

THE LEGISLATIVE ASSEMBLY OF MANITOBA

8 o'clock, Thursday, April 4th, 1963.

MR. CHAIRMAN: I'd like to mention that according to our "little red book" the Committee of Supply rises at 11 o'clock, subject to Rule 4, and Rule 4 says that the 11 o'clock rule does not apply when we have reached 65 hours. I would like to remind you that we reach 65 hours at 10:55 tonight. Item 3 --

MR. MOLGAT: I think that we can really get a good night's work in because I understand that we've also got all day tomorrow.

MR. CHAIRMAN: Item 3 (a) -- passed.

MR. CAMPBELL: Mr. Chairman, I had a few matters that I was planning on taking up-- never could arrive at them this afternoon, and I want to seize the opportunity to speak on them while the Honourable the First Minister is not in the committee, because the Tribune of some time ago carried the report that the Honourable the First Minister found it very boring to listen to me speak every year on Bang's disease. Inasmuch as I thought of having a few words to say on that interesting subject I should in fairness try and choose a time when he's not present because I just hate to bore anybody, most of all my honourable friend. I also had planned on asking the Honourable the Minister about whether he had given the report on the hog quality, and I notice that he covered that this afternoon so I won't have to take up the time there.

It may be the case, too, that some of the other questions that I have were -- oh dear, and I haven't got to Bang's disease yet. I think, Mr. Chairman, that what you could say to the Honourable the First Minister would be that you would dismiss him once you hear me mention that awful term. I don't know whether....

MR. ROBLIN: I was very indiscreet with Bang's disease, I have to admit it.

MR. CAMPBELL: I don't know whether my honourable friend last evening reported on some of these other matters that I'm going to mention because unfortunately I found it necessary to be away, not last evening but yesterday afternoon, and if they were covered, well all he needs to do is tell me so and I'll consult Hansard instead.

I wondered if the Honourable the Minister had mentioned the matter that appeared in the press quite recently with regard to a court decision having held that some chemical company was liable to the extent of some thousands of dollars for pesticide that had been used as a spray on cattle. Was that mentioned in the committee? I would think this was a matter of some concern to the livestock branch because the press report, and I expect my honourable friend is familiar with it, mentions that a judge in Alberta found a chemical manufacturer liable for a preparation that had been used on cattle for the control of lice, and now we use preparations for some other pests on livestock and I wonder if there is a similar danger here. Somebody, and this is from the Manitoba Co-operator of March 28th, some scientist says this report -- some scientist from the Federal Agriculture Research Station in Lethbridge commenting on the decision said they would no longer feel safe in recommending any chemical for use on anything. I imagine that's going a little bit too far, but I can see that there would be some questions raised as a result of this decision.

Similarly, I'm sure that the Minister has been paying attention to the volumes that have been written about the harm that could arise from some of the sprays for field crops as well. What's the major effort in that regard? Silent Spring I believe, is the publication that's being talked about a great deal now. It seems to come in the same category with this one that I was mentioning. If the Minister has any comments on that I'd be interested to hear them.

I don't know whether the Minister reported on the horned cattle fund. I know that it's before the House in regard to a second reading that's here, but I had asked the Minister a couple of questions. If he cared to he might deal with now: the present composition of the board and standing of the fund, and whether he had any announcements to make following the suggestions of the MFU in regard to the horned cattle fund.

I don't know whether the question was covered in the discussion yesterday regarding the announcement that appeared recently in the paper where a spokesman for the federal Health of Animals Division seems to have implied that both TB Testing and Bang's programs would now have to be carried by the individual farmers themselves. Then I arrive at that question of Bang's disease control. My honourable friend really meant what he was reported in the Tribune as saying. I checked rather carefully and I discovered that I hadn't mentioned the subject at

(Mr. Campbell, cont'd)... all last year. I thought it rather unkind of the First Minister, not to say that my discourses on it were boring but to suggest that I had been talking about it every year when actually I had missed one -- quite inaccurate I would say.

MR. ROBLIN: Mr. Chairman, I apologize to the committee for my inaccuracy in this respect, and I also apologize to my honourable friend if anything I have ever said about him in this respect is discourteous.

MR. CAMPBELL: I certainly felt so badly about it that the rest of the members just almost were penalized to the extent of not hearing me make that speech. This time I was hurt so badly that I just about wasn't going to say anything on it, but I decided that the fair thing to the rest of the members would be to not let my disappointment in this regard get the better of me and to carry on and make my usual speech on it and ask the Chairman to excuse the First Minister, because I certainly don't want to bore him. But I think I will content myself tonight with simply asking if this press report is correct, that both the TB testing and the Bang's is now going to be carried completely by the individual herd owners. I did listen with interest to the Minister's comments this afternoon regarding the elite breeding stock program with swine. It seemed to me that they copied a couple of the terms from the cereal grain programs. I was wondering if, like the cereal grain programs, this was of national application. Is it -- it's provincial entirely? Has any other province the same type of a program? I would be interested to hear anything further that the Honourable Minister has on that.

I notice in this regard, and I'm not sure whether it was in the annual report or whether it was in the report on research -- I think it was the study carried on at the university where the landrace swine, or another breed under test -- the name escapes me at the moment -- landrace and what other one besides the Yorkshire was under test there, that one or the other of them seemed to do a bit better than our own Yorkshire swine. Has the Minister any information on that and will this program cover all of the breeds that are presently being used in the various experiments in Manitoba?

MR. FROESE: Mr. Chairman, if the Minister is going to reply on the questions put by the Honourable Member for Lakeside, I would wonder if he would also give us some information on the artificial insemination associations, whether the grants for those are the same as previous years. I notice the amount is identical from last year, but I would think that the number of associations would increase and probably also the number of animals bred. Therefore, I wondered whether the grant was the same, or on the same basis as last year?

MR. HUTTON: The grants are the same for the A1 units. As far as I know, the farmers are not going to carry the costs of Brucellosis control program. I haven't got the Horned Cattle Fund Annual Report with me. Somehow or other in all this material I have it isn't here, but I can say this, that the amounts of money to be spent in advertising and promoting the dehorning of cattle is increased. I recall that much from reading from it and maybe one of my staff will have it sent up here so I can give it to you.

I covered the swine program. It's a program that has been developed and evolved in Manitoba. It is definitely patterned after the seed growers organization. Something along this line has been tried in Prince Edward Island. It is a policy that the Danish government evolved and used in the development of a breed of swine, the landrace -- Danish landrace which is known to have surpassed in excellence any other breed in the world, so the idea isn't new but we have tried to evolve a program to meet Manitoba's needs.

It is proposed at the present time and this may be changed, but at the present time it is proposed that the Manitoba Department of Agriculture will provide financial assistance at the rate of \$10.00 per each of the first 50 qualifying animals produced in a herd and a further assistance of \$5.00 for each of the second group of 50 qualifying animals produced under this program each year for three years. I think that answers the questions that were raised.

MR. CAMPBELL: Mr. Chairman, a few days ago the Honourable the Minister of Health gave us a statement with regard to meat inspection, and I was wondering if the Minister of Agriculture had anything to add to that as to what they are doing with the slaughterhouses that are not apparently under federal jurisdiction. I haven't had an opportunity to read that statement since my honourable friend delivered it but I gathered that there was a certain number that, because of the size of their kill, were not large enough for federal inspection and that the ones that were not were actually under, perhaps not provincial, but rather local health authority

(Mr. Campbell, cont'd)... control. Is that correct and, in the meantime, is there something being proposed to bring them a little closer to the federal standard?

Then in regard to meat products -- livestock products -- I was going to ask the Minister has there been any further study to bring the work of Professor Wood up-to-date re the market margins for beef in Manitoba? It seems to me that with this program that the department is sponsoring for a major increase in beef cattle that we should carry along with it a continuing program such as this to keep the consuming public, and the producing public, pretty closely in touch with what these marketing margins are. As I read this report, back in 1948 about 63 cents of the producer's -- no, 63 cents of the consumer's dollar went to the producer; the packer got about 18 cents and the retailer about 16 1/2 cents. The last year given in this report -- I have to admit it is before my honourable friends came into office though I'm not trying to blame them for it -- but according to this report the producer's share was down to 51.7 cents; the packer was down to about 8; and the retailer up to 37. That seemed to me to be a pretty drastic change. Has the Minister anything more recent than that?

I don't know whether anyone else discussed the suggestion of the increases proposed both in the COMEF Report and forecast as well in the Speech from the Throne as government policy, but I've been impressed by the brief that was presented by the Stock Growers Association and also by the livestock information that comes from the United States beef growing area, because it seems to me that the increase is already pretty marked and likely to develop pretty rapidly on both sides of the line. I would be inclined to share the view of the Stock Growers Association that unless this is watched pretty carefully and unless we pay close attention to our own consumer market as well, keep them pretty well informed and in the picture and as sharing in the general program as far as possible, that we're likely to over-produce. Figures that I have seen estimate an annual growth of six percent in the beef cattle area of the United States, and if our own percentage continues to grow the way it's been doing for the last few years in Canada, I would be a bit skeptical. I would think that under those circumstances that such studies as this, such information as this kept right up-to-date would be very useful. Has the Minister anything more recent on this to report?

MR. GRAY: Mr. Chairman, before the Honourable Minister replies, I'd like to direct a question to him. Naturally I admit -- I have admitted that on details in agriculture I'm somewhat backward. Perhaps I'm backward in something else but I'm dealing with it now. Wouldn't it be more economical and in the interest of the health of the consumer with regard to dairy, meat and everything else, that instead of having a federal inspection team, so to speak, to investigate and inspect in one section of the food that the consumer uses, never mind what it is -- could be even pork -- instead of having also the province to do it. Now where it is causing the Bang's disease for instance, which is a provincial matter, but it is the interest of someone to see that the people, the consumer receive healthy food, either in the meat products or in the dairy products. Why should we have -- never mind the expense, I never worry about expense, I'm worrying about the health of the people -- why shouldn't we have at least one organization, either federal or provincial, or both -- not both separately -- but one organization to watch that the consumer, the people for whom we are worrying about day in and day out; the people that our Health Department is spending millions of dollars to prevent disease; the people that would like to have someone watch their food; watch the food of their children; watch the food of the present and coming generation. Why do we have to have so many sections of government -- never mind whether it's provincial or federal -- to watch such things as the dairy industry, the meat industry and everything else? After all, an inspector, a health inspector in the abattoirs may make a mistake or the one in charge of the Bang's disease may also make a mistake. Why should we have so many fingers in the pie? That's something which I, not an agriculturist, cannot understand and I want to be enlightened about it.

