about. And I don't agree with him that that was the reason.

But, while we're talking about hogs, I just happen to have in my hand here an article that appeared in the local paper, the Manitoba Leader, in March of '62, more than a year ago. This article is headed: "Hog Producers are losing race." And this is the article: "Hog producers in Manitoba have taken a backward step in efforts to improve the quality of swine marketed in

(Mr. Campbell, cont'd.) . . . the province, reports the official of the Manitoba Department of Agriculture. Recently released figures on the percentage of hogs marketed by grade during '61 reveal that Manitoba has slipped back one position among the provinces. The official said that the situation is regrettable," and he mentions this interesting point and my honourable friend, as a practical farmer, will realize the significance of this. "The situation is regrettable, this official said, when simply by weighing their hogs and marketing them at the right weight, Manitoba producers could have climbed to at least fourth place." This is a fact, as my honourable friend knows. And this points up, I think, one of the difficulties that the people in the Department of Agriculture always face, that you can take the best information in the world, by the most competent people, to the farmer. Unless you can get their co-operation to do these jobs and to put into practice the advice that is given to them -- and it's not that they lack the understanding, it's just that they don't take the trouble to do the job, or they've got some reason, shortage of feed, or some other matter, the price of feed, that prevents them from doing it. But according to this situation if they had simply watched the weight, we could have climbed to at least fourth place instead of being down in eighth. If the 30 percent of the total that were down-graded through overweight -- that wouldn't be lack of feed -- had been marketed at the proper time, the proportion of Grade A instead of being 29.4 would have been 42.7. Producers can adhere strictly to good practices of breeding, feeding and management, but lose a considerable amount of money by not investing in a pair of scales, and so on.

Now my honourable friend told us yesterday they're going to go out on a new and different hog program. They're going to start a different one, or a new one, an improved one. Here's the kind of fact that we're up against. My honourable friend, if this had happened when we were on the other side, my honourable friend would have had a great deal to say about it. But I know the difficulty of getting the farmers to do these jobs -- and they're often very good reasons why they can't do them.

But then I have a further clipping a few months later. The last day of May, 1962 -- this time it's not from our local paper; it's from the Manitoba Co-operative. "Manitoba still running last in hog quality" says the heading. "Manitoba hog producers are finding it difficult to boost their province out of last place." They were down to eighth before; here they're in last place and I think the Minister would likely tell us if he was speaking on this subject, that last probably means only ninth, because I think there's one province that markets few, if any, hogs. So, we're now in last place, or were according to this report. They were down from 29.8 to 29.4. And I know it's not easy to get the program into effect, but when my honourable friend tries to suggest that the reason that we didn't have this increase in hogs that had been talked about a little while ago, was because we didn't have a credit program, I couldn't help but remind him of the fact that without a credit program we marketed 300,000 more hogs than they have in the best year since my honourable friends have been in office.

MR. N. SHOEMAKER (Gladstone): Mr. Chairman, I would like to ask my honourable friend one question. When he was speaking a half an hour ago or so he produced a map that was used by the Honourable Member for Portage la Prairie during the campaign, and I think he suggested that it wasn't drawn to scale, to put it very politely. I don't know how far out of scale that it was. He didn't indicate that. But the question that I want to ask him now is: I have before me a clipping from the Winnipeg Free Press, Saturday, March 31, 1962, and it carries a little story with it: "Manitoba's proposed water control system was outlined to the MLAs by Agriculture and Conservation Minister George Hutton this week. The Red River Floodway, The Portage Diversion, and the Shellmouth Reservoir to be completed in five years will provide basic flood control for Winnipeg with the reservoir also holding water to be released down the Assiniboine in dry summer months. Work on the floodway will start this summer and engineering studies of the other two projects will begin this year." Now with that story was a map of southern Manitoba, and I suspect that that was supplied to the press by the Department of Agriculture and Conservation, because surely the press wouldn't show all of the various projects and locations on the map. Now, assuming that Manitoba is 300 miles wide, and I have before me a ruler, Mr. Chairman, the scale then would be 30 miles to the inch, because it's 11 inches across, or 10-3/4 inches across for the 300 miles. The proposed Winnipeg floodway is 1/8 inch at least which would represent 3-1/2 miles wide, and the Portage floodway is a good 1/16 inch, which would be two miles wide. Now I want to ask my honourable

(Mr. Shoemaker, cont'd.) . . . friend, is this map drawn to scale? Is the floodway going to be 3-1/2 miles wide and the Portage Diversion two miles wide?

