

## THE LEGISLATIVE ASSEMBLY OF MANITOBA

2:30 o'clock, Wednesday, May 5th, 1965.

Opening Prayer by Madam Speaker.

MADAM SPEAKER: Presenting Petitions  
 Reading and Receiving Petitions  
 Presenting Reports by Standing and Special Committees  
 Notices of Motion  
 Introduction of Bills  
 Orders of the Day

MR. ELMAN GUTTORMSON (St. George): Madam Speaker, before the Orders of the Day, I'd like to direct a question to the Provincial Secretary. Is it possible for communities located in unorganized territories to receive Centennial grants?

HON. MAITLAND B. STEINKOPF, Q. C. (Provincial Secretary) (River Heights): Madam Speaker, the answer is yes.

MR. GUTTORMSON: . . . . . whom they should write to or contact?

MR. STEINKOPF: The Local Government District Administrator is the man that they should get in contact with.

MR. GUTTORMSON: They should contact the Administrator? Thank you.

MADAM SPEAKER: Committee of the Whole House.

MR. WILLIAM HOMER HAMILTON (Dufferin): Madam Speaker, I beg to move, seconded by the Honourable Member for Springfield, that Madam Speaker do now leave the Chair and the House resolve itself into Committee of the Whole to consider the following bills: No. 44, an Act to incorporate the Dufferin Racing Association; No. 78, an Act to incorporate The Manitoba Law School Foundation; No. 95, an Act to incorporate The Company of the Cross; No. 104, an Act to provide for the disposition of the Funds of Weather Modifications Ltd.

MADAM SPEAKER presented the motion and after a voice vote declared the motion carried and the House resolved itself into Committee of the Whole with the Honourable Member from Winnipeg Centre in the Chair.

COMMITTEE OF THE WHOLE HOUSE

BILLS Nos. 44, 78, 95 and 104 were read section by section and passed.

MR. R. O. LISSAMAN (Brandon): Mr. Chairman, in connection with this bill I wonder if I might say a word. I know that the acts of the House covering the return of fees, less the cost of advertising, are pretty well defined and are confined to charitable institutions, educational institutions, and so on, but in this instance Weather Modifications is being wound up and the money is going to Brandon College, and I think in this instance if the House would agree, the fees should be remitted because they will all accrue to Brandon College. Now as a member of the Board of Brandon College I don't think that I am in any position to make such a motion, but I think the House would agree that such a motion should be made, Mr. Chairman.

MR. CHAIRMAN: I would . . . . . to the honourable member, but I would read to him Rule 101, subsection (3): "Notwithstanding sub-rules (1) and (2) where the petitioner is an institution, organization or association of charitable or religious or benevolent purposes, and is not carrying on or intending to carry on business for gain, the petitioner is not required to deposit any greater sum than that estimated by the clerk to be sufficient to cover the actual cost of printing this bill." And you can't say that the petitioner here is an association of charitable or religious or benevolent purposes.

MR. LISSAMAN: . . . . . so that you would agree, Mr. Chairman, that the spirit of the rule would conform with what is intended here -- the money is going entirely to an educational institution --

MR. CHAIRMAN: I agree that the money is going to be used for educational purposes. I understand if you . . . . .

MR. B. P. STRICKLAND (Hamiota): If the Committee would entertain a motion to that effect, I'd be happy to move it.

MR. CHAIRMAN: I understand the correct procedure is to move these motions in the House. That's the way it was done with respect to the other two bills -- the motion was moved in the House. I move the Committee rise. Call in the Speaker.

IN SESSION

MR. CHAIRMAN: Madam Speaker, the Committee has considered Bills No. 44, 78, 95 and 104, and has adopted all of these bills without amendment.

MR. JAMES COWAN, Q. C. (Winnipeg Centre): Madam Speaker, I move, seconded by the Honourable Member for Pembina, that the report of the Committee be received.

MADAM SPEAKER presented the motion and after a voice vote declared the motion carried.

BILL No. 44 was read a third time and passed.

MR. T. P. HILLHOUSE, Q. C. (Selkirk): Madam, before moving the third reading of Bill No. 78, with leave of the House I would like to make a motion in respect to the fees that were paid regarding this bill. There was no order of the Private Bills Committee ordering a return of fees less advertising and printing charges, and this is a benevolent institution within the meaning of Subsection (3) of Section 101 of the Act, so with the leave of the House, Madam, I would like to make a motion that these fees be remitted less the cost of advertising.

MADAM SPEAKER: Has the honourable member leave? Agreed?

MR. HILLHOUSE: I therefore wish to move, Madam, seconded by the Honourable Member for Lakeside, that by leave of the House the fees paid in respect of Bill No. 78, an Act to incorporate The Manitoba Law School Foundation, be remitted less costs of printing.

MADAM SPEAKER presented the motion and after a voice vote declared the motion carried.