MR. PETERS: Mr. Chairman, I want to go back to hog production. I might say again that this might be from a selfish point of view because many of the people that I work with are losing jobs because we don't produce enough hogs in the Province of Manitoba. During the war years we used to export to the British Empire millions and millions of pounds of pork and we can still do it today, because talking to people that have been in England in the last year or so and the prices that the people are paying for bacon in England, we could get that market back. I think it's incumbent on this government to go to the farmers and tell them to produce the hogs

(Mr. Peters, cont'd)... and find a market for them. I'm sure that we can get it. We're not producing enough for our local market today for our local consumption, and we can get that market back in the British Empire. Regardless of what somebody said that our grade has gone down and we're not getting enough Grade "A" hogs, it's just a matter of a half a pound here and a half a pound there that makes the difference in the grade. What we should be getting is that market back from the British Empire, and if this government does a job we can get that market back; we should get it back. That is our mother-country; that is what we need. I again say to the Minister of Agriculture that he's got to go and do a job with the people that are producing hogs instead of just doing nothing.

MR. CAMPBELL: Mr. Chairman, did the Minister put some information on Hansard with regard to the Ontario Marketing Board? I asked that question the other day because the Honourable Member for Brokenhead and I were both quite interested in the general discussion of marketing boards, and I was wondering if he has some information that he could give us as to how that board is working out; how the price of hogs have been holding up.

MR. HUTTON: If there are lots of hogs the price is low and when there are few hogs the price is high. It doesn't matter whether you've got a marketing board or not. The consumer, by their demand for a product, still determines the price. I don't know too much about the Ontario Marketing Board. It came into being at a time when we were going into a period of relative shortage of pork products and it was pretty successful. I note that our quotations -- I always follow those in Toronto -- I know what I'm getting for the pork that I sell; it's about five cents under what it was three months ago or four months ago, so I would suspect that they are getting less for their hogs in Ontario too. I would draw to the attention of the member that there is a little difference between Ontario and Manitoba. In Manitoba at the present time we have three large packing companies and smaller ones. In Ontario there are 47 packing houses and the system, a system that apparently is working satisfactorily down there, might not work quite as well under our situation and circumstances. However, I don't think that I'm qualified to comment one way or another. I know that although it received sufficient support to put it through there was some objection to it. I understand that there is general satisfaction with the returns that they were getting, but that some of the farmers still look wistfully away in the distance to the time when they were free to do what they wanted. I think that's about all I would like to say on that situation.

On the matter of pesticides, we're bringing in legislation to cover that matter. I might say that whenever you use any chemical that is deadly to ants and mosquitoes, it's likely to be deadly to human beings and other forms of animal life if it's misused. There have been people in the history of mankind who at times considered human beings as little better than insects. I think that was our friend Jonathan Swift, wasn't it, who likened some human beings to crawling things? I think there has been altogether too much complacency in the use of a lot of these products. We say that "familiarity breeds contempt" and I think maybe we have shown a little bit of contempt in the use of these chemicals. We have grown up in this age and we have become adjusted to the everyday use of these chemicals and I think that we're going to have to just sit up and take notice of the fact that we're dealing with deadly poisons if they're misused. We are very conscious of this within the department, both from the standpoint of livestock, but more so from our concern to ensure that the consumer is protected when they purchase agricultural products.

I was rather interested in the remarks of the Member from Lakeside with regard to the possibility of over-production. Well here's a report I have on the current situation. "In summary we can say that the recent drop of \$6.00 per hundredweight on set cattle prices is not as serious as it would first appear." That is as serious insofar as the farmer who lost six cents a pound, but looking at the overall cattle situation and looking into the future. "For one thing, set cattle prices do not account for the total cattle market. The other classes of cattle have not declined to the same extent. Secondly, the price of \$29.00 in October was an abnormally high price. The present level is only about \$1.50 below last year and very close or slightly above the last five-year average. Prospects, however, are for very little change from present levels in view of the United States and Canadian situations." I think I made that report earlier in my estimates, that we expected the market to remain fairly steady at a lower level.

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

I think we want to remember that the consumer is the one that to a large extent determines the market that we have for these products. When the consumer goes to the store and they have to pay \$1.25 a pound for steak, they look at the next counter and if they can find something cheaper they'll buy it. And this is what happens. Your per capita consumption of beef, for instance, or any other particular product, fluctuates in relation to the cost for that product. When beef gets too high people eat less and when it goes down they eat more, and so as the price goes down we can expect an expanding market again. I think that if we don't price ourselves off the market with our beef we can expect an ever-growing market, because we have two things going for us: a growing population and an expanding appetite for red meat.

I'd like to read to you what Professor Wood, who did that report that the Honourable Member from Lakeside referred to, had to say about our prospects. "The purpose of today's program is to examine the future prospects of the beef industry in Canada and to discuss the implications of these prospects for beef producers in Manitoba. The future potential for expansion of the beef industry is greater than it is for most other farm products, but the potential may not be realized in this province unless producers recognize and take advantage of the opportunities open to them. The beef market is continental in scope and this market can draw supplies from all parts of North America and even from outside countries if the required expansion does not take place on this continent. The Manitoba producer has not been and will not be limited to the local markets for beef. Even the Manitoba consumer is not dependent on beef produced in Manitoba. Therefore, in examining the future demands for beef, the growth in the local market is only of minor importance. The smallest market area that is appropriate for estimating future demands is the whole of Canada. In addition, the United States market must be taken into consideration since supplies can flow either way across the border with relatively little restriction. It is impossible to predict how much beef Canadians will consume 10 years from now without at the same time predicting how much beef will be produced. It is possible however to predict how much beef they will eat if supplies are available and beef prices rise at the same rate as the cost-of-living index. Therefore, in order to predict the level of beef consumption in 1975, it is assumed that supplies will be available to make that level of consumption possible. If supplies are not forthcoming to permit consumption to rise by the amount predicted, then beef prices will rise faster than other prices and producers will take part of their gains from market expansion in the form of higher prices per hundredweight of beef, but" -- he goes on to say this: "this does not mean that producers have a choice between increasing their output of beef and getting higher prices for beef. If Manitoba producers do not expand output to meet rising consumer demand, producers in other parts of the continent may make up the deficit, so that our producers get no benefit from either a larger volume nor a higher price."

I think Dr. Wood's conclusion, from my point of view as just a practical farmer and that's my only qualification to speak on this, makes sense. I think it makes sense in more ways than just in beef. What's the use of Manitoba sitting here with less than a million people or just about a million people, with our potential and saying that we're going to make a contribution to controlling the amount of products that's on our market. We don't control anything. If there were no farmers in Manitoba, would it really affect the price situation a great deal? If we didn't have a head of cattle in Manitoba, would it affect the price situation? With 115 million head on the North American continent -- 115 million head of cattle -- what difference does one million head make? If Manitoba sets as its goal for 12 years from now or 15 years from now that we should have two million head, do you really think that if we have an extra million head that it's going to have any effect? Sure it may -- it may. But even in terms, if we look ahead and we see an expanding -- if everybody did the same, we'd still be only one percent or less than one percent of that market.

I think we have no alternative but to forge ahead here, because if we don't do it, somebody else will. If we abdicate from this business of farming, there are lots of people who would love to take the place that we now have. This is what we have done to some extent in pork production. We have abdicated. In commenting upon the proposition that we can get back into the English market, I don't know. I don't know about that. It may be possible. We have a lot of transportation to overcome in getting there. I think though if we keep our quality of our pork

(Mr. Hutton, cont'd)... products up, we could probably sell more in the United States. That's our natural market, just down here. I think that there is room for increased production of a quality product in pork.

I don't want to seem selfish here, but I am concerned about Manitoba's role in hog production and in cattle production. I think we have to fight and scabble as hard as we can and use every means we can to stay in this livestock game, because if we allow -- and this is what happens even with our own country -- we get a switch of production from one area to another. What makes me feel badly is when for instance Ontario gets an increasing proportion of the turkey production in Canada or when you see a swing in pork production in Eastern Canada, and here when the prices of feed grains went up in 1961 as a result of the drought, what happened? Our pork production went away down here in Western Canada, and especially in Manitoba, but did it go down equally in Ontario? No, you saw a shift of production. This is why we have to learn to get into this livestock game and to stay there. It's a difficult thing to do, however, when you have on the one hand high prices for grain and the other maybe not too high a price or too bright an outlook for livestock.

As I pointed out earlier, when you've got this tremendous resource that our farmers have to fall back on as compared to the farmers in Eastern Canada -- they work with a small resource; they've got no alternative but the feed. They couldn't make enough money out of growing field crops so they stay in the feeding game whether it's turkeys, whether it's other poultry products, whether it's beef or whether it's hogs. Here, our farmers have 420 acres on the average to work with, and when the price for grain goes up they tend to sell the stock. I had it worked out that 22,000 farms in Manitoba had hogs on them in 1961 and 20,000 of them had less than 50 pigs total -- all ages. It's easy for them to go in and out. They don't carry too many. When the market is favourable they carry on with them and if the market is unfavourable they get out of it, and so we have a rather unstable situation in regard to our livestock and we've got to try and overcome this. One of the things, and probably the thing that will do the most in this regard, is to sell our farmers on the value of the livestock industry and the value of sticking in it whether she's up or whether she's down. As a matter of fact, the fellow in the livestock industry that makes the most money is the guy who sticks with it no matter what the market is, and you've got a member sitting right beside you who does that very thing. Well, I'm talking too much.

MR. SCHREYER: I think that the Minister has had a lot of influence with his counterparts in Ottawa. I don't know if he will after Monday, but so far he has and I would like to ask him -- (Interjection) -- I'm sure he has. I would like to ask him if he has ever made it a point to try to sell the idea that The Stabilization Act as it applied with regard to hogs that it have a regional rather than a national basis. And secondly, whether he has given any thought to the idea that perhaps we could get back some of the British market for bacon and so on by having the exporters accept sterling. In other words, soft currency rather than insisting on dollar exchange. I know this is a little bit out of the Minister's purview but, as I say, I have no doubt that he's had influence up to now and I'm sure he must have given this thought. Has he ever tried to get this point of view put across?

MR. JOHNSTON: Mr. Chairman, I'd like to get a little clarification from the Honourable Minister in his assertion there on the desirability of building up the livestock herds in the province. I'm looking now at the Manitoba Stock Growers brief which was presented to the Honourable Minister in February and, in part, I gather that they're concerned about over-production and perhaps depressing the price. While this may be wonderful for the consumers, I'm just wondering if there's a difference of opinion between his philosophy and theirs. For instance they say in part here: "We understand that it is the intention of your department and this government to bring down legislation that will make credit readily available to farmers and ranchers for the purpose of starting up or increasing their cattle operations, the results of which this association has some apprehension. The thinking of the executive and members is that it is hoped that the government will stay out of the cattle business. This does not mean that the Manitoba Stock Growers does not appreciate your efforts in this regard, but rather we think it would be better for your government, the individual involved, and the industry in general if this credit could be made available through the usual financial channels, that is the banks, and guaranteed by the government similar to the present Farm Improvement Loans.