MR. JOHNSTON: Mr. Chairman, while the Honourable Minister of Agriculture is going to answer that question, perhaps he'd like to comment on another item I have here. In his earlier remarks this evening he read, and I haven't the letter before me -- I would like to give the Honourable the Minister of Agriculture the opportunity to read the whole letter that he quotes the name of an engineer or a student engineer, I'm not sure which, by the name of Mr. Goodspeed. I'd like him to read the whole letter and I'd like him to read the name that is signed at the bottom, and if he would like to prove this thing out all the way, it'll be very simple by a phone call to phone this gentleman who is a respected, honoured person in our community for the past 70 years, and he has been and his father before him has been, a life-long Conservative, and this time he changed his views. Now I will admit he changed his views for a reason of his own, because he has land directly involved in this thing, but nevertheless this is a man of honour and a decent person, and he is not afraid to sign his name to the letter that you were alluding to, and it was not a piece of liberal propaganda or a liberal-paid ad. This gentleman paid this ad himself. He tried to have this letter run as a letter to the editor, and the editor of the daily paper there refused to take it, so this gentleman had this letter run and paid for, because he felt so strongly about this, and I would also like to -- although he is now coming into the House -- I'd like to mention this to the First Minister, that this gentleman that signed this letter along with a group of friends tried their best to approach the First Minister and speak about this, and they did not get the courtesy of a reply. Can you blame them for changing?

MR. ROBLIN: Mr. Chairman, I just caught the tail end of my honourable friend's remarks. I'd appreciate it if he would be kind enough to give me the details of the people who didn't get a reply from me, because I want to make it clear that never in my political career have I declined (a) to reply to correspondence, or (b) to see people who wanted to see me, and there must be some misunderstanding some place. If my honourable friend will give me the information I'd appreciate it.

MR. JOHNSTON: I'm referring to Mr. Gordon Troop, and this is what he told me.

MR. ROBLIN: Well I'm afraid that it doesn't bear out my recollection.

MR. JOHNSTON: The letter in question was written by Mr. Garth Sissons and he's not ashamed of it. I believe he signed his name.

MR. ROBLIN: Have you the letter with you?

MR. HUTTON: . . . . very happy to -- I think there's no point in reading this whole letter to the committee. It's signed by Mr. A. G. Sissons of Portage, of 46 - 10th Street, Portage. It carries under it, as my honourable friend says, a little notation, A.D.V.P., but when he suggests to this committee, and I ask him this before I comment, is he hiding behind Mr. Sissons and suggesting to this committee that he was not a party or any way connected with this letter?

MR. JOHNSTON: I am so suggesting and I'm not only suggesting, I'm telling you that I'm not a party to that letter. I live in a small town and we know what is going on in the town. I'm not pleading ignorance to the letter. I know it was printed, why he printed this letter, but I had nothing to do with it, and if you'd care to go to this gentleman and talk it over with him I'd be only too pleased that you would do so.

MR. HUTTON: Well, I want to draw the attention then of the committee to a very odd coincidence. You know pretty well what's in the letter, the points I brought up. The honourable member certainly isn't going to deny that he had anything to do with these. It says "to the voters" and it says "authority of Portage Liberal Association" and carries a picture of the honourable gentleman -- a very good picture too, and it says, "I would respectfully suggest that you drive out and observe the indicated diversion by the stakes, and give careful consideration to the implication if the diversion seeps, because of being built in light sandy soil or overflows because of blockage of snow or ice." It seems this point was dealt with in the letter referred to. Here's another one. The same picture -- the same handsome fellow -- and it says, "I would respectfully suggest that you give careful consideration to the implication that the diversion is not able to hold that water within its banks as it passes through Delta March, that if the water cannot enter the lake because of the bank of ice -- the lake is always later than the river thawing out -- that if the water cannot enter the lake because of strong north winds piling up

(Mr. Hutton, cont'd.) . . . sand or ice across the mouth of the diversion at the lake shore." It seems to me that this letter dealt with that point.

MR. HRYHORCZUK: . . . . . Minister permit a question?

MR. HUTTON: When I'm through. When I'm through -- (Interjection) -- "To the voters. I would respectfully suggest that you drive out and observe the excavation behind Trundmann's Machinery Depot. It shows sandy light soil which cannot hold water, therefore leads to seepage." it seems to me that's dealt with in that letter. "To the voters of Portage la Prairie and district; I would respectfully suggest that you drive out and observe the indicated diversion by the stakes as it affects the city's water treatment plant." "To the voters of Portage la Prairie and district: I would respectfully suggest that you drive out and observe the indicated diversion by the stakes and give careful consideration to the implications that the diversion seeps, because of being built in light sandy soil or over-flowing because of blockage of snow and ice." "To the voters of Portage la Prairie and district: I would respectfully suggest that you drive out and observe the indicated diversion by the stakes and look at the existing businesses that will be seriously hampered or forced to move." -- (Interjection) -- Pardon? Well, that was before my honourable member asked me to. "To the voters of Portage la Prairie and district: I would respectfully suggest that you drive out and observe the indicated diversion by the stakes as it affects the cemetery." -- (Interjection) -- Well that was in the letter. "To the voters of Portage la Prairie and district: I would respectfully suggest that you give careful consideration to the flood dangers of the ice if the ice cannot be separated from the water as it leaves the river to go into the diversion." -- (Interjection) -- Yes, that was in the letter too, and "To the voters: Gordon Johnston, our Liberal candidate, favours saving our water at upstream points such as Shellmouth and Holland. This reserve of water would be available to Portage and other places at times when the Assiniboine River waters are at a low level and would give flood protection as well."