BILLS Nos. 78 and 95 were read a third time and passed.

MR. STRICKLAND: Madam Speaker, by leave of the House, I beg to move, seconded by the Honourable Member for Souris-Lansdowne, that the fees with respect to Bill No. 104, an Act to provide for the disposition of the funds of Weather Modifications Ltd., be remitted less costs.

MADAM SPEAKER presented the motion.

HON. GURNEY EVANS (Minister of Industry and Commerce) (Fort Rouge): Madam Speaker, I think there seems to be a general disposition to regard this as a worthy case to consider with respect to the remission of fees. There seems to be no difference of opinion on that score. Obviously the money would accrue to the advantage of Brandon College, an educational institution. My only concern in the matter is to whether it is within the rules to do so. I have only heard the rule read once and I invite discussion of the point by all concerned. Obviously the House can do what it likes. The House is the master of its own rules and can take action in any particular case. Perhaps, Madam Speaker, you might wish to hear agreement on the point and then give your decision as to whether or not an organization known as Weather Modifications Ltd. can surrender its charter and otherwise dispose of its assets, and come within the classification that is entitled to the remission of fees.

MR. GILDAS MOLGAT (Leader of the Opposition) (Ste. Rose): Madam Speaker, before you make a ruling on the subject, as I understand the bill, all of the money that is left in this company - and admittedly this is a private company - but all of the money that is there will be going to the account of Brandon College; it will be going to their Building Fund. And it would seem to me that on that basis there will be no advantage at all for the company itself or for any of its shareholders - in other words, no private advantage to anyone - that we have recognized here in this House Brandon College as being obviously an educational institution but also one that qualifies for grants from this Legislature; we have every year in the estimates a sizeable grant to Brandon College - we have been increasing those grants; that remitting fees in this case, while it has to go through this company in a sense - that is if we did charge the fees the company would be paying them; this is correct - but all that this would do would be decreasing the amount of money that would be in that bank account and hence decreasing the amount of money that's going to Brandon College. Now if my understanding of the bill is correct, and I would like the member who introduced the bill to correct this if I am not understanding this the right way, but if that is so, then I think that the House should have no occasion to have any worries about approving the remission of the fees because in the final analysis they will benefit only Brandon College.

MR. STRICKLAND: . . . . . statement is correct.

MADAM SPEAKER: In my opinion, I believe that it is going to Brandon College - it is not going to the Weather Modifications; and I would agree that the fees should be remitted.

MR. MOLGAT: Madam Speaker, I wonder if I might just - and I realize this is out of

(MR. MOLGAT cont'd).....order - by leave of the House, ask one question of the mover of the bill. Under one section here of the bill he says, "after payment of all just debts and any legal expenses." There is no question, is there, that there are debts that are higher than the amount of money in the fund? There will definitely be money left in the fund? As long as we have that assurance I think then there's no problem.

MR. STRICKLAND: Yes, Madam Speaker, there are no known debts at the present moment.

MADAM SPEAKER put the question and after a voice vote declared the motion carried. BILL No. 104 was read a third time and passed.

MR. EVANS: Madam Speaker, would you now call the Second Readings on Page 3.

HON. STERLING R. LYON, Q.C. (Minister of Mines and Natural Resources) (Fort Garry) presented Bill No. 125, an Act to authorize the Minister of Mines and Natural Resources to transfer certain lands to The City of Transcona, for second reading.

MADAM SPEAKER presented the motion.

MR. LYON: Madam Speaker, there is little that I can usefully add to the explanation I gave of this bill at the resolution stage. It merely authorizes the Crown to transfer to the City of Transcona a small piece of land which came into the name of the Crown only by virtue of the filing of a plan of subdivision in the area. The filing of the plan, I am told, has the same effect on park land as it does with respect to streets and lanes, and members will appreciate that when a plan of subdivision is filed in municipalities other than the City of Winnipeg and the City of St. Boniface, streets and lanes, the titles to streets and lanes, and parks in this case, vest immediately in the Crown. The land heretofore was owned by the City of Transcona and to get around this statutory situation this bill is necessary to give it back to the City.

MADAM SPEAKER put the question and after a voice vote declared the motion carried.

MR. STEINKOPF presented Bill No. 131, an Act respecting the Flag of Manitoba, for second reading.

MADAM SPEAKER presented the motion.

MR. STEINKOPF: Madam Speaker, it is with honour to our province and to our history that we propose the creation of a Manitoba flag, in the form of the Red Ensign, bearing the Coat of Arms of the Province of Manitoba. It is appropriate, I think, that Manitoba, which was the first province to join the original four in Confederation, that it should have on its own flag the Union Jack. There is a further strong historic basis for this step. It was within the present boundaries of Manitoba that the great Union flag, as it was then constituted, first flew over continental North America, when it was carried on the shores of Hudson Bay by Captain Thomas Button in 1612. And when the Red Ensign as such was first created in 1707, Queen Anne made allowance for the use of other suitable emblems on the flag. But more important, it reflects the general wishes and sentiments of the people of Manitoba for whom the Canadian Red Ensign, which we propose to adopt to provincial purposes, has such a special meaning. It is part of our heritage and it is held by us in deep reverence.