(Mr. Johnston, cont'd)... This plan has worked well and we are told the recovery of loans has been excellent. "

Now they go on and on the back page there's an article by a Dr. Stevens, who is an American agricultural economist, and half-way down in his article here he says, and I quote: "However, beef slaughter figures cannot remain at a year ago level because there are 1.1 million or 10 percent more steers one year and older on hand than a year ago. Neither can slaughtered cattle prices. Normally, a 10 percent increase in beef supply results in a 25 percent decrease in beef prices. When and at what weight this increase in beef slaughter will occur during 1963 is in the hand of the producers." Now I was wondering if the apprehensions of these people are justified or are they alarmed and they don't like to see too many people coming in the business.

MR. GRAY: Mr. Chairman, may I have the privilege of the Minister's comment on the duplicate inspection which I mentioned before. He was reading an interesting document there and I don't know whether he heard me or not. I think he did -- he doesn't miss anything -- so I would like to have your opinion about it.

MR. HUTTON: I don't like to get into matters of the Health Department. I've got enough problems of my own to try and keep track of, and inspection of health plants is a matter pertaining to the Health Department or the Department of the Health of Animals in the Federal Government. I wouldn't like to see duplication of inspection -- no. I think that insofar as possible we should try to maintain uniformity and the only way that can be done is to have one body charged with the responsibility for maintaining the health standards. However, in the case of your small slaughter plants, these are governed by the local municipality and I don't know whether we want to tell everybody in this world just the way they want to run their business and what's good for them. What we're trying to do is make it possible for those who wish to put forth the effort to come up to standards where they would qualify for Federal inspection, then leave it on a voluntary basis. Let them make up their minds whether they want to make that effort or not.

I'd like to say to the member for Portage la Prairie that the Stock Growers know what I think about this. Maybe he would like to tell the committee what he thinks about the beef situation, whether he agrees or disagrees with the brief of the Stock Growers Organization. I made no bones about it when they came to see me and I've made no bones about it either here or in public that I believe that Manitoba's course is clear. I say once again when you consider the total beef population of the North American continent, 115 million head, it's hard to see how an increase or a decrease of a million head in Manitoba, one way or another, would do very much to affect that price. The learned gentleman that is quoted from Wichita, Kansas, was speaking, I think, in terms of the U.S. cattle situation. They have 104 million of the 115 million cattle on the North American continent and I hardly think he was too concerned about what was happening up in Canada. I might point out, too, that unless we are prepared to produce cattle, we do face competition from abroad. We have had examples of New Zealand and Australian beef being laid down in Canada. Not very much, actually in the past year I think the total supplies laid down in Canada were the equivalent of one day's slaughter of Canadian cattle. Nevertheless, if we permit our prices to go too high this market is going to look pretty attractive, and if we want to establish a trade pattern which attracts large numbers of cattle from an area like that where they have very cheap and economical production costs, once you get it established, it's pretty hard to break down those trade patterns. I say if Canadians and if Manitobans want this growing market for themselves, they better produce and fill it because somebody else is going to do it.

Somebody asked about the Horned Cattle Fund. This is to the end of December, 1962. Grants were \$49,080.10; Horned Fund Administration was \$8,285 -- this includes inspectors' salaries, office rent -- inspectors' salaries are \$7,815 of that; and \$1,037 was spent in general on dehorning paste and generally on advertising for dehorning cattle -- Golden Arrow Spurs Limited, a little bit here, \$12.50 -- a total of \$1,037; and the bank balance is \$18,997.48. The program for the coming year: administration, \$8,600.00. As I notice the money spent for dehorning or the promotion of the practice of dehorning cattle amounted to \$2,740, so they are planning on spending substantially more money this coming year on discouraging the practice of sending cattle to market with horns. The present membership of the

(Mr. Hutton, cont'd)... Advisory Board are L.B. Robson, Chairman; Dr. Stringham, Austin Coughlan, W. Mooney, Bert Falloon, N. Patterson, Frank Baker, W. Hastings, Jack Wilson and A.J. Church, the Commissioner or the Livestock Commissioner's secretary.

MR. MOLGAT: The Minister gave me the form that I had asked him for before the dinner recess and I thank him for it. On reading the form it is entitled "Certificate by Veterinarian" and then simply, "I hereby certify that on" -- such and such a date, "I vaccinated" -- indicating the number of cattle and so on belonging to so and so -- and signed, and at the end of the signature is the typewritten degree letters "DDM, Dr. Veterinary Medicine." So it's clear this is a certificate by a veterinarian, that this is what he did. Then we have the application by the owner saying that the calves were actually vaccinated and identified and then an assignment by the owner saying that he hereby transfers and assigns to the veterinarian, whose signature appears above, all rights and titles and so on. So I think it's clear from this that the work must be done by a qualified veterinarian -- licensed veterinarian. Now if this form were signed by a veterinarian and he had actually not done the work himself, would this not be fraud?

MR. HUTTON: I don't know. I suppose -- I don't know. I'm not here to stand in justice on somebody who may or may not have signed the form who hadn't actually done the vaccination. I expect that it would sound as if it is not quite "kosher". Does my honourable friend know of somebody who is supposed to have done this? Is this what he is driving at?

MR. MOLGAT: Well I'm merely trying to find out what the system is here, Mr. Chairman. I was going to ask the Minister as a matter of fact if he had any complaints of this type.

MR. HUTTON: No. As a matter of fact, I pointed out before the dinner hour that in the case of vaccinations it had to be a veterinarian; and in the case of testing, which the Honourable Member for Neepawa was speaking of, it doesn't need to be a veterinarian. The Health of Animals Branch permits a veterinarian practitioner to hire technicians and train them, but the veterinarian is responsible -- the private practitioner is responsible to The Health of Animals Division for the performance of duty of these technicians working under their supervision.

MR. MOLGAT: Well it seems that this program, which is the provincial program, which is the vaccination of calves, this is definitely a veterinarian and the Minister has not received any complaints on this line.

MR. HUTTON: No.

MR. MOLGAT: Mr. Chairman, before we leave the Livestock Branch, yesterday the Minister gave us a statement on his plans to develop the livestock industry in Manitoba and it was, as I recall it, a ten-point program. Some of these points don't all appear under Livestock Branch and I may refer to those later, but referring to those that are directly under the livestock end, he said that there would be increased grants to veterinary districts. Is this correct? I find here under Item (4), Grants: Herd Improvement Association and Veterinary Service Districts, that the figure this year is identical to the figure last year. Now how is he going to proceed to increase the grant if he's not gotten an appropriation? Similarly, he spoke yesterday about increased livestock promotion and under Item (3) I find that the appropriation last year and the appropriation this year are almost identical again. The increase is, well on \$26,000 there is an increase of \$450,00 and I don't really see that that's going to permit for much improvement in the livestock promotion.

Then he spoke about expanded performance testing and I see no figure in here where we can see any increase in this program. I wonder if the Minister could explain how he's going to proceed with these three programs when he doesn't appropriate any money for them.

MR. HUTTON: In the case of the Herd Improvement Association and the Veterinary Services District, the answer is that one of the Herd Improvement Associations is folding up. That will make considerable moneys available for the other program. The grants for swine appear under another, if I'm not mistaken -- I know they're in there because I saw them -- a figure of \$5,000.00. What was the other matter that was bothering you?

MR. MOLGAT: Well, I really didn't know this included swine -- I'll admit it was under livestock. I was under the impression the Minister was really talking yesterday about beef cattle production when he made his statement to us. However, the three programs that I referred to were: livestock promotion, which he said was going to go up and it's under Item 3; the other one was performance testing, for which there's no particular item but I don't see any increase in any appropriation to cover this. He mentioned that there would be more scales

(Mr. Molgat, cont'd) for this and more work. Well, we're hiring a man and putting him on this work, or we are sending one of our men to this work of record of production testing and there are two scales being supplied out of the Horned Cattle Fund -- but we are putting a man full time on this. Now this hasn't been the case and this brings up another point, that this is made possible by the fact that we've done away with that purebred sire purchase policy, because all of our beef cattle men were running all over the province looking at these sires and now they can do something a little more useful.

MR. TANCHAK: Mr. Chairman, I'm not going to be critical. I think we'll be bosom friends, the Minister and myself, after what I have to say here. There is only one comment I want to make. The Honourable Minister this afternoon told us that he is sure that people are not inclined to listen to politicians. I don't consider myself a politician, in fact I'm not one -- maybe sometimes I try to be one, but I know I'm not -- but the Honourable Minister is a great politician and I would kind of wholeheartedly agree with what he said that we shouldn't listen to great politicians, not to everything at least, but that's not what I got up to talk for.

Since we are on livestock I want to talk "turkey" to you now and when I talk turkey I haven't any product to sell myself because I've sold them all already, so I'll not be speaking on my behalf at all. Driving past a chain store tonight I noticed an ad advertising turkeys at 39¢ a pound, ready to use, mature, and I would say that this is the best dollar meat value of today. Since Easter is almost upon us, this is worthwhile pennywise and otherwise -- (Interjection) -- It is anyway. A turkey-raiser would hardly be classified as a public servant but in reality he is a public servant. Why? Because he devotes his labour to produce a most nutritious and economic product which slims the waistline but fills the craving of the tummy in the most delicious manner imaginable. I was surprised to hear that some people don't even know that turkeys are available in all sizes any day of the season -- all sizes and at very economical prices. I assure you that they are.

Now let's go back to the turkey-raiser as a public servant. Last June the Prime Minister asked us to tighten our belts. I can tell you how to tighten the belt above your belt and that is: eat more turkey. It's low in fat content but very high in protein content, and the ladies who are inclined to be pleasingly plump do not have to count their calories while eating low-calorie, protein plump turkey. You may eat it hot, eat it cold; slice it hot, slice it cold; and make a sandwich out of it. And what about leftovers? Oh, yes, if there are any leftovers you can make a most delicious curry and turkey stew, but I warn you don't anticipate tasting this wonderfully delicious stew because the turkey is so temptingly appetizing that you have none left.

Now I hope that by this short comment I have convinced the 56 members -- I'm not including myself because I'm already convinced -- the 56 members of this House to run out to the store, to the corner store or to the chain store tomorrow and purchase one of these wonderful turkeys for Easter.

MR. PETERS: Mr. Chairman, there is one mistake that the Honourable Member from Emerson made. He said that "they are mature turkeys." They are not mature turkeys that you can buy for 39 cents a pound. They are broilers and there are more bone in them than there is meat.

MR. TANCHAK: No, I don't think it's fair for the honourable member to criticize the product. I'm not a broiler producer and in fact I will say that I do not believe in that type of producing. It's a kind of a commercial mechanized production. I don't believe in that, but these turkeys that I saw today advertised at 39 cents were Grade "A" Tom Turkeys, mature, at 39 cents.

MR. PETERS: Where?

MR. TANCHAK: Right at Loblaw's store.