Now it may just be, Mr. Chairman, it may just be a coincidence, but I -- naturally, when I saw all these in the newspapers, and this letter here dealing with all these points, it's pretty hard to separate. Maybe it's true that somebody else thought up all this, but certainly I see a pretty close connection between the letter and these advertisements. If there isn't any, well then I guess I owe an apology to the honourable gentleman, but he'll have to do better than he's done to convince me that he didn't have anything to do or there was no connection between this letter and these advertisements that carried his picture. I know they don't carry his signature, but they are -- it says here -- "by the authority of the Portage Liberal Association" -- and well, you just come to conclusions.

MR. SHOEMAKER: Mr. Chairman, I didn't get a reply to my question re his map, whether it was drawn to scale or what.

MR. HUTTON: It was, I suggest, prepared for an altogether different purpose than the one the Honourable Member for Portage la Prairie . . . . .

MR. HRYHORCZUK: Mr. Chairman, only on these two points. I do want to talk a little longer on the floor prices, but in connection with these particular letters. Evidently the Minister must have difficulty in obtaining any person to agree with anything he has to say. From what I've read about the Portage diversion of the Assiniboine River there at Portage, there are a lot of people that agree with everything that has been said in that letter; not only the Honourable Member for Portage, and it's not a coincidence. You can find any number of them who'll agree with every point that appears in that letter, and it would be interesting to note whether those advertisements appeared before or after the letter was published. I think in all fairness, we want to play politics, let's give the Members of the House the full story, not only what is good for our cause. One thing I can't understand about the Minister, that all he has to do is get up on his feet, whether it's in this House or any place else, and he's a politician. May I suggest to him that the tactics that are correct and proper on the hustings are not necessarily correct and proper in this House. We expect him to deal with the estimates as a man responsible for those estimates, and we expect that he'll give us the kind of answer that we are entitled to as members of this House. I don't think that he has to make any snide remarks about the Opposition. After all is said and done, this is Her Majesty's loyal Opposition and is necessary in our form of government, and I think that the Minister should show a little bit more respect for the members on this side. He may not like them any more than we like him,

(Mr. Hryhorczuk, cont'd.) . . . . but we at least try to stay within the confines of responsibility in this House.

MR. SCHREYER: . . . . I take the opportunity now, because I don't know when next I'll have it the way things are going here, to try to make a correction which appears in the Report of COMEF. Now, I think it's important because a good deal of what has been said back and forth between the Minister of Agriculture and the Member for Lakeside -- furious recrimination about the tables which appear in the report -- page B-29 upon reconciling the total net income for 1954-58 for Manitoba as given in COMEF with the quarterly bulletin of agricultural statistics, I find that we have an amazing error of some \$40 million and that explains why there was no meeting of minds between the Member for Lakeside and the Minister. In other words -- well no doubt -- but this I think goes to explain a lot of it -- the report is out by some \$30,370,000; the figures -- (Interjection) -- I beg your pardon? Page B-29 of COMEF. The table which gives the average net income per farm. For 1954 - 1958 it reads \$130,375,000; it should read \$99,700,000.00 according to DBS and -- yes it does -- it's an amazing sort of error, I don't know how it could have got in there. I want to just say, in connection with the remarks made by the Member for Ethelbert, that we have a new definition as to what members in this House are not responsible for. I take the view that each and every statement that a member makes in the hustings, he has to be prepared to defend it here and I think that if we don't abide by that, democracy can be sometimes in jeopardy.

MR. HRYHORCZUK: Mr. Chairman, if you don't mind. I have no quarrel with that statement, but I certainly have quarrel with anybody that gets up in this House and makes this the hustings.

. . . . . Continued on next page.

MR. PAULLEY: Mr. Chairman, if it might be permissive for an agriculturalist from the City of Transcona to say a word or two in this debate, I trust that such permission will be given.