In the new Canadian flag we have a symbol of national unity. As true Canadians we pledge our continued loyalty to it and to all that it stands for. With the creation of a new Canadian flag, it enables us at the provincial level to preserve the traditions and affection of the historic Ensign. We propose to fly it on distinctive provincial occasions and to mark events of provincial interest. All citizens and organizations in the province will be free to fly it as they see fit. Precedence, of course, must be given to the Canadian flag and to the flag of the Commonwealth. We are proud of our province and of its place in the Canadian nation. May our provincial flag be used as an evidence of this place we hold in the history and in the development of Canada.

MR. SAUL CHERNIACK, Q.C. (St. John's): Madam Speaker, I feel that I must express certain thoughts that occurred to me that may be easily misunderstood by those who would like to misunderstand them, especially following the fine address made by the Honourable Minister in introducing this bill. I don't know that any Manitobans are not proud of their province and of its role in history, but I must say that I have a certain amount of reservation as to the advisability of bringing in a flag, especially following the acrimonious and unpleasant debate that took place in Ottawa; and I say that with the full consciousness that the Party which I represent here played little part in what went on in the mess - and I call it that - in Ottawa dealing with the flag. For that reason, I think that we here too can look objectively at this without injecting into it a matter of political expediency or use. Nevertheless I feel - and I'm not speaking

(MR. CHERNIACK cont'd) . . . . . for our group because I have no idea how the others feel about it - but I feel that it was not appropriate to have brought this in at this time. I have certain doubts as to whether a province as a province needs to have a flag. I think this country of Canada though large in size is small in numbers, and that the more we feel part of one great country the better we are, rather than to create the possibility of separation as between provinces. I don't say that this flag does create that; I'm saying that it creates the possibility of setting one ahead of another.

I also must express doubt that I have in the advisability at this stage of bringing in a flag which so much resembles the Red Ensign as to be - I think that the Minister in introducing this subject spoke of the Canadian Red Ensign. "It is proposed," I think he said, "to adopt it." I think he misread; what he meant to say: "adapt it." And I'm wondering really about the advisability at this stage and in the light of the fact that the whole flag debate is still - I mean the Ottawa debate - is still present in the minds of so many Canadians, that it makes me wonder whether this is the time to bring in a flag which is so much an adaptation of the Canadian Red Ensign. I have not checked the colour description. I don't know whether it conforms in its entirety to the Red Ensign; I suspect that it does. And having said that, and I think it's only fair that I should say that, I leave it to this House to consider what it does with the bill.

MADAM SPEAKER put the question and after a voice vote declared the motion carried.

HON. ROBERT G. SMELLIE, Q. C. (Minister of Municipal Affairs) (Birtle-Russell) presented Bill No. 137, an Act to amend The Metropolitan Winnipeg Act (3), for second reading.

MADAM SPEAKER presented the motion and after a voice vote declared the motion carried.

HON. GEORGE JOHNSON (Minister of Education) (Gimli) presented Bill No. 138, an Act to incorporate The Manitoba Association of School Trustees, for second reading.

MADAM SPEAKER presented the motion.

MR. JOHNSON: . . . . . of this bill, as I said yesterday, is to -- is a bill which is being proposed in anticipation of the amalgamation of the two present trustee organizations in our province. This bill has been requested, and we have felt that at this time this late, it should be brought forward as a government bill at this time. It could have been a private bill, but we felt we should sponsor it this late in the session. This bill is acceptable to both associations who no doubt will be present at Law Amendments in case members wish to ask anything. It really incorporates pretty well the amalgamation of the two -- of the legislation pertaining to the two organizations who now are in operation.

MR. CHERNIACK: Madam Speaker, I had hoped that the Minister would develop the reason behind the grant which apparently forms part of this bill. I haven't seen the section but I think the Minister in introducing the bill for first reading mentioned that there would be a grant of some \$10,000 which is an increase of \$2,500 over the total given to both previous organizations. In view of the fact that this is a body which on occasion will have to deal with this government on the question of grants and generally in the questions of education, and should have a feeling of independence, I wonder if the Minister would deal with the question as to the propriety of the government by grants supporting the organization and having the power, of course, to withdraw the grants.