MR. PETERS: They are broilers, I saw them.

MR. TANCHAK: No, those were mature, because it says 14 pounds -- 14 to 18 pounds. You can't have a broiler 14 to 18, so what I said still stands. Even if those turkeys, these store turkeys that have bones, maybe there's quite a few bones in them, but they're still very delicious and I'll tell you one thing, that if you take a turkey, only about two percent of the turkey by weight is bone.

MR. FRED GROVES (St. Vital): Mr. Chairman, I wonder if the honourable member could tell us if turkeys are like pease porridge, you can eat it hot, cold or in the pot nine days

(Mr. Groves, cont'd)... old.

MR. TANCHAK: No, they're not like pease porridge, but you could eat them nine days old if you refrigerate them and it don't spoil a single bit, their keeping qualities are wonderful.

MR. SCHREYER: Mr. Chairman, I asked the Minister to comment if he would care to on two questions. Now I understand of course that they weren't really the kind of questions that he would have to feel obliged to answer, especially with regard to what his opinion was of having The Stabilization Act operative on a regional rather than a national basis, so I'm not repeating that question. But the other question I think is important enough to bear the asking again, and that is whether the Minister has ever thought it important enough to try to get the Federal Government to encourage the policy of accepting sterling or other soft currencies for the sale of Canadian hog or bacon products. I think that perhaps there is a bit of federal politics involved in this question, but I don't ask it in that spirit, I ask it because I feel one of the most effective things that the Minister could do with regard to expanding export of our hog products is to try to get the Federal Government to go for this policy.

I'm surprised that the Minister would suggest that we have a better chance of expanding exports in the U.S. where we would have to compete with the tremendous production of the corn belt, where he thinks perhaps we have a better chance there than in the case of the United Kingdom. I think that in the case of the United Kingdom the main problem simply is the dollar exchange problem and sterling problem, and if the Federal Government would have the inclination to do so, to accept sterling, it would give a tremendous boost to our hog exports from this province.

While I'm on my feet, I would point out to the Minister that just a few days ago in speaking in a general way on his estimates, he said that one of the most effective ways to fight communism was by our providing to some of the under-developed countries the means with which they could purchase some of our food. That's an admirable sentiment and no one would disagree. I think it would only be consistent on his part if he would take up the challenge here in trying to get the Federal Government to accept soft currencies so that some of the under-developed countries would have an opportunity and the means to purchase some of our hog products.

MR. HUTTON: I believe in regional determination of support prices and I've asked the Federal Government on behalf of the Province -- I've raised this matter several times. They seem to have as good arguments for not acting. If there's any change in the government after Monday, I'll only be too happy to exert even greater efforts to have such a policy established.

On the question of the possibilities in the British market for pork, I think that if you had ever talked to anyone who knew or was familiar with the type of hog production that is carried on in Denmark or in some of the other channel countries that are in the British market, you might not be quite as optimistic about our chances of breaking in. I think the Danish people have established themselves as the most capable producers of pork products in the world in terms of efficiency, in terms of excellence of product, and in terms of a low-cost product. This matter has been pursued with the Federal Department of Agriculture at more than one conference that we have semi-annually; one, the Provincial Ministers' conference to which the Federal Minister is usually invited; the other is the Outlook Conference. There are many occasions on which this has been discussed. It would appear that Canadian farmers will have to be prepared to accept rather lower prices than they so far have indicated they are willing to do if they are going to get into that market and stay there. I think if it were just a -- and here I don't like to speak on subjects where I am not prepared -- but I would think that if it were a question of making some financial arrangements that they would be worthwhile pursuing, but to my knowledge at the present time you can't get into the British market for pork with 30 cent pork, and this is what the producers of Canada were getting or something very close to it for more than a year, until just recently, and now it's down to about 24 or thereabouts, between 24 and 25. There are others who will produce it cheaper.

MR. CHAIRMAN: passed. 3 (b) -- Dairy Branch.

MR. VIELFAURE: On the Dairy Branch, I'd like to say a few words about the milk industry, I mean the milk producers, shipping milk to the Greater Winnipeg Milkshed. I have the honour to represent quite a few of them in my constituency, and as most members know, there has been a great revolution in the producing of fluid milk in the last two or three years. The old milk can is practically gone. In another two months every drop of milk coming to Winnipeg will be in bulk completely, refrigeration handling and so on. I think this is a thing that was coming and I certainly won't try and criticize it. However, this has produced quite a financial burden to the farmers involved. They have to have new equipment and make the barns modern, and one fact that proves that, I think, is that if we go back about five years ago, we had in the Greater Winnipeg Milkshed, if I remember right, about 1300 milk shippers, and we are down now to a little over 700. The new standards -- these are imposed, if I'm right, by the City of Winnipeg Health Department -- are harder to meet than they were before, and they, too, create a burden on the milk shipper. I again won't criticize this part of it because I certainly am no authority on this matter. However, in order to meet them, the farmer definitely has to have more equipment, better barns and better stock.

The idea I'm bringing this up, is that I think the farmer who has a milk contract -- and I think you are all familiar that the farmer who has a milk contract promises to produce 365 days of the year, a certain amount of milk. This is not easy. It proves quite a challenge. It means planning. It means a big investment, and I think he should have a little extra protection. I think somebody in the department thinks along this line, when I read in the annual report, and here I quote: "The now highly-capitalized farm enterprise involves risk as well as prospects of gain. Risks must be reduced. Modern farming has ceased to be just a way of life. It is now a complex business and business principles must apply." I don't mean to say that I agree with the statement, but it proves that the farmer definitely needs some protection, and here I mean protection in the fact that for me, right now, there is nothing in the Act that protects the farmer if he does not meet his milk contract. If he does, everything is fine; nothing is said; and if he doesn't, right now to me, he is pretty well at the discretion of the manager of the -- distributor -- distributing plant, I should say, and I think if we had something in the Act that says clearly what should be done when the farmer does not produce exactly the amount he should, that something would be clear as to what the penalty should be.

Here I have two facts -- two instances that have happened lately, and mind you I want to be fair about this. In the past there has been very few of them. I have been associated with the milk industry for many years and the relation between the producers and the distributors, I think I can say, have always been good enough that these features have never come up. However, all you have to have is a manager who takes a tough attitude and we're in trouble. I have here to show you what I think, two examples of this where two farmers were cut 1,000 pounds apiece and for being short -- one was short only one month and the other one was short three months -- the one that was short one month, was short 723 pounds, and the other one was short 979 pounds. The previous month, one of them had an average of 2,000 pounds and the other one an average of 236 pounds, which shows that -- and the cut was very even. Now what I'm trying to point out is that if we had legislation which would say exactly what the penalty should be in a case like that, I think this would eliminate a lot of grievance to everybody concerned.

To me it is not now because I was with the farmer concerned, I saw the dairy that was involved, and I was told plainly that this was none of my business. Well that could be, but I brought it up to the Board and I'm sure they're trying to negotiate, or this might have to go to arbitration of some kind, but what I'm trying to point out again is that we should have legislation that in cases like that the Act should say exactly what should happen, and if I may suggest something here, I would suggest that an average of three months should be established in cases like that to give the farmer -- I wouldn't say exactly a chance -- but a base that he knows what's going to happen if he doesn't ship exactly what he is required to. Here you might tell me this is a contract, the man gets paid more for this milk, and all he has to do is ship it and that's it. Well I agree with that to a certain extent, but there is a little flexibility on the creamery's part because they're allowed to pay a little less than the full amount, and I think this should be established the same way on the other side. In these cases, I would also like to see some legislation added to cover such uncontrollable situations such as Acts of God, or bloating, or serious

(Mr. Vielfaure, cont'd.) . . . diseases, and in both these cases here -- in one case, one farmer lost 29 cows due to the Bang's death during the year, and the other one lost seven cows due to bloating. Now, you might tell me that in the case of Bang's usually the farmer notifies the creamery and he is usually respected and I agree with that. It's practically been done all the time, but then you will also agree that the results of these not always happen right away; sometimes because of breeding troubles, because of change of stock and so on, the results are produced later, and cause the trouble at a later date.

So I would like to see some legislation to this effect to protect the farmer as far as the amount is concerned, and I would also like to see protection in such cases as, like I said, disease, bloating, an Act of God, and so on. In most cases in the past, these things have been respected. I agree with that, but however, like I said before, it just takes a "get-tough" attitude and there is nothing that says clearly how the man should be protected.

MR. PETERS: Mr. Chairman, I've listened with interest to the Honourable Member's speech and I agree with him all the way. I don't think a contract should be that binding that you have to go on a straight line. There should be a little turning on both sides and it doesn't matter what kind of contract you sign, and when I speak of contracts I usually speak of union contracts because this is what I'm more familiar with, and if we stuck strictly to our contract and the company stuck strictly to their side, and we stuck on that straight line, we would get nowhere, but there's got to be a bending somewhere, and if there can't be a bending then I agree with the previous speaker that we have to enact legislation, but there should be a bending. There shouldn't be a straight line that you have to follow.

MR. GRAY: Mr. Chairman, to protect the most important dairy industry, particularly to the interest of Greater Winnipeg, I would like to ask the Minister, what is being done to promote the sale and the consumption of butter?

MR. TANCHAK: . . . I think we will not be such bosom pals right now. We've had one year in '61 because the report is on 1961, and that the results of butter versus margarine consumption and so on, 1961. We note in this report that the rate of butter consumption has decreased in Canada by one million pounds per month, or 12 million pounds in the one year -- that is 1961, the first year that some people enjoyed the coloured margarine. Now at the same time the margarine production increased by 17 million pounds; that's the butter consumption decreased by 12 million pounds and margarine production increased by 17 million pounds. Now, I would wonder what factors contributed to this great spread, this differential. We can say that there may be two factors, because of the colouring of margarine, but I realize that it is Manitoba who accepted the colouring of margarine prior to 1961 -- some other provinces have had it before -- so it could be due, the increase in production of margarine could be due to the colouring to a certain extent. It could also be due to, say, economics. Maybe it was more economical for some people to use margarine because they just didn't have the money.

Now if you take the first one, coloured margarine, in my opinion I think that the Minister was directly responsible for having the coloured margarine introduced into the Province of Manitoba, although he said it was a compromise made at the time the legislation went through. I realize that the minister was very adamant against the colouring of margarine at first. Later on I understand -- I may be wrong; I may be corrected -- but members of his party caucused it -- I may be wrong in that because I wasn't there naturally -- caucused it -- and I feel that since the members caucused it, it has become a government proposition, a government legislation, so I would hold the Minister directly responsible for that, the introduction of coloured margarine in Manitoba. He said at the time that it's not going to hurt the dairy industry, or he didn't believe it would hurt, because the people would probably not like the colouring and the Honourable Member from Wellington tells me that the people don't like the particular colour of margarine -- shouldn't have affected it -- but I know that the people did like it. A lot of people did like the colouring. In fact they say they like this kind of a colour better than butter now. They're getting used to it slowly. The Minister also said that the people wouldn't take to it too much and they're not going to use it, but I say that they liked it and they used it and I also say that it did hurt the Manitoba butter producers.