Now then it appears to me, and I don't think that I am the last person who has been accused at least on some occasions of playing politics, but it does seem to me, Mr. Chairman, that in the last considerable number of hours that the Committee dealing with the estimates of the Department of Agriculture, that the foremost consideration has been that of political considerations rather than what we are going to do insofar as the agricultural industry of Manitoba is concerned. I appreciate very much the remarks of the Honourable the Minister of Agriculture and the Honourable Member from Portage la Prairie, in respect of the flood diversion. I appreciate very much the debate that has taken place between the Minister and the Honourable Member for Lakeside as to who sold more wheat, whether it was under the Wheat Board; whether it was the former Liberal Government of Canada; or whether it is the present -- or at least up until the calling of the election -- the Conservative Government of Canada who sold more wheat than who. But it does seem to me, Mr. Chairman, that we should get back on the track as to what we are going to do insofar as the future of the agricultural industry here in the Province of Manitoba. I think that that should be our prime consideration.

As one reads the report of the Manitoba Trade Mission to the United Kingdom, one cannot help but be impressed that here in this report, and while I don't agree with everything that is in the report, I think that one thing that we must take due cognizance of is the fact that here in the Province of Manitoba and here in the Dominion of Canada we're going to face increasing competition from other nations in the world. As we read the report, we note for instance page after page, and these pages only dealing with agriculture, that the result of the mission to the United Kingdom indicates that in the very important to Canada livestock industry, that we are going to find more and more competition from European countries in the field of livestock marketing; that they are going to expand. We find in the report -- and this is a phrase on page three of the report dealing with the question of coarse grains: "If European agriculture becomes more self-sufficient in wheat production in the future, Canada may be called upon to make up a deficit in feed grain."

The whole tenor of the report of the mission to the United Kingdom goes along this line. They mention in respect of red clover and alsike seed: "The position might not be seriously threatened in the future, although substantial variations in trade may be anticipated from year to year." They mention throughout the whole report, on page 9: "We are likely to face increased competition in the immediate future dealing with wheat and it will clearly be vital that the Canadian Wheat Board and the Government of Canada and private exporters continue and intensify their sales campaign." Then they go on to mention on this same page 9: "With the aid of export subsidy the United States has had some success in underselling Canada in foreign markets." They mention the situation in respect of Argentina, and then they go on to say: "If Russian wheat achieves consistent high quality and is offered in substantial quantities it could influence Canadian sales. Canada must not relax its standards." Then throughout the report, as I say, it's drawing to us here in this Legislature and here in this Dominion the threat of ever-increasing competition from the outside insofar as our livestock industry is concerned; insofar as our agriculture in general is concerned.

On page 12, dealing with coarse grain, it mentions: "Various studies have indicated that the domestic market for feed grains will be almost doubled by 1980. It is anticipated that Eastern Canadian imports of western feed grains will be doubled by 1975." I suggest that even this sentence itself, Mr. Chairman, indicates there is a problem that we here in Manitoba may be faced with, that as more and more feed grains go from Manitoba into Ontario for the production of hogs and other livestock in Ontario, that our livestock producer here in the Province of Manitoba will be faced with more and more competition and more vigorous competition.

I think it is the duty of this Legislature and this Committee, for the time being at least -- we've had I think enough rehash of the Portage Diversion Plan and other activities that happened during the recent election, and I suggest that the problems we should be considering at the present time is the problem that the farmer and the livestock producer in Manitoba is going to be faced with. I was interested just before we recessed with the remarks of the

(Mr. Pauley, cont'd.) . . . Honourable the Minister of Agriculture about "how are you going to keep them down on the farm after they've seen Paris." The Honourable Member for Lakeside says "that if they don't have increased income, they'll never see Paris." I think that somewhat between the two of them there is a media at which we can approach the situation as we have it here in the Province of Manitoba.

My honourable friend the Minister of Agriculture has pointed out, I think possibly properly so, that in some respects at least the income of the farmer of Manitoba has increased over the last few years. But I want to say to the Honourable the Minister of Agriculture that while statistically he might be right, the fact of the matter still is, despite the fact that he mentioned about "doom and gloom in the agricultural industry", the fact of the matter still is, Mr. Chairman, that the agricultural industry in the Province of Manitoba and across the wide expanse of the Dominion of Canada is not receiving a fair return in comparison with the rest of the communities; that they are still lagging behind the rest of Canada in their net income to which they are properly entitled to. I suggest that that is the problem that we have here in the Province of Manitoba.