MR. JOHNSON: Madam Chairman, the companion bill which will be coming forward, Bill No. 139, is the particular bill, Section (4), which deals with the grants. For some years the associations have received grants as spelled out specifically in the present Act. I think the wording in the Act at the present time is the Minister may approve grants up to certain amounts to the associations to assist them in their operations. The grants at the present time, over the past two or three years, have been \$5,000 to the Manitoba School Trustees Association and \$2,500 to the Urban School Trustees Association. On meeting with the representatives of the proposed new association, made up of the executives of the Urban Trustees and MSTA as they now exist, they requested that the government continue a grant. They wanted a substantial grant, as a matter of fact, to assist them in getting their new organization set up. They would require a bigger administrative organization, somewhat larger, to handle the two groups. I think these organizations are important and work very closely with the department from day to day in the interpreting and assisting in the development of policy and in attitudes, and I feel that it is important that we recognize this new organization and encourage them to come together to form one strong trustee group, and the companion bill that will be coming in

(MR. JOHNSON cont'd). . . . . in a moment, or being proposed for second reading this afternoon, rather than spelling out any amounts, states that the grants may be made as approved by the Lieutenant-Governor-in-Council. The Lieutenant-Governor-in-Council, in other words, shall pay a grant to this association in an amount fixed by the Lieutenant-Governor-in-Council. We thought this would give us flexibility rather than spelling it out in the Act.

MADAM SPEAKER put the question and after a voice vote declared the motion carried.

MR. JOHNSON presented Bill No. 139, an Act to amend The Education Department Act and The Public Schools Act (1), for second reading.

MADAM SPEAKER presented the motion.

MR. JOHNSON: Madam Speaker, this is the companion bill to 138, dealing with those necessary changes in these two Acts to effect the new association. I would point out to the Members of the House that of course these two bills are only to be proclaimed at such time as the amalgamation occurs, which hopefully is this coming June.

MADAM SPEAKER put the question and after a voice vote declared the motion carried.

MR. JOHNSON presented Bill No. 141, an Act to amend The Education Department Act and The Public Schools Act (2) for second reading.

MADAM SPEAKER presented the motion.

MR. JOHNSON: This bill is the Shared Services Bill, the principles of which have been under discussion for the last few days, and follows the legislative interpretation of the report which has been submitted to the House and generally concurred in. These amendments in the first section provide for the method by which textbooks would be offered to children in private and parochial schools through divisional authorities. Another part of the bill deals with the schedule. It sets out a schedule which are those private and parochial schools now in operation in the province in 17 Divisions in the province. There are these schools as listed in the bill, and in addition to this, of course, any further parochial schools wishing to make arrangements for shared services in the future have to meet the minimum specifications laid out in another part of the bill as to numbers of students which must exist in the Division and the size of the schools, etc., and the other part of the bill deals with that part of the fitting agreement between a private school and a public school for the offering of transportation and any other services such as Home Economics, Industrial Arts, or whatever may be agreed to at the local level with the parties concerned.

MR. RUSSELL PAULLEY (Leader of the New Democratic Party) (Radisson): Madam Speaker, I'm not going to oppose the bill going to second reading, because I feel that it might give to individuals and organizations that appeared before the Committee on Shared Services to make representation. I do sincerely trust and hope, though, that the government will give to these people an opportunity to be heard, because at the pace that the House is now processing bills this may not be possible. It could conceivably be, Madam Speaker, that this particular bill is, say, referred to Law Amendments Committee tomorrow morning. I do trust, however, the Minister will undertake, rather than that being done, to contact the principals that appeared before the committee to inform them that the matter will be given consideration on a day and date named by him. I think, Madam Speaker, it would be manifestly unfair for us in this Legislature, at the dying days of the session, merely to pass this bill through with rapidity - as appears to be an objective at the present time - without giving the people who use their time and their efforts to make representations before the Committee on Shared Services as to what they felt about the whole matter.

I read the other day, in both of the major Winnipeg papers, that when the vote was before the House on the recommendations or concurrence of the Committee on Shared Services, that it was a free vote of this House. I may be in error, Madam Speaker, but I do not think such was the case, because never in any of the debates that we have had in this House on this matter has the First Minister, or the Minister of Education for that matter, declared that such was the case. It could be that in the caucus of the governing party in this Legislature that agreement on this basis was reached. However, not being a member of that caucus, I cannot answer as to whether this was so or not. But, Madam Speaker, may I say that by virtue of some comments that have been made to me personally, that I doubt whether the vote was as free as indicated that it was in the daily papers. It may be that they were in error and that I, too, may be in error; but I do suggest, Madam Speaker, that this matter is of such vital importance to the whole educational system in Manitoba, be it parochial and private or public, that much more time is needed to obtain representations from the people who appeared before the committee, because at that particular time, Madam Speaker, the parties were not dealing

(MR. PAULLEY cont'd).....with legislation - they were dealing with propositions and proposals. They did not have the opportunity of making suggestions following the report of the committee, and I again suggest that in this vital matter they should be given the opportunity, not with a day's notice or two days' notice at the tail end of a session.