Now if you take the economical aspect of it. Why should the people turn to margarine just because it's cheaper. If our economy has been booming as some of these politicians try to tell us that it is, then there is no reason for the consumption to increase when our economy

(Mr. Tanchak, cont'd.) is booming, so either the statements are not right or there's some other reason. I imagine that the minister will explain this situation in due course.

MR. SCHREYER: Mr. Chairman, would the minister give us the data comparing butter sales before and after the legislation as to the colouring of margarine was passed? He would have that information, I gather?

MR. HUTTON: What was the date -- 1961 that we introduced the colouring of margarine? May, was it? May?

Well, in -- I don't know how my honourable friend can take Canadian statistics, apply them to Manitoba, and come to the decision that colouring margarine increased consumption. The people outside of Manitoba didn't have the privilege of buying coloured margarine.

MR. TANCHAK: Mr. Chairman, I did mention that

MR. HUTTON: Well here are the facts. You've listened to his story; now let' look at the facts. In January, February and March of 1961, the per capita consumption of butter in Manitoba was 4.43 pounds, the per capita consumption of margarine was 2.54. In April, May and June the per capita consumption of butter was 4.70, the per capita consumption of margarine was 2.67. It was up; everybody wanted to try it. In July, August and September the per capita consumption of butter was up to 4.80; the margarine consumption dropped to 1.74. And how my honourable friend could take figures like that to prove that our policy decreased the consumption of butter in Manitoba is beyond me. It passes my imagination -- pardon the expression. In October, November and December, butter consumption climbed 5 to 5.04; margarine was back to 2.13. People got used to the colour. The total for 1961 was 18.97 for butter, and 9.08 for margarine. The next year, 1962, the first quarter was 4.78 for butter; 2.11 for margarine. Second quarter was 5.29 for butter; 2.24 for margarine. Third quarter was 5.13 for butter and 1.71 for margarine. Fourth quarter 5.45 for butter and 2.09. So in 1962 the per capita consumption of butter in Manitoba climbed to 20 pounds -- 20.65 pounds -- while margarine, the per capita consumption of margarine dropped to 8.15 from 9.08, or almost a pound, and butter consumption climbed by almost two pounds per capita during the year. Now I didn't mind my honourable friend saying what he said about per capita

MR. TANCHAK: like me to answer that right now before he goes?

MR. HUTTON: Well if you think it's worthwhile.

MR. TANCHAK: I can see now that good politicians can twist the statistics to suit themselves. I didn't take that out of any statistics; it's right out of this book, and I can read it here, and this is for 1961, and it says definitely, and I'm reading out of the book: "The rate of butter consumption has decreased each month by nearly one million pounds." -- (Interjection) -- Yes, I did talk about the whole of Canada. "The production of margarine increased by 17 million pounds during the year and is now about nine pounds per capita." And I did say before that -- I asked whether this was a contributing factor to the increase, because Manitoba is part of Canada, but I read it out of the statistics of his own book.

MR. SCHREYER: Mr. Chairman, I think that the Member for Emerson uses statistics like a girl in a bikini bathing suit. What he reveals is interesting, but what he conceals is vital.

MR. TANCHAK: quoting 1962 figures and I am sorry I can't because I haven't got them before me.

MR. HUTTON: I'd like to answer the question raised -- the proposition raised -- by the Honourable Member for La Verendrye. This question of contracts and milk. Hard cases make bad laws -- hard cases make bad laws. This is one that I have learned since I got into this position, and with all due sympathy to the persons involved in this situation that you describe, I think that probably through the use of your good services and the Milk Control Board some arrangement can be arrived at that is fair to both the dairy and to the producer, and I think it should be. I think it should be; but I believe a contract is a contract, and I think that if you were to spell out by statute the limitations on the part of the producer in his obligations under the contract, you would find that the dairy or distributor would either seek similar protection or else would be forced to counteract in some other way. The dairy is not allowed to buy at a lower price beyond its contract. No, it is compelled to pay a minimum price for the contract, and of course any surplus is purchased at the market value of that product, so that you cannot say that there is any leeway given to them in this respect. They must pay the quota price -- they must pay their quota price for a stipulated amount, and therefore they need some protection

(Mr. Hutton, cont'd.) . . . too. I would suggest -- I can have the department look at this, I'm sure we will; but I do believe that this is a situation that calls for the good offices of the Milk Control Board. This is what they're there for, to protect the producer if he has been wronged; to mediate between the producer and the dairyman wherever there is any problem. I don't think we need to change the law. We can look at it, but I would point out to the Honourable Member that that law has been there a long time and it's been a pretty good law. It has enabled us to build a pretty wonderful dairy industry in this province, and I would urge him to use his good offices and work with the Milk Control Board, and I think through their good offices that this problem that you have outlined with respect to these two farmers can be resolved. We will look at other -- we will look at the matter that you've raised.

The Honourable Member for Inkster asked what's being done to promote butter products, or dairy products -- butter and so forth. Well I think that the dairy industry is giving a great deal of thought to promoting dairy products today, both on a national basis and on a provincial basis, and of course we work very closely with them and give them all the help that we can, but as I have indicated, at least in Manitoba, people appreciate a good product when they can buy it. I must say that one of the major factors in the increased consumption of butter in 1962 was the reduction in price made possible by the deficiency payment which was passed on to the consumer.

MR. VIELFAURE: Mr. Chairman, I just want to point out to the Minister that I never discussed the price. I know the price is set. That is set. What I was discussing is the amount of the quota, and to me there is no legislation now that says what the penalty should be in cases of shortages, and I have no doubt that the Milk Board will negotiate and do their very best, but I think if there was basic legislation they could go from that and it would make it easier for everybody. I think that this -- like what you said was very right and it applies to what I said as well, when I said that so far, their relations have been very good between the managers and the producers, as far as I knew. This only came up and I have been associated with the industry for years. It just takes one man with a "get tough" attitude, as I said, and we're in trouble, so by legislating something to that effect, I think we could erase some trouble for everybody.

MR. CAMPBELL: Mr. Chairman, is it not a fact that the Milk Control Board can set the quota in these cases? Probably the distributor feels like penalizing a producer, but do they not in fact have to get the okay of the Milk Board to do that?

MR. HUTTON: They cannot raise a quota, I think, without having it okayed by the Milk Control Board, and -- I would prefer to withhold an answer on that one. The relationship, as my honourable friend from Lakeside is, I'm certain, aware of, is that although the Milk Control Board acts as a mediator and a referee in some cases, it has to take into account and respect the fact that the milk producer is an independent businessman with certain rights and so is the dairy, and the interference by the Milk Control Board in the affairs of the distributor or dairy are limited in some respects.

MR. CAMPBELL: I think that's true, Mr. Chairman, but on the other hand the matter of the amount of milk that any individual producer can sell at the quota price is so important to him that I would be inclined to think that the question of either raising or lowering must get the approval of the Board. However, if the Minister is going to check that we can discuss it later on.

I want to read into the record, Mr. Chairman, an article that originates from the Portage la Prairie country, and inasmuch as the consumers are largely Portage la Prairie city people, the producers are largely rural people, and in the constituency of Lakeside, I'd like to offer this as an example of good co-operation in an area and also how the producers of Lakeside look at economic matters. The heading of this particular issue of the Manitoba Leader is "Producers Hold Milk Price." The smaller headline here is: "Turn Down Price Offered by Board", and the body of the story relates how the Milk Control Board offered the producers of that area an increase in price, and the local producers decided that they were getting enough and they wouldn't take any more. The story contains this paragraph: "At present, local producers receive \$4.80 per hundred pounds based on 3.5 percent butterfat. Winnipeg producers, however, receive \$4.90 per hundredweight plus ten cents per hundred for qualifying milk." The Portage la Prairie milk was found to be of such a quality that it was eligible for these increases. The producers decided that they would not take it, and the article goes on, "It all adds up to

(Mr. Campbell, cont'd.) . . . the fact that Portage la Prairie consumers are enjoying a high quality milk, produced locally at a lower price than any other city in Canada." I am not author-ity for that statement. That's the conclusion of the people who headed the Portage la Prairie paper I gather, but I think this is quite unusual and should be recorded that the producers in that area decided that they would not take an increase that was offered to them.

Mr. Chairman, that brings me to the point that this mentions that the price is based on 3.5 percent butterfat; that, I presume, is the same in Winnipeg here too. I was wanting to ask the Minister, based on that, is he aware whether the so-called two percent milk is sold at the same price as regular milk? I can't expect my honourable friend to carry all milk prices per-haps in his head, but if he does know whether that's sold at the same price he'll recognize the point I'm coming to, I'm sure.

MR. HUTTON: . . . if there is any difference, it's very little. It might be a cent or two.

MR. GRAY: I say, yes.

MR. CAMPBELL: . . . the point that I was coming to, Mr. Chairman, that if milk con-tinues to be sold on the basis of 3.5 being the standard, then I think that, generally speaking, the regular milk is approximately that same amount that is sold, but when it comes to -- if the two percent is also sold at the same -- I'm quite sure that skim milk isn't, but that would be still worse if skim milk was sold at the same price. I think there's some question should come in here for the Milk Board to look at, and perhaps that would be what would account for the statement in the Milk Board report -- a summary of which is given in the Department's re-port, and this summary, unlike some of the others, carries right up to September 30th, 1962, which points out the fact that milk consumption is still going down in Winnipeg, in the Metro-politan area. The per diem per capita consumption for 1961 was .586 pints compared with .617 pints a year ago, and I gather this is coming back to, the Minister mentioned a little while ago that, if prices get up to a certain level the consumption is apt to decline.

Mr. Chairman, I don't always read all the reports as carefully as I do the one on Agri-culture, and I don't always notice every "jot and tittle" of that report but I noticed what ap-peared to me to be an inconsistency in this one. I am told in one place, dealing with the 1961 statistics, in respect to cattle population, reveal that for the first time in many years fewer cows and heifers were retained for dairy purposes -- for dairy production I should say -- few-er cows and heifers were retained for dairy production. Then over in another section, in the Dairy Branch itself, we're told that the number of milk cows as of June 1st, total 212,000, re-presenting an increase of a thousand head over the previous year. Heifers for milking purposes under one year of age also increase by a thousand head. If I correctly interpret those two state-ments, they're at variance with one another. I presume my honourable friend didn't write either one of them. I'm sure he's much too busy to check them that carefully, but there's the forecast that perhaps could mean a trend in dairy production and I would appreciate knowing later on, if the Minister's not able to answer now, as to which is correct. Are we going up or down so far as the milking cow population is concerned?