The present Minister of Agriculture in the Dominion of Canada has said to the farmers of Canada, "you produce and we'll sell," in respect of grain. I suggest the Honourable Member for Elmwood has drawn to this committee's attention, or will if he hasn't already and I'm sorry that I wasn't here yesterday evening, but I think that he has drawn to the attention of this Committee that at the present time we here in the Province of Manitoba cannot feed into our abatoirs sufficient hogs in order to take care of the needs of the people of Canada; that we're having to import. Now I heard someone speaking the other day -- (Interjection) -- Pardon? -- He spoke that. Well then, I'm just re-emphasizing the fact that he has pointed out that at the present time we are not producing sufficient here in the Province of Manitoba to take care of our own needs within the province let alone, as is suggested by the Committee on Manitoba's Economic Future, that we should be in a position so that we can not only look after our own here in Manitoba but increase our activity in the field of livestock in order to be a supply house for the rest of the Dominion and also enter into the export field.

So I say, Mr. Chairman, that these are the problems that we have here and I have not heard -- again I must qualify this by saying that I didn't have the opportunity of listening to the Honourable Minister of Agriculture last evening and I haven't had an opportunity of reading Hansard to see what he said -- but it does seem to me that the attention of this committee, now that we've had all of these rehashes as to whether or not the scale on an election pamphlet was in accordance with the width of the diversion, or whether it was accurate or whether the picture that appeared in the Portage la Prairie Graphic vividly portrayed the Honourable Member for Portage la Prairie or not. I do say that we have a big problem here in the Province of Manitoba and I think that that is the problem that we should now get down to the base of considering.

We want Manitoba to grow. We want Manitoba to expand and we want to make adequately sure in the expansion of Manitoba and in the expansion of Canada that this segment of our economy, namely, that our farm population who have had to take a second place in the rest of the economy of Canada, shall have a fair deal in Canada. I suggest, Mr. Chairman, that that is the problem that we're facing at the present time and I think that that is an obligation on us here in this Legislature. Let us, now that we've spent a considerable number of hours in the Department of Agriculture with all of these ancillary and somewhat stupid discussions that we've had, get down to how are we going to assist agriculture in the Province of Manitoba; how are we going to get and how are we going to make provision for a fair return to the agriculturalist, to the livestock producer here in the Province of Manitoba.

MR. JOHN P. TANCHAK (Emerson): Mr. Chairman, before you pass this I think I should say a few words. Unlike the honourable member who just spoke, who doesn't claim he is a farmer and I don't know whether he has ever been a farmer, but I agree with what he asked; and unlike the Member from Inkster, who gave a very wonderful contribution although he's not a farmer, I can say that I am a farmer and I have been a farmer and I intend to stay in farming. Even when I grow to the age when I am feeble, I intend to retire on the farm because I love the farm. Some of the remarks made by the Honourable Minister in the last few days, I don't think I can swallow. I don't like his complacency; don't like his complacent attitude; and, according to him, the farmer of Manitoba in 1962 lived "a life of Riley". I cannot agree

(Mr. Tanchak, cont'd.) . . . with that.

Now he has given us some statistics and facts. In the past I have been inclined to believe what the Minister of the department had to say because I had no reason to disbelieve. But listening to the different arguments tonight about the statistics and so on, and then finding out that the Minister was wrong in this statistic or that, even the little matter of scale -- he admitted himself when the Honourable Member from Portage la Prairie brought in the map which wasn't according to scale -- What does he come up? He produces a map on a larger scale of Manitoba, and then what does he say? "It's not according to scale either," but it's right because it suits his purpose. Therefore, I'm inclined to think that when he mentioned last night that 1962 was the best year since 1939, I'm inclined not to take it this time, although in the past I would have been.

I wonder where the Honourable Minister gets his full statistics for 1962. I'm sure that there's thousands of farmers yet who have not given out their figures. During the week-end I helped about a dozen farmers with their income tax returns. They do not know themselves yet what profit they have made, but the Honourable Minister says it has been the best year since 1939. I think that when the true statistics come out, I think that the Honourable Minister will have to water down his statement some. I cannot swallow that.

He said that Manitoba had the best year since 1939. I disagree with him. What about northern Manitoba, north of Winnipeg here? Did they have? Of course I'll give credit that he said most of Manitoba. I'm sure that the people in northern Manitoba, just north of Winnipeg didn't have a very good year. And I can speak of my own constituency east of the Red River, the southeast corner. I know that the farmers are not too happy about 1962; that it isn't the best year that they have ever had.

Why doesn't the Honourable Minister talk about eggs? In my immediate area, around my home, we had some 14 producers five years ago on a larger scale producing eggs. What happened now? We've got one producer producing eggs there, and he is the one who is lucky enough to have a relative with some large chain store in the City of Winnipeg who buys his eggs direct. Why were these people put out of production? On account of legislation provided by Ottawa. Just lately, one candidate in that area at a meeting promised that if he is again elected he will see to it that the farmers get the floor price -- which the farmers understand is to be 33¢ -- and the answer that he got right at that meeting, "We'll raise some eggs but if we don't get 33¢ for them, we'll hold them for you here until you appear on this stage again." They were not dissatisfied -- they were not satisfied with 1962 -- those farmers. And many other instances that the farmers are not satisfied, so I doubt his statistics and his figures. He may be able to prove it. I hope he can, but I cannot see where he can get the final statistics when most of the farmers still don't know how they stand.