In all the years that I have been in this Legislature, which is a comparatively short period of time, namely, 12 years, or 13 years, never in my opinion has such a vital matter confronted this Assembly than this. Reference is often made in this House back to the year 1890, 1916, and this problem being with us - so-called problem being with us - over all of these years; and yet, Madam Speaker, members of this Assembly -- we're being asked, apparently in this House, today to adopt in principle something that is - I almost said violently different - but materially different in respect of education that we've had for many years. And I say to the government that if we only go back to the year 1916 -- that's what? - almost 50 years; are you right, after 50 days sitting in this House and what is obviously the tail end of the session, to bring in and to ask for the passage of legislation which has been a problem of this province for 50 years? I say not. I say to the government, if you are determined to process this matter - and to me, Madam Speaker, again, one of the most vital matters concerning education in Manitoba that we have been faced with since 1916 - so I say to the government, if you are determined to proceed at this session, give the assurance to the House, give the assurance to the people of Manitoba, that this Act will not be proclaimed until such time as ample representations can be made by the people who are concerned with this matter.

Madam Speaker, may I suggest that this was done by the government in respect of the Land Transfers Act, which was adopted in principle by this Assembly, the government majority, back in August of last year. I'm not suggesting that there is any comparison between the type of legislation, but nonetheless, Madam Speaker, it is a fact that as a result of the interest shown in the Land Transfers Act, the government undertook to hear representations from interested parties; the government undertook and gave us the assurance here in this House that if as a result of those representations they were persuaded to change their minds or to take a second look at the legislation, that it would not be proclaimed. And I ask you, Madam Speaker, was it proclaimed? It was not. And yet in this matter no such assurances, no such suggestions have been forthcoming from the Minister responsible or from the First Minister.

I ask you, members of this Assembly, to take a look, a very close look, at Bill No. 141 that is before us today. Read what the bill says. I do not profess to be learned in the law; I do not profess to be able to interpret, as a judge would, the wording of this Act. I can only approach it as a layman. But, Madam Speaker, if we will take the time to read the wording of the Act, it could mean anything. It could bring about the absolute violation of the principles as enunciated by the First Minister a year ago last February. I ask you, members of this Assembly, to get hold of Bill 141 and read with me Subsection (b) of Section 157 B of the Act, which is under Subsection 2 or Part VIA; read what it says and in order to verify my point we must first read Subsection (1) of Section 157 B, and Madam Speaker, I hope that I have your permission to refer to a section which may violate the rules of this House. I hope, Madam Speaker, I have your permission because of the principle of this particular bill, and to me, as I am sure to other members of this House, the importance. I have no desire, I have no desire, Madam Speaker, to violate the rules of this House, and I ask for permission to refer to a specific section.

MADAM SPEAKER: I have appreciated the honourable member trying not to refer to sections, but I think that in a case such as this that it is of grave importance, and I'm sure that probably everyone feels the same way, but probably we could give the honourable member the right to refer to the section.

MR. PAULLEY: Thank you, Madam Speaker. I appreciate it. I could have merely just said that there is a section in the bill but I wanted the members here to take a look at this particular section along with me. What does it say? Section 157 B, Subsection (1), and in particular (b) thereof. This particular section says: "The board of a school district, school area or school division may, with the approval of the Minister, enter into an agreement with a private school to provide, under the supervision and control of the board of the school district, school area or school division, to children enrolled in the private school" -- Section (a) deals with transportation; Section (b) has this to say: "(b) any other service, other than transportation, that is regularly offered by the public school in the public school and under the jurisdiction of the board of the school district, school area or school division."

(MR. PAULLEY cont'd).....

When the First Minister was speaking a year ago last February, one of the points he continuously repeated to us in this House was that if the principle of shared services was adopted that they would have to be provided in the public schools--(Interjection)--My honourable friend the Minister of Welfare says that this is what it said. I confessed a moment ago, Madam Speaker, that I was not learned in the law, that I would not interpret or presume to interpret or to suggest what a judge's interpretation might be--(Interjection)--The Honourable the Minister of Welfare now says that's what it means, so he has taken upon his broad shoulders the onus of interpretation, but I say, Madam Speaker, I don't know what a judge would do, I don't know what a lawyer would do, but I know, Madam Speaker, that as far as I am concerned, a layman, it doesn't say what the Honourable the First Minister said a year ago, that these services shall take place in a public school. We have another learned judge --

MR. SMELLIE: Read it - read it.

MR. PAULLEY: I've read it.

MR. SMELLIE: Read it again.

MR. PAULLEY: I've read it again and I've read it again, and I can see where interpretation can be made that the services do not have to be provided--(Interjection)--That's right. There's nothing in my interpretation of this to prevent similar services being provided elsewhere than in the public schools only on the provision that it's under the control of the School Board, the Public School Board.