MR. GRAY: Mr. Chairman, in my own personal opinion the creation of the two percent milk was created, not by the dairy industry but by the thousands of consumers who want to re-duce. -- (Interjection) -- Yes.

MR. CHAIRMAN: 3 (b) -- passed; 3 (c) -- passed.

MR. MOLGAT: Mr. Chairman, under (c), I wonder if the Minister could tell us what success he's having with his plumbing courses. Some three years ago he gave us quite an ora-tion and in fact it was the subject of a particular section in the Throne Speech. This was going to revolutionize the farm homes -- bring water and sewage and all the modern conveniences in every home. He had some plumberama courses, I think, he called them subsequently. It seems to me that the program seems to have bogged down. I don't recall seeing too much about it last year.

MR. HUTTON: courses with 122 in attendance and each course required -- was carried on over a period of five days.

MR. CHAIRMAN: (c) . . . -- passed?

MR. CAMPBELL: Mr. Chairman, I notice that Item 7 of (c) deals with the Canada-Man-itoba ARDA Agreement and so does an item on the next page. There appear to be two different

(Mr. Campbell, cont'd.) -- under 5 on the next page we have a similar item. One of them for \$42,000-odd and the other for \$30,000-odd. Now I realize that the Minister made some statement yesterday when I was away with regard to ARDA and I remember that was discussed briefly when the Estimates of the Department of Mines and Natural Resources were before the Committee. I wanted to ask a couple of questions about it because I understood the Minister of Mines and Natural Resources to say that the Federal and Provincial Governments shared these costs 50-50.

I've been looking at the pamphlet "Can ARDA Help Your Community?" prepared under the authority of Honourable George Hutton, Manitoba Department of Agriculture and Conservation, and I must confess that it seems to me to lack the usual clarity of my honourable friend's presentation, because it seems to me that it says, on page 2, that the Federal Government can be -- the Federal Government contribution can be either one-third or one-half. And as I read this pamphlet it seems to me that a local contribution is not mandatory, at least encouraged in practically all cases, so that if the federal grant is just a third or a half of what the federal and province together put in, how do we arrive at the minimum amount that's necessary that the local authority puts in? Is there any such basis as to the contribution that the two senior governments will make and is there a minimum that the local community must make?

MR. HUTTON: It's best explained this way -- that the Federal Government will share from one-third to one-half of the costs incurred by the province in any project.

While I'm up I would like to say to the Honourable Member for Lakeside that the Milk Control Board -- and this would be of interest to the Honourable Member for La Verendrye -- that the Milk Control Board was associated with the decision which was given to reduce the quotas of the gentlemen that he referred to, or the dairymen that he referred to. They must have been approved by the Milk Control Board.

I must confess to the Honourable Member for Lakeside that if he is a little confused, he can join the rest of us with ARDA.

MR. SCHREYER: Under (c) I wonder if the Minister could specify the amount that is allocated here for the so-called sewer and water program; and secondly, is there something to the program other than the plumberamas themselves, or is the plumberama in effect the sewer and water program? I take it that the money must be under (c) 4, but how much of that \$39,000 would be for the plumberamas?

MR. HUTTON: Plumberamas have nothing to do with this program. They are a program that is carried on to promote the installation of modern plumbing facilities in areas where they cannot be served by a municipal service. This is a course that is offered -- we have a traveling unit workshop; we hire a plumber or plumbers as the demands dictate, and along with our engineers we offer a five-week course -- I've gone through all the details of it here in the past and I don't want to start that again -- and through the co-operation of our staff and members of the Department of Health we carry this program on. A portion of the costs are recovered from the Department of Education and the Department of Labour, Ottawa, under the terms of the Vocational Training Co-ordination Act.

MR. FROESE: Mr. Chairman, under (c) I have a few points that I wish to bring up. First of all I notice that there is a certain amount set aside for 4-H Club grants and I'd like to see that through these clubs we encourage the painting of farm buildings. I feel that this is an area where something should be done because we have too many buildings that are unpainted and have a drab appearance that looks so dismal. So why not make this another project within the 4-H Clubs to encourage them to have the buildings painted up. I'm sure that we could sell some more paint; we would be providing more work for the unemployed; more income for the farm worker; and all around I think by 1967, we would then have a province that would have painted-up buildings.

Secondly, I would like to know under the Farm Labour Services, just what services are we providing to farm labour? And, thirdly, the grant from the Development Fund re Winnipeg Gardeners Co-op; on what basis is this grant made and what qualifications do they have to meet in order to get the grant?

MR. SCHREYER: under (c), I won't press the Minister for an answer, but I would like him to undertake to bring that information in when we meet on Tuesday, just how much is being expended for the plumberamas, because he did tell us how much there was

(Mr. Schreyer, cont'd.) . . . involved last year and I'd like to know what is involved this year?

Also under (c) since the Member for Rhineland has raised Item (c)(6) , I suppose (c)(6) is as good a place as any to deal with the proposed -- the possible vote that may be taken with regard to a Potato Marketing Board and if the Minister of Industry and Commerce is in the House, even though he's not in his seat, but I've heard that the Minister of Industry and Commerce is not kindly disposed to the possibility of a Potato Marketing Board including potatoes grown for processing and I would like to ask the Minister not to allow himself or his department to be intimidated by the Minister of Industry and Commerce, because I feel that if a Potato Marketing Board, if a Potato Marketing Board is to be effective it must include all potatoes grown for consumption, not just table stock, but also processing, and as I say, perhaps it's just unfounded rumour, but if the Minister of Industry and Commerce is anxious to have processing stock excluded he will be doing the potato growers in this province a disservice and I hope that in the event that a vote is taken with regard to a Potato Marketing Board, the Minister of Industry and Commerce and his department will not take that course of action.

MR. CHAIRMAN: (c); (d); (e) passed

MR. FROESE: Mr. Chairman, I would like an answer to the one on the Gardeners' Co-op -- the grant --

MR. HUTTON: Well, Mr. Chairman, the honourable member has sat in this House for three years now and he surely doesn't need to have the same answer year after year. When it first appeared in the estimates an explanation was given. Under Federal legislation there are grants available for the construction of potato warehousing and cold storage. In the case of potato warehouses, -- let's go warehouses -- these grants are only available if the Provincial Government puts up the entire share, or 75 percent of the cost as I recall, and then the Federal Government undertakes to take the responsibility for half of that, or 37-1/2 percent.

In the case of gardener sales there was apparently a need for a central washing and grading station in Manitoba that would be available to growers in the area so that they could market their products. In the fall of 1959, we had those early rains, snows in October, a lot of the root crops came out of the ground; they were in no shape to be marketed; a lot of the producers didn't have the facilities to put them into a marketable condition; and then too, when offered on the market there was, of course, the consequent, dissatisfaction by the consumers in some cases with this product. We made a grant available or undertook this obligation on behalf of gardener sales in return for an obligation on their part to provide a facility to all operators, no matter where they came from, in the processing, washing and grading of their products, and under these terms we undertook these obligations and our annual share of the repayment of these funds amounts to the figures shown in the estimates.

MR. CAMPBELL: Mr. Chairman, this question that I have might come under either this heading or No. (5) on the next page, but have we in the program of decentralization of the Extension Service Branch -- have we located an agricultural engineer, and a livestock specialist, a soil specialist and a home economist at both Brandon and Dauphin?

MR. HUTTON: At Brandon, yes. The agricultural engineer is now working out of the Winnipeg office, rather than the Dauphin office. I know we have a soil man working out of Dauphin. We have no engineer. We have a beef specialist working out of Dauphin and a beef field man working out of Brandon. We have an economist working out of Brandon, and that's as far as my memory serves me, as well as an economist, yes.

MR. CAMPBELL: Is it four agricultural engineers that we have in total now?

MR. HUTTON: Yes, at least that, three working out of the Winnipeg office -- agricultural engineers -- and one out of the Brandon.

MR. CAMPBELL: The staff that you mention at Brandon would be in addition to the five who are shown at the agricultural extension centre or would some of them be shown in that five? The agricultural extension centre is what we call the Brandon School -- would the engineer or the soil specialist or the agricultural rep in the area, do they show under that heading, or do they show under the Extension Services -- under the earlier items?

MR. HUTTON: I haven't the report. Are you reading from the report or the estimates?

MR. CAMPBELL: estimates. The salaries here at the beginning of the Extension Service Branch show 51 people and then down in (e) at the bottom of the page -- (7)(e)

(Mr. Campbell, cont'd.) . . . I guess it is -- No, it's just (e) under (3).

MR. HUTTON: administration of the Agricultural Extension Centre would be Mr. Forbes and his immediate staff.

MR. CAMPBELL: That's just the staff then?

MR. FROESE: Mr. Chairman, I would like to know what percentage of the total product marketed through the Gardeners' Co-op -- what percentage of the total produce for the province is marketed through this Co-op -- the produce that is being marketed?

MR. HUTTON: Very substantial.

MR. TANCHAK: Mr. Chairman, we're again on Poultry Division here, I'd like to make a comment on testing of blood. There's some concern and dissatisfaction among turkey breeders, and I'm not one so I'm not speaking on my behalf, with the blood testing for polarum in breeder flocks, especially in the case of turkeys. There's some suspicion that birds fail to pass not due to polarum, but to some unknown other factors, and the breeders feel that not enough research is done along these lines. In fact we are told by some officials that there isn't sufficient appropriation in this department for research and investigation. I would like the Minister to check into that. And while I'm on my feet, I just passed a note to the Honourable Minister, proving that the 39 turkeys really were mature turkeys. He's got the note on his desk.

MR. HUTTON: Mr. Chairman, I'm aware of the situation that the member refers to and as a matter of fact, I believe that they met with the Deputy Minister on -- members of the Turkey Producers met with the Deputy Minister on this point.

. Continued on next page.

MR. CHAIRMAN: (d); (e); (f) -- passed. Resolution --

MR. MOLGAT: Mr. Chairman, under (f). Last year, I asked the Minister about community pastures where the agreements had expired. I think this is the case at the Ellice and the Archie. There were some difficulties at that time as I recall them, insofar as those lands because the title to the land, as I understand it, had never been properly cleared. Could the Minister indicate what the position is in these pastures? And further, in the new pastures that are being established, will title be in the name of the province or will it be in the name of the Federal Government?

MR. HUTTON: The title for the lands will be in the name of the province in the case of all pastures in Manitoba. The problem that we encountered with Ellice municipality has been resolved and provisions are being made or arrangement has been made for leasing the land in the future. That's the two questions that you asked me.

MR. MOLGAT: Mr. Chairman, as I recall it in the case of the Ellice, there was also some private land within the pasture and title, I think, had remained in the hands of those individuals. Is that still the case? And are taxes now being paid or is a grant in lieu of taxes being paid to the municipality concerned? And if so, what is the arrangement?