The farmers of Manitoba are far from being happy with both levels of government, the Provincial Government and the Federal Government as they stand at the present time. He says that the farmers had the best year since 1939. What about the cattle crisis? Can he claim that the farms that are cattle producers have had the best prices since 1939? I remember a year just prior to the foot and mouth disease that the choice steers were selling at 35¢ a pound. I do not think that he did come up to that this year. There must have been a better year for them.

The Minister says that the politicians are scaring young farmers away from the farms by bringing in gloom and doom. I don't think that is right either. I think that the young farmers of Manitoba do not see a bright future. They're not too happy with the government legislation, especially the Federal Legislation. They can't see a good future and a lot of them leave the farms because they think it's a greener field. I still say that what scares them away is inadequate agricultural policies in Canada.

Now I'd like to say a little bit about crop insurance. The Honourable Minister boasted that some farmers received as high as \$9,000 on the crop insurance loss of their crops -- remuneration. That's fine; I'm happy that they did get it. But what consolation have the farmers east of the Red River? They're not covered by crop insurance and they sustained loss.-- (Interjection) -- Pardon? They've got me? But they need you. They need a good Minister who would keep his promises. They were promised crop insurance the election before the last, and they haven't got it. They want crop insurance but they haven't got a Minister who would give it to them. So when he boasts that some farmer got \$9,000, that's no consolation

(Mr. Tanchak, cont'd.) . . . to the farmers that I represent. They contribute towards that I am sure, but they're not benefiting directly through it. I understand that there's only about 12 percent of all the farmers in Manitoba who enjoy the privileges of crop insurance.

I'd also like to say a little about the community pastures. I think that's one aspect where the Federal Government can really boast about expansion of community pastures -- and I'm not against community pastures. In the right places they're a very good thing, a wonderful thing. Maybe since the Federal Government was so successful with community pastures -- something they really can boast about -- maybe they should change the whole Province of Manitoba and make it one huge community pasture and do away with industry and so on. It might be well worthwhile considering. But there's some of these community pastures which, although they do a lot of good for other areas, there are numerous complaints from the farmers who live in the immediate vicinity of the community pastures, and they're not too happy about them. Some of those farmers have established themselves for many many years in livestock and so on and they depended on forage, on hay from these areas where the community pasture has taken over now. So they are desperate. They used to get privilege in these areas. Now they wonder where they will cut their hay. I know two farmers at least who have given up, thrown up their hands and say, well the community pasture is here; we used to get our hay in that area; where will we get it now? So they're selling out and moving out. Although the community pastures do a lot of good in certain areas, in certain areas I would like the government to check into it and see that the farmers who lose the hay permit areas have some other source to obtain their hay.

I think that's about all I have to say at the present time. I have some other points but I'd rather bring them up when we reach the item.

MR. HRYHORCZUK: Mr. Chairman, we did hear some very interesting statements by the Honourable the Minister this afternoon. I was particularly intrigued with his idea of the farmers meeting the challenge before them; the call to individual initiative; and let's look after our own problems and do without floor supports. Oh yes, oh yes, you mentioned butter -- what's happened to our butter surpluses because of the floor support? You said the minimum tends to become the maximum. That's what you were talking about. You can shake your head all you like, it's in the record.

But I'd like to ask him a question. Why doesn't the Honourable Minister himself meet the challenge as a farmer? He told us this afternoon that he had 25,000 bushels of wheat. Well he was depending upon the government to sell it for him. If he was the kind of a farmer that he wants the farmers to be, well I suggest to him that he should have looked to the production of that wheat and not produced more than he knows there's a market for. He, and many like him, overlooked the fact that these fellows that grow thousands of acres of wheat have absolutely no concern whether there's a market for it. They're in a position to wait for their money. The wheat is there; the value is there. But it's the farmer who produces a thousand, two thousand, three thousand bushels of wheat is the man that's carrying the brunt. I would suggest to him that when he talks about challenges, let him meet those challenges himself first before he expects somebody else to do it.

Now insofar as the community pastures are concerned, I asked a question during the estimates on the mines and natural resources as to whether there are going to be any taxes paid by the municipalities where these community pastures are located. I think we should look at this and I'd like the Minister to give us an answer in due course. Are the municipalities going to receive any taxes? After all, the municipalities are responsible for the roads that lead into these pastures and there's no reason why the municipality should construct and maintain these roads when they're being used mostly by people who do not live within the municipality where the pasture is situated. I think this is something that should give us some thought -- we should give it some thought to see that they are properly compensated.