My honourable friend the Minister of Municipal Affairs says I'm wrong. The Honourable Member for Selkirk, who is also of the legal fraternity, suggests that I am correct, so I ask you, Madam Speaker, that even in this Assembly we've got two members learned in the law, already with two different interpretations of this particular section, and may I suggest that the people who are going to be dealing with this matter, if this bill passes, are they lawyers? Are they members of this Assembly? Or are they generally speaking ordinary laymen, members of our school boards? And I suggest that it is these people who are going to have to interpret, in the initial instance at least, what the law means.

I suggest, Madam Speaker, that the government has not given the consideration to this matter that we expect governments to give. I say, Madam Speaker, that if a layman like myself can pick up this bill and in this regard find some areas of doubt, that these doubts will be in the minds of others as well, unless -- maybe the Minister of Welfare and maybe the Minister of Municipal Affairs would say that I'm the dumbest individual of all, and it could well be; but that is my interpretation, Madam Speaker, and the same interpretation I think can be made when we look at Section (3) dealing with the question of grants, because Section (3), Madam Speaker, again does not say that grants will be given for services that are supplied within or at the public school. This clause, too, leaves it wide open for the payment of grants not in the concept of the affirmations that were made by the First Minister a year ago last February.

I realize, Madam Speaker, as a member of this Assembly that it might be in some quarters that what I am saying here today may be objected to. I realize fully the implications of what I am saying here today, Madam Speaker. I am, however, prepared to accept them. As a member of that committee I am still convinced that the representations that were made to us does not and did not lead to any consensus of opinion that would accept this type of legislation even though there were no doubts contained in the legislation as to who it applied to and where it applied to. For we did have representations made to us at that committee and subsequent submissions that we received, asking that if this matter was proceeded with and this suggestion proceeded with, that provision should be made to receive these shared services in other than the public schools. We had these representations made to us, Madam Speaker, and in the light of that, coupled with my interpretation - rightly or wrongly - contained in this bill, it seems to me that we've already started on the road that the First Minister said we would not follow.

I hope, Madam Speaker, that I am not considered as a bigot. I hope, Madam Speaker, that my purpose of standing here before you today and raising these points will be understood in the light in which I am endeavouring to place them before this Assembly. If perchance in some quarters they are not received and considered in the light that I am endeavouring to present them, the consequences are mine and I am prepared to accept them. But in conclusion may I say, Madam Speaker, in my opinion a solemn undertaking was given by the First Minister a year ago last February, that in consideration of this particular matter and this

(MR. PAULLEY cont'd). . . . .subject that there would be certain areas of principle from which we would not deviate, and I regret that with the piece of literature, the bill that we have before us today, it appears to me that these principles have not been adhered to. It also appears to me -- and I once again appeal to the Honourable the Minister of Education: Do not proceed with this bill until the people who made representation to the committee and are vitally interested in this problem have a full opportunity to give to the government, if not to the committee, the advantages of their knowledge in this what I suggest is one of the most important, if not the most important, piece of legislation that's been before this House in my 12 or 13 years of being a member, or indeed, Madam Speaker, so far as education is concerned in the Manitoba Province the most important piece of legislation that has been before this or any other Assembly since 1890 or 1916.

I appeal in conclusion once again, Madam Speaker, to the members of this House: Exercise your full freedom of choice in this matter to read very thoroughly and very closely the legislation proposed by the Honourable the Minister of Education, and to bring into your confidences those people outside of this Assembly who are deeply concerned with the school question, who are deeply concerned with the problems of education here in the Province of Manitoba.

MR. M. N. HRYHORCZUK, Q.C. (Ethelbert Plains): Madam Speaker, I don't intend to speak either for or against the bill, but I do want to express the opinion that I'm in agreement with the Honourable the Leader of the NDP Party that this bill can be interpreted in the manner in which he interprets it. The bill provides that there must be an agreement between a public school and a private school, approved by the Minister, and once there is an agreement and approval given, that any public school services can be offered that there are in that public school, which means it covers all of the curriculum in the public school. There is nothing in the bill that states where those services are to be given. It says provide these services. In other words, you could send your public school teaching staff to a private school and provide those services, as long as they are under the supervision of the public school. Now there's no doubt you can argue this matter the other way, but that interpretation can be placed on the bill as it stands, and from the remarks made by the Members of the Government while the Honourable Member for the NDP was speaking, it would appear that that was not the intention of the government. Well, if it was not the intention of the government, then that should be spelled out clearly, so there would be no question as to what the bill means. Madam Speaker, I agree with the Honourable Leader of the NDP that that doubt is there and that that bill can be interpreted exactly as he has interpreted it.

MR. GORDON E. JOHNSTON (Portage la Prairie): Madam Speaker, I do not intend to speak on this bill but I would like to ask a question, perhaps to be answered by the First Minister or the Minister of Education. Since, upon the vote to accept the Shared Services Committee report, the Premier made an appeal for a free vote, and I think it's no secret that on this side there was a free vote - I don't know about their side, the government side - but I would like to ask if it is the intention of the government group to vote in a free vote or along party lines on this bill.