MR. HUTTON: The arrangement has been that the province is purchasing the private holdings within the pasture. A levy of one cent per head was made on all cattle in the pasture in 1962 and these monies were turned over to the municipality. The same arrangement will exist in the future. Additional negotiation has been carried on between the municipality and PFRA to increase the carrying capacity of those lands and which will in turn increase the financial returns to the municipality. I might add that this policy of improving the carrying capacity of lands within pastures is being emphasized by the PFRA now. In the case of the pasture at The Pas, they are carrying out their pasture improvement program immediately and building the fence next year.

MR. MOLGAT: Mr. Chairman, will this policy of one cent per head of grants in lieu of taxes to the municipality in the case of Ellice also extend to other pastures where they are located within organized municipalities?

MR. HUTTON: Yes.

MR. CAMPBELL: Mr. Chairman, I'd like to ask the Minister the numbers of provincial pastures that are or are contemplated, and the numbers of Federal ones that there are. For instance he mentioned the pasture at The Pas, is that one PFRA? And was it not possible to get the PFRA to construct all of these pastures, rather than the province getting into the business as well? And when the Minister is answering, would he deal with the trust report that I have seen that the fees established for PFRA pastures have already been increased and that there is some consideration being given for -- what do you call it -- a grazing rate increase as well? What's the significance of the grazing rate?

MR. HUTTON: It is true that the fees have -- they have announced that the fees are going to be increased by one penny per day, per head, from 3 1/2 to 4 1/2 cents. An additional penny per day, per head, is to be collected and turned over to the municipalities in which the pastures are located. The reference to a further increase in grazing fees I believe refers to the operational deficit that the PFRA are now running, which amounts to some \$325,000 in the prairies. And although they sometimes fly kites, and it's difficult to tell whether this is a kite or an indication that they in fact will be increasing them further. The government is at this time in Manitoba, is quite happy with the performances of PFRA. There have been two provincial pastures; one at Sleeve Lake, which is now known as Mulvihill; the other in Birch River. The one is still under -- is operated by Mines and Natural Resources -- that is Birch River. I expect that when the new Lenswood pasture is completed by PFRA, that the administration of these two pastures can be amalgamated. There are 14 PFRA pastures in Manitoba at the present time. Six more -- that six including a general renovating of the Mulvihill pasture -- will bring the total number to 20. In addition Wallace municipality has a municipal pasture, so that gives us quite an increase in our pastures available to the farmers. I might add that if the PFRA carry out their pasture improvement program as we anticipate that they will, the carrying capacity of every one of these pastures can be increased significantly.

MR. CAMPBELL: Mr. Chairman, the Department has announced that it is going to establish -- is it five more community pastures? Are those --

MR. HUTTON: The PFRA pastures.

MR. CAMPBELL: The PFRA ones, yes; not provincial? I presume, Mr. Chairman, that there is some difference in the rated carrying capacity of these pastures in different areas. Taking the Ellice-Archie as an example, or the Portage la Prairie one, how many acres do they reckon now per animal unit?

MR. HUTTON: Well it varies a great deal. Ellice, 20,320 acres has a carrying capacity of 1,500 head. Archie, with a carrying capacity of 39,000, almost double the acreage, has a carrying capacity of only 1,700 head. Poplar Point has only 14,640 acres and it has a carrying capacity of 2,700. Woodlands has an area of 20,960; their carrying capacity is 2,900. Lakeview, 29,000 acres; carrying capacity 1,800. Westbourne, 11,000 acres, carrying capacity 1,110 -- about a ten-to-one situation there -- (Interjection) -- Head, yes. Langford, 19,680 acres with a carrying capacity of 2,250. Mulvihill, 16,320 acres; carrying capacity at the present time only 1,200 head. Birch River, Lands Branch -- 3,610 acres with a carrying capacity of 650, which would be roughly five acres or a little better than five acres per head. San Clara, 6,240 acres; carrying capacity 850. Gardenton, 12,000 acres; 1,400 carrying capacity. Wallace, 9,600 with a carrying capacity 1,200. Turtle Mountain, 23,870 acres; carrying capacity 1,500. McCreary, 72,000 acres with a carrying capacity of only 1,800 head. Dauphin-Ethelbert, 22,400 with a carrying capacity of 1,500. Wallace municipal pasture, 3,380 acres with a carrying capacity of 300 head. Ethelbert-Mossy River -- these are the new pastures -- 65,000 acres with a carrying capacity of 3,200 head or approximately 20 acres per animal. Narcisse, 30,000 acres; carrying capacity 2,000, or 15 acres per animal. Pansy, 9,600 with a carrying capacity of 1,200. Lenswood, 32,000 acres with a carrying capacity of 1,600. Pasquia, 16,600 acres, but the carrying capacity is 4,000, or only four acres per head. Proposed pastures: Gardenton satellite, 7,200 acres; 900 head. Miniota, 9,000 acres; 900 head. A grand total of 494,960 acres with a carrying capacity of 38,000 head.

MR. CAMPBELL: Prairie one again? Perhaps it's given.

MR. HUTTON: Poplar Point?

MR. CAMPBELL: I guess that'll be it.

MR. HUTTON: 14,640 with a carrying capacity of 2,700. It's a pretty good carrying capacity.

MR. CAMPBELL: Mr. Chairman, the Minister, I'm sure, will be aware that it was right in the mid thirties or thereabouts when this program was instituted and a pretty dry time, when the PFRA authorities first came down to talk to us in Manitoba about this program. They insisted that they needed 80 acres -- 80 acres -- per animal. We told them, even in the dry years, that that was -- they weren't talking about Manitoba and it took us a long time to convince them to get down to 40 as far as the Ellice-Archie was concerned, and we told them that when they came down to Portage la Prairie -- it was one of the early ones as well -- that they'd find a great difference again. But I see that we now have some down to four or five acres.

MR. FROESE: Mr. Chairman, under (f) there's an item for \$10,000 for investigation and control of soil erosion. That's a very small item; I don't know just how much the province is accomplishing for this amount. Then I notice from the annual report, the article on soil surveys and soil investigation -- I wonder if the Minister could tell us just how much of the land in the south-central portion of the province is suitable to irrigation. I note the report mentions that the report is not available at the time that this report was drafted but, certainly by now, most likely a report is available and I wondered if he would be able to give us some information on this.

MR. HUTTON: Those studies on irrigation will be continued this year. They are still not complete. They are part of the Pembina River study and I don't think that I'd want to give out any acreages right at the present time. It has been estimated, without the benefit of this type of study, that there's something like 15,000 acres, or something in that area, but you'd better just wait until we have a more detailed report on it and we can give you accurate information.

On the matter of the \$10,000-- this program is concerned with the seeding down of certain trouble spots -- gully erosion programs -- the seeding down of perhaps three and four

(Mr. Hutton, cont'd) lands and they intend through that expenditure of \$10,000 annually -- we have been able to make quite significant progress in certain of our areas where the topography and the soil type leaves the land extremely vulnerable to water erosion.

MR. FROESE: One further question. From the information that the Minister has, does he think that the Pembileer Dam will be a reality and could he give any indication of when we can expect some work to commence? Then also on Item (f) (5) Seed Variety Multiplication, Testing and Special Crop Trials -- here again I would like to know a little more about the program and what is being done. Certainly this cannot be all the money that we spend on this and I just wonder how much do we pay to the university in grants that go towards this type of program.

MR. HUTTON: I want to correct the information I gave on the previous question. We've got quite a few programs in here and you tend to get confused sometimes. The Investigation and Control of Soil Erosion covers the soil conservation clubs of which we have seventeen. At the present time we have 300 members enrolled. Since the start of the program there have been 58 projects, have been completed for 900 farmers. In total, 1,380 farmers have received on the farm advice from soil specialists. This includes our field shelterbelts program, and since 1954 we have planted 2,819 miles of trees, or over 10 million trees. It includes an extensive program involving land use studies, and these studies have included Interlake area, Fish and Dennis Lake area, Icelandic River Project, Birch River Project, Boyne Creek Project, the Pansy Community Pasture, Lenswood Community Pasture and so forth. Of course, in addition to the monies that are involved here are the salaries, of course, and associated costs of the personnel who are engaged in this program.

MR. FROESE: Mr. Chairman, I take it, then, that this matter of plant breeding comes under (8), which is Economic Research referring to the university. Is that it?

MR. HUTTON: Would the honourable member speak up again?

MR. FROESE: I'm still interested in our plant breeding program that we carry on and this, I take it, is in conjunction with the university; that the university does this for the government; and how much are we spending on this program? Certainly we're developing new varieties in our plant breeding program.

MR. HUTTON: This doesn't come under this item.

MR. CHAIRMAN: Item (4) -- passed. (5) -- passed. (6) -- passed. (7) -- passed, (8) -- passed. (9) -- passed.

MR. FROESE: Mr. Chairman, this is too fast -- (Interjections) -- I want to speak on Item (7) -- (Interjections) -- if the Honourable Member for Lakeside wants to speak on the previous item, well then let him.

MR. CAMPBELL: The one question on (6) - Agricultural and Horticultural Societies; I notice that the appropriation is down and I have been told that the department has decided to withdraw its support partially or wholly from the heavy horse classes at the various fairs. Has the department decided to withdraw its financial support to these heavy horse classes at the fairs?

MR. HUTTON: Oh no, oh no; we wouldn't dare do that.

MR. CAMPBELL: Well I really was quite astonished to hear it. That is not correct, that rumour? Good, that . . . -- (Interjection) -- That's exactly what I was going to say. We're agreed on one thing anyway.

MR. HUTTON: We did revise the prize list but we didn't go after the heavy horses. We did go after some of the classes which we felt weren't really -- you had to really stretch the point to see where they were really doing an awful lot for agriculture.

MR. CHAIRMAN: (6) -- passed. (7) --

MR. FROESE: Mr. Chairman, on Item (7), I think we should have some discussion on this item. First of all I would briefly like to refer to the credit unions in this province, and as I've previously done, I feel that we should encourage community credit unions throughout the province and not just only in rural areas. I've brought this up on previous occasions. I feel that the city should be cut up in zones and that charters should be granted to these various areas in the city so they could form community credit unions. This would give the credit union a far better cross section of membership, taking in all the various locations and professions and so on, and we would not be denying so many people of this province the right to join a credit union. Today, if you do not belong to the right club that has a credit union, or to the

(Mr. Froese, cont'd.) . . . church that might have one, or to some occupational group that has a credit union, you're out in the cold as far as the city people are concerned, and are not able to join the credit union. And I feel that the credit unions are giving a very valued service to the people of this province.

Many of the people who are unable to join the credit union and avail themselves of such service are being taken for a ride through second mortgages which call for high interest rates in the first place and also very often balloon payments attached to their payments, so that after a certain period of time they'll have to refinance their loan and as a result will be faced with another similar situation after a year or two. So that I feel that we should give an opportunity to the people in the city to organize credit unions on a community basis.