Now insofar as the floor prices are concerned, I don't agree with the minister that a floor price as a minimum tends to become the maximum. I don't think that floor prices encourage production in the manner that he'd want us to believe they do, because we have floor prices on hogs today and we're under-produced. If his contention was correct, we should have over-production. I say to him, Mr. Chairman, that insofar as floor prices are concerned, that the only thing they do is keep the price from going below the floor price. The over-production comes when the price is quite a bit above the floor price. We've had that with hogs; we've seen

(Mr. Hryhorczuk, cont'd.) . . . it in beef; we've seen it along most of the floor prices. The over-production comes after the price is pretty well above the floor. The floor price is meant to help the producer meet his cost and in many cases the floor price does not even meet the cost of production. I think, Mr. Chairman, it's high time that the farmer wasn't asked to subsidize the rest of the country. That's what's happening today and the Minister knows that. Even with the floor prices, if we receive the floor prices on most of the products as they stand today, the majority of farmers wouldn't be able to meet their costs of production, so why should they be encouraged by that floor price? It doesn't stand to reason and we haven't had over-production when the price was on the floor. The over-production has come when the price is considerably above the floor. That's something we should consider and I think the Minister as Minister of Agriculture for Manitoba should look at this thing from a Manitoba point of view.

Now, he mentions butter surpluses -- look at what the floor price has done to butter surpluses. Well I'm very much surprised the Minister made that statement this afternoon because he knows as well as the rest of us do that it isn't the cream shipper in Manitoba that has caused the surplus. He knows that; he knows where the surpluses come from. They do not come from the shipper of cream. We have our surpluses in butter because a support price applies to supplies of butter where it should not apply, and that is the dairies in Ontario. He knows full well that the dairies in Ontario, instead of selling whole milk to the producers, skim off a certain amount of that butter fat and they turn it into butter. He also knows that in Ontario the dairies are encouraging over-production of whole milk simply because the price support of butter is a good thing for them, Mr. Chairman. I recall not so very long ago in the Province of Manitoba when we had the farmers come before the Milk Board here and complain that the quotas were not big enough. Now in the Province of Ontario today they're complaining that the quotas being set are too high on the surplus milk, simply because the dairies are turning surplus milk into butterfat. If we have this tremendous surplus of butter, it's not because of the cream producer. I think it was the Minister's duty to point that out to the members of this House. After all he's a Manitoban, at least I think he is, he is the Minister of Agriculture for Manitoba, and he should tell us why -- why, in the Province of Manitoba, we're stuck because of this butterfat, this surplus butterfat, not due to anything that the Manitoba farmer is doing. These are the things that I don't like about the trend of this particular debate on these estimates has taken. We know for example that our Jersey milk in Ontario -- what have the dairies done? They're reselling the public the idea of 2% milk. And why are they selling the public the idea of the 2% milk? I think the butterfat on the Jersey milk is probably 5 or 5 1/2%, somewhere in that range. Well what is actually happening there? The dairies find that it is a lucrative business. They can still sell their milk at milk prices and the 3 1/2 or 3% that they skim off in butterfat is going into the production of butter, whereas 6% -- well, it's a lucrative business and there you are. The dairies -- the dairies are pushing the farmer to produce more and more milk, not because there's a demand for milk; not because the dairies can dispose of that milk; but because they are growing fat on the butter subsidies. Yes, sure, he says "yes". Well why didn't he tell us that this afternoon? When he mentions butter surpluses, don't attribute it to the butter support price insofar as the farmer is concerned. You're the Minister of Agriculture for the Province of Manitoba. -- (Interjection) -- No, there's no politics. These are facts. Imagine it coming from that source, "stop your politicking." The Honourable Minister has been on his feet for hours since his estimates started and he hasn't spent five minutes on these estimates without politicking, and he's going to tell me to stop my politicking when I've given the members of this committee the facts as they are, which you haven't done. Who has been doing the politicking? Just because you find -- we have a voice here that generally sits down somewhere where you can't see him instead of in his seat, and makes remarks and if anybody else does that, he refers to them as cattle. Well, I can say to my honourable friend here that he better just pay attention to where he is "lowing" from. -- (Interjection) -- well it all depends on what side of the House you're on. If you're on one side you milk them and on the other you produce them.