MR. E. R. SCHREYER (Brokenhead): Madam Speaker, when speaking to the resolution on concurrence, I indicated that I would feel myself more or less obliged to vote for the legislation when it appeared, and I intend to keep that commitment, although I must say that there are some aspects of the bill which aren't clear and which could therefore later cause me some regret. However, I hope now to make clear what my disquietude is about.

I will begin by saying that in Page 1 of the bill I find favour; I find favour with the conditions laid down, which conditions really are in a sense a safeguard for the public school system in rural Manitoba. This is the way I see it. It has always been my contention, my feeling, that a measure of assistance, of public assistance or aid, would not hurt the public school system in the built-up areas at all, and I still stick by that. However, I did express that in rural Manitoba one had to be careful of the extent to which one would proceed with aid to private and parochial schools. Now I think that in Section 157 A that the safeguards are there, and that no rural divisional high schools will have their enrolment reduced below that which is optimum as a result of the stipulation here that there must be a certain student enrolment in a division, and so on. So I am happy with those conditions.

On Page 2 of the bill, we see that the conditions, or rather the agreement which may be worked out between a division or a district and a private school, that this is left in the bill on a permissive basis. And because it is permissive, which is fine, I suppose there was no need

(MR. SCHREYER cont'd). . . . .to consult formally the particular districts or divisions that have in them located the private and parochial schools as listed in Schedule C. I recall the Member for Selkirk asking yesterday whether the divisions or districts affected - that is those districts or divisions containing in the geographic unit a private or parochial school - whether or not they had been consulted. The Minister did not reply to that question I don't think. I am of the opinion that since the legislation is permissive, this question is not perhaps too crucial. However, I think it is important to ask and to be told by the Minister: those private and parochial schools that are listed in the addendum in Schedule C, have each and every one of them been asked as to whether or not they wish to appear in the schedule? It may sound like a silly question but the reason I ask it is because I have been under the impression - perhaps the misapprehension - that one or two of these listed schools were not particularly anxious at all to receive or to be even considered for the receipt of shared services or public aid, etc. I think we should be told if they have been asked, or if they have asked, to be considered in this Schedule C.

Now as to the point raised that the drafting - or not the drafting perhaps but the language - of Section 157 B, Subsection (1), sub-clause (b), the point has been made that the intention there is not clear at all, and I must agree that it lends itself to diverse interpretation. Now this is important. Those members who recall - not recall but think back - their reading of the controversy surrounding the Manitoba school question, know that among other reasons one of the causes of the controversy was the legal language of The Manitoba Act, and that Section 22 of The Manitoba Act, which is practically a re-statement of Section 93 of The BNA Act, that a couple of words were changed and added, and on this hung judicial cases and legal wranglings and appeals all the way up to the Privy Council. May I in all humility suggest to the Honourable the Minister, that if it is the government's intention - and I presume it is - to restrict the service to be offered, to restrict it to being offered in the public schools, that the words "which service is to be provided" should be inserted after the word "school" in the second line of sub-clause (b). And that seems to me it would make it pretty clear just what the intention is.

I may say that for my own part, for my own part it doesn't matter to me. In fact I prefer, in a sense, the present wording because it would extend or it could be interpreted to make possible the extension of services to students within the private or parochial school, which is after all a position that I can endorse. The Honourable Minister knows my position. But whatever my position is, I am sure that this government would not want to pass legislation that is unclear or that could be construed as being deceptive, and even if I favoured a position, if I felt that there was something deceptive in the way it was being advanced, I would say so. And so I think that the government, the Minister, must acknowledge that in 157 B, sub-clause (b), there is a point of contention, simply because it is not clear there whether the service to be extended is to be extended to private school children only while in the public school. Common sense would rather tell you that this service would be extended only to private school children only when in attendance in the public school, but a lawyer could make a case for the opposite contention. And why pass this when you can see right now that it opens the door to litigation and dispute and wrangling and so on.

I may say, Madam Speaker, before I take my place, that I am happy, very happy, that in Schedule C we have a list of private and parochial schools which represent a wide cross-section of religious denominations and faiths in our province. We have not just the schools of one religious group but we have the schools of at least five, possibly six, and I support that wholeheartedly. I am not so sure that I could support the concept of shared services or aid if it were to be expressly restricted to one denomination, but I think what we are doing here is the liberal thing to do - and I say liberal with a small 'l' - and I think, on reflection, the right thing to do. It's not the kind of position I would like this whole question to ultimately arrive at, but in the meantime I think that it indicates reason for my supporting it.