I notice from a report that was submitted to the Annual Convention of the Credit Union League by the Director of the Co-op Services Branch that organization of credit unions is not going as fast as I feel that it should be. I think last year there were some eight new credit unions organized, three others dropped their charter, and we had two amalgamations, so that the growth, or the number of credit unions organized, is going at a very slow pace, and I think one of the reasons is that we are not encouraged and not allowed to organize community credit unions in Greater Winnipeg.

The Credit Union Movement is growing. From last year's report it shows that we have a very steady growth in assets, in loans outstanding as the graph in the report indicates, so that we have every reason to put confidence in this type of organization and to encourage new credit unions in this province. The 1961 report shows that credit unions today, or a year ago, owned some \$50 million. Today that figure has increased to over 60, so that indicates some measure of growth of some 260 credit unions in this province. And I know that in some localities in this province community credit unions are servicing more people in their areas than the banks do. Therefore I feel that we have come to a position now where we should be giving more support to this whole matter of organizing credit unions.

Last year, a number of amendments were passed amending The Credit Unions Act which were welcomed by the people of this province, especially the credit union members, and among which was the matter of appointing loan officers. I would like to know from the Ministers how many credit unions have availed themselves of this provision and how many credit unions do have loan officers, and how well they are working out. I know that this matter was restricted by Act to credit unions of \$400,000 in assets and more, so that only credit unions of substantial size could avail themselves of this provision.

Then, also, I would like to ask the Minister, as I previously asked the Minister of Education when his estimates were up, whether provision was being made in The Schools Act so that school districts could use the services of a credit union where they are of a considerable size, so that school districts could deposit their funds with the larger credit unions and use them. I would like to know from the Minister whether there's any further development on this and whether we can expect some legislation in this regard at this Session.

Then, also, the Credit Union League has now for, I think, the past two or three years, requested that the Co-op Services Department, which is servicing credit unions in this province, to have the word "credit union" introduced into that name, and that the name should be changed, so that it would show some indication that this department was servicing credit unions, since 90 percent of the work and money spent of that Services branch is going towards the Credit Union Movement and yet we're not recognizing them in the name and such.

I would also like to know from the Minister just what amount the credit unions of this province contributed toward the cost of the branch to their audit fees that they're paying every year. This is on a basis of assets, depending on the size of the credit union -- the larger the credit union the more they pay in fees. I trust that he can provide us with that information.

Then also, and I'd like to repeat again that I feel that in this Audit Department we should at least have one chartered accountant. I feel that the services that the credit unions are getting should be of a higher calibre than that -- the department should be headed by at least one chartered accountant. And while I'm on that subject I would also like to know from the Ministers of the recently appointed employees in this department that are auditing credit unions, what were their qualifications when they were hired, because we have had some new additions made.

(Mr. Froese, cont'd.)

Then, one further item is that Credit unions, there are for the largest size and who do get outside auditors, probably every other year or so -- are still required to pay both the chartered accountant audit and the government audit. Requests have been made by credit unions to be relieved of the government audit in a year when they do have a chartered accountant audit made, and I feel that here is an area where we should make some amendments and that credit unions be relieved in this regard, when they already have the heavy cost of a chartered accountant audit that they wouldn't have to pay another audit made by the department in the same year. Certainly they shouldn't have to pay twice.

Then I think there is a request made by the Credit Union organization for certain amendments to the Act. I would like to know from the Minister, whether these are forthcoming and when we could expect them. Also, in regard to the Metis and Indians. What is the government proposal in trying to promote credit unions among these people? I would like to know what is the government's program in this regard. What can we expect and what is being done?

The credit unions in Manitoba at their last convention in Winnipeg early this year, discussed the matter of setting up a stabilization fund for the credit unions of this province, and here, too, I would like to know what the minister's view is on this matter, whether he will go along and provide them with the necessary legislation that they have requested in order to set up such a fund so that they can stabilize a credit union movement in this province, and to assure the members that the credit unions will remain solvent so that when credit unions make a small contribution annually to this stabilization fund thereby they will be assisting other credit unions who might run into trouble, be it through liquidation or be it through some other matter that they couldn't be blamed for, because they've seen dislocations of certain industries and therefore credit unions either have to leave and go to another area, and thereby they cannot service all of their members, so that some form of assistance has to be provided in this regard. These are some of the questions I have at the moment. I'll probably have something further later on.

MR. HUTTON: Mr. Chairman, I'll try and give some answers. If I were to give them at any great length on all of the items we'd be here all summer. There is an honest difference of opinion between the department, the branch, on the question of the basis for establishing credit unions, and the Honourable Member for Rhineland. We still believe that there must be a common bond and with that common bond must be constituted something more than the establishment of a credit union. It's an honest difference of opinion. At the present time we have no intention of changing it.

There seems to be ample room for growth for the credit union without this departure from a well established policy, not only in Manitoba but across Canada. There was a growth of 20 percent last year and they anticipate a further growth of 20 percent in the next year. There are 40,000 families now approximately in Manitoba serviced by credit unions. The credit unions contribute 42 percent of the cost of carrying on the work of the branch in supervising the credit unions. I can only assure the Honourable Member for Rhineland that the men who are engaged by the department to service these credit unions are qualified. I couldn't list their qualifications right here, but I think that he can trust the Civil Service Branch of the Manitoba Government to hire qualified people, sufficiently qualified to meet the responsibilities which they have to face.

Legislation was prepared to provide for the establishment of a stabilization fund, but it was brought to our attention that there was some controversy amongst the credit unions on the legislation to be introduced and we believe that it is better that this controversy should be resolved before we pass this legislation, and so it has been withdrawn from the legislative program for 1963.

I think that as far as the credit unions amongst the Indian and Metis are concerned, we are not promoting it. I think the Minister of Mines and Natural Resources indicated that, according to a study that was made, credit unions should come first, but oddly enough in Manitoba amongst the Indian and Metis people they want to co-operate in doing things, in developing their natural resources and their human resources. They had not required any promotion in respect to co-operatives. As a matter of fact, there has been a tremendous increase in the activity in the co-operative field amongst the Indian and Metis. There is one credit union and

(Mr. Hutton, cont'd.) . . . I suspect there will be more, but I think history has proven that the co-operative movement and the credit union movement is healthier when it sows its own seeds rather than have someone else go in and try and get the thing rolling. So as the co-operative movement has taken hold in the Indian and Metis community, so I suspect when they have learned and experienced the advantages that they are able to obtain through that movement, they may turn to credit unions.

MR. FROESE: Mr. Chairman, I would not pass this one up that I still feel that we should allow community credit unions to be organized in the city. We see from the other provinces they've done this and with great success. I know that both the cities of Calgary and Edmonton in Alberta have done this and community credit unions have been organized and they're very successful. Why should the credit union movement have to depend on other organizations in order to form their own credit union. I know in most cases where credit unions have been organized, that the credit union became a much stronger bond than the other organization around it when it was first organized, and that there's no ground for not allowing credit unions to organize on a community basis in our cities. Then we do not need chartered accountants or that we have qualified persons -- I know from the past that this is not the case and I could challenge the Minister on this if necessary. I feel it's about time that we do have chartered accountants among the people employed to do the auditing. Credit unions are getting to be big business and we need qualified help in this department. He did not give me an answer to the question on whether there was going to be legislation to provide for school districts who deposit their funds in credit unions also.

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

MR. CAMPBELL: Mr. Chairman, there are a great many of the research projects that are mentioned in the Research Report that I have marked and I would like to hear something about many of them. I'm certainly not going to ask about more than one tonight, but I would appreciate it if the Minister would comment on the research program with regard to the hybrid wheat. I know it's being carried on and I presume it's intended to carry on, but I would be interested in these comments further to what the report has said.

MR. HUTTON: Mr. Chairman, I think that the annual report of the university itself can give a better picture of the research program than I can. Anyone who picks it up and reads it can appreciate the comprehensive nature of that research program. I haven't got any additional material at hand to deal with it. The experimentation on winter wheat and on the Triliccate, this new variety or species which has been developed through crossing rye and wheat. This work continues and it shows very promising results, possibilities. It has been used in feed trials and in the feeding trials it has given excellent performance, but I'm afraid that I would have to get the material at hand. I think that everyone is pretty well aware of the nature of the research that's going on out there and I would humbly request that they read the report and let me off the hook for this year.

MR. CAMPBELL: Mr. Chairman, I'm not expecting the Minister to deal with it at great length, Mr. Chairman, and I purposely asked about only one. I have read the report and I've read that part most carefully, but I was interested in my honourable friend's opinion as a practical farmer as to whether he thought -- and perhaps it's too early to comment on this anyway because it's still being carried on -- but as to whether he thought that this was going to result in a new grain and a grain that had feeding possibilities or commercial possibilities, because of its yields that were better than what we have at present. Perhaps it's too early to comment on that anyway, and I was not trying to get my honourable friend on the hook about it. I know that the place to get the material is in the research report itself.

MR. HUTTON: Scientists are very optimistic about it.

MR. CHAIRMAN: 9 -- passed; 10 -- passed; 11 -- passed.

MR. MOLGAT: Mr. Chairman, on 10, the Minister last November

MR. ROBLIN: Mr. Chairman, if my honourable friend is going to take any length of time, perhaps we'd better conclude our discussions for this evening and continue the next time we meet. If he can settle it in a short order well then we can deal with it now, but I'll leave it to him.

MR. MOLGAT: Well my question will be very short, but the Minister's reply

MR. ROBLIN: I was under the hope that my honourable friend's good example might

(Mr. Roblin, cont'd.) . . . inspire us to get on with another item. Do you want to go ahead or do you want to leave it?

MR. MOLGAT: Well I think it will take some little time really, Mr. Chairman. It's with regards to this whole matter of our arrangements with Ottawa and the proposals that the Minister was making last fall, and I suspect that the Minister will have a fair amount to say.

MR. ROBLIN: Under those circumstances, I agree that we'd probably better rise because I know my friend has quite a lot to say about this very successful program.

Mr. Chairman, I observed your caution earlier this evening that we had reached the 65 hour mark. I don't propose that we should sit any later than 11:00 o'clock tonight but I would ask the committee to take under consideration the possibility that we might sit for a little longer period in the evening next week. Now I think we should try and keep the longer sittings to a minimum, so I solicit the co-operation of the committee in getting through with the work as expeditiously as may be possible under the circumstances, so that we'll have to see how we make out. Mr. Chairman, I move that the committee rise.

MR. MOLGAT: Mr. Chairman, before the committee rises, I certainly quite agree with sitting longer hours next week. That was the arrangement we made when the rule was set and we are quite prepared to live by it.

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

Madam Speaker, the Committee of Supply has adopted certain resolutions, directed me to report the same and ask 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. ROBLIN: Madam Speaker, I beg to move, seconded by the Honourable Minister of Agriculture and Conservation, 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 Tuesday afternoon at 2:30 o'clock.