Now insofar as the floor prices are concerned, Mr. Chairman, I want to reiterate that I do not agree -- I do not agree with the Minister that the floor prices are not minimum but they tend to become the maximum, because in my experience it hasn't been that way. They have stopped there, naturally if they stop at the minimum then they become the maximum

(Mr. Hryhorczuk, cont'd.) . . . because they can't go down any lower; but in every instance if that floor price wasn't there, it sure wouldn't be the maximum nor would it be the minimum because they tend to go considerably lower. I think we're making a mistake when we don't point that out, because after all the farmers are not organized in the way that they can fight their battles without our assistance. I think, as representatives of the farming community here in the Province of Manitoba, it's our responsibility to lay all the cards on the table. Some of our friends in other sections of the Province of Manitoba can understand what the situation is. I think we have reached the stage here and elsewhere, there's been too much misapprehension about the affluency of the farming community. Maybe it is affluent where my honourable friend the Minister comes from when he's got 25, 000 bushels of wheat laying in storage on the farm.

MR. HUTTON: Mr. Chairman, I'm interested about this 25 million bushels of wheat.

MR. HRYHORCZUK: 25,000.

MR. HUTTON: 25,000.

MR. HRYHORCZUK: That's your figure.

MR. HUTTON: I never said I had 25,000 bushels of wheat. I said I had 25,000 bushels piled up and that was in 1957. I don't know what he's talking about today.

MR. HRYHORCZUK: Well, 25,000 bushels. You had bushels and bushels piled up here. We were talking about wheat, weren't we? We have another cry over here, another gentleman that you can hear from about every seventh day -- it must be some type of a religion with him.

MR. SHEWMAN: Mr. Chairman, I resent that very much. When I get on my feet to speak I have the facts; it isn't a lot of "ballycock".

MR. HRYHORCZUK: I can understand now why he doesn't get on his feet to speak, because he has no facts.

MR. SHEWMAN: If I couldn't offer any more to the debate that's been taking place here tonight, especially from the Honourable Member from Ethelbert, I'd never stand on my feet.

MR. HRYHORCZUK: You know that's the sad part about some people, that even a simple argument, and as clear and concise as I've made it today, the honourable member still can't understand it. How are we going to make any progress here? I have tried my very best to make it quite plain why I think that the Honourable Minister is wrong and here the Honourable Member for Morris -- I think he was listening, I hope he was listening -- he still doesn't understand. Well I'm not going to go through that again, because there's always one in the crowd that no matter what you do they won't catch on anyhow, so we'll . . . .

MR. SHEWMAN: Mr. Chairman, I don't want to accuse the Honourable Member from Ethelbert of being wrong or I don't want to accuse him of not knowing his subject, but what I do blame is the people that have been feeding this stuff to him right along.

MR. HRYHORCZUK: Well, Mr. Chairman, you know I have a lot of respect for the Honourable Member for Morris. We sat on a commission together and we got to know each other pretty well. We're both farmers from a long way back. The only difference is I farm and the honourable member lives off the farmer. That's the only difference between the two of us.

MR. SHEWMAN: What do you mean by that?

MR. HRYHORCZUK: Mr. Chairman, I don't want to go any further into this minimum price, but I do hope -- I do hope that the Honourable Minister gets up before we pass this item, and if I am wrong about his stand and his opinion of the floor prices, I'd like him to express himself, contrary to what he said this afternoon. I certainly don't want to go away with the impression that he is opposed to the floor prices. If I misunderstood him, then I stand to be corrected, but the way he spoke this afternoon I couldn't come to any other conclusion but the one that I did come to. I'm sorry if I was wrong, but I'm quite sure that the reading of the Hansard tomorrow will show that I was right.

MR. HUTTON: Mr. Chairman, I'd just like to tell the honourable gentleman from Ethelbert Plains that he is wrong. I believe in floor prices; the farmers couldn't operate without them. The only thing that I'm saying is that when you set them too high, they become ceilings as well as floor prices. In the case of pork, I pointed out this afternoon that it became a ceiling and you had such over-production that they had to lower that floor price. The fact is that if you're as interested in the small farmer as you say you are, you're not going

(Mr. Hutton, cont'd.) . . . to create a set of circumstances by government policy which plays right into the hands of the big and the wealthy farmers and robs the little farmers. What you're suggesting here tonight is leading the small farmer down a garden path, and this is what you're doing.

MR. HRYHORCZUK: I wish that the Honourable Minister was consistent. He hardly got started before he started contradicting himself.

MR. EVANS: Mr. Chairman, I think in an effort to make progress I suggest to the member for Ethelbert Plains that we had better adjourn. I move that the committee rise.

MR. CHAIRMAN: Madam Speaker, the Committee of Supply has directed me to report progress and asks leave to sit again.

MR. MARTIN: Madam Speaker, I beg to move, seconded by the Honourable Member for St. Vital, 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 beg to move, seconded by the Honourable the Minister of Agriculture, 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 Wednesday afternoon.