MR. J. M. FROESE (Rhine-land): Madam Speaker, I haven't had a great deal of opportunity to look at the bill but I notice on the first page, under Part VIA (b) that it says "Grade IX to VII." I suppose that's an error in the printing; it should read "Grade IX to XII," I expect.

Mr. Chairman, on looking at the bill, I think it's better than the resolution that we had before us. At least I like it better. And while I would have some questions, I think I'll leave this to the committee stage. I definitely intend to support the bill.

MR. STRICKLAND: I beg to move, seconded by the Honourable Member for Souris -

(MR. STRICKLAND cont'd) . . . . .Lansdowne, that the debate be adjourned.

MADAM SPEAKER presented the motion and after a voice vote declared the motion carried.

HON. DUFF ROBLIN (Premier and Provincial Treasurer) (Wolseley): Madam Speaker, I beg to move, seconded by the Honourable Minister of Agriculture, that Madam Speaker do now leave the Chair and the House resolve itself into a Committee to consider of the Supply to be granted to Her Majesty.

MADAM SPEAKER presented the motion.

MR. MOLGAT: Madam Speaker, before the question is put, I wonder if I could ask a question of the First Minister regarding the procedures in the House. There have been a number of days gone by now since we had any discussion of private members' resolutions, a number of which are still on the Order Paper. There are also a number of bills brought in by private members that have not come up for further discussion. Could the Minister indicate when it will be likely that we will be proceeding with these private members' affairs?

MR. ROBLIN: We'll be proceeding with them, Madam Speaker, after we finish the estimates and complete the Ways and Means Debate and have concurrence - in other words, clean up the government business. Then we'll go on to the private members' business.

MR. MOLGAT: Did I understand correctly? We will go through the estimates, have the Ways and Means debate, concurrence and then private members' business.

MR. ROBLIN: . . . . .finish the government business and then we'll go on to private members' business, or private members' bills.

MR. MOLGAT: And do we have the assurance that no matter be allowed to die on the Order Paper, that they will in fact come up for discussion?

MR. ROBLIN: Madam Speaker, I give no assurance of that sort but it's not the government's intention to cut anything off in the way of debate.

MADAM SPEAKER put the question and after a voice vote declared the motion carried, and the House resolved itself into a Committee of Supply with the Honourable Member from Winnipeg Centre in the Chair.

#### COMMITTEE OF SUPPLY

MR. CHAIRMAN: 32 1(a) passed --

MR. NELSON SHOEMAKER (Gladstone): Mr. Chairman, is it the Minister's intention to answer any of the questions that have been put to him at this time? He is not going to answer any questions, as of now. Well, Mr. Chairman, this is rather unusual for my honourable friend because - but we're learning new things all of the time, and I'd like to say a few words at this time.

I noticed that the Minister in his opening remarks was pretty careful to say that the gross farm income had established a new record, I think, for Manitoba. When I asked him some days ago what his definition of net farm income was, he said, "It's what you have left over after all of the bills are paid," and Mr. Chairman, that's just one of the problems. The major problem with agriculture today is that there isn't any money left over after you pay all the bills; there isn't enough left over that's for certain, and that has been pointed up pretty clearly by not only the Farm Union group but a lot of other organized farm groups, and I know that my honourable friend doesn't place too much faith in what some of these groups say and he probably suggests that they use statistics to favour their position, but who doesn't? Who doesn't use statistics to favour their position and point up what they say? Why Disraeli, I believe, was the fellow who started all of this. He said that there were three kinds of lies, I believe. He said there were lies, damn lies and statistics, and so it's only natural that people use statistics to their advantage.

Now in the fairly famous document that I borrowed from the library called "Survey of Markets for 1964-65" - my honourable friend probably has one in his desk - and it's put out by the Financial Post and they are quite an authority on things financially; on Page 213 of that report called, as I said, "Survey of Markets" - and this one is Market Data - it shows the farm gross income and the farm net income for Manitoba; and it certainly points up what the Farm Union people have said, that the net income, the net income is pretty small.

I believe that my honourable friend the Minister at the last regular session that we had went to some lengths to tell us of this group of selected farmers in the province who were conducting rather an experiment, and they were going to have surveys taken so that it would guide other farmers in the future. I understand that the surveys have now been made and they are

(MR. SHOEMAKER cont'd).....very, very discouraging. I had something to say about that earlier in the session and I'll have more to say about it later on. But I have said this time and time again, and I don't mind repeating this again, that my honourable friend who professes on the one hand to be the champion of the family farm, has designed legislation - or his government has - to put that family farm out of business; and I come back to the FFF farm loan. I have been encouraged to do this, Mr. Chairman, because the Minister of Industry and Commerce when we were dealing with his estimates tried to divorce himself from this type of thing and said that I should bring some of this up under Agriculture, and I guess this is the proper place to do it. So, Mr. Chairman, I would like to know whether the Honourable Minister of Agriculture, whether he was consulted prior to the loan or whether the loan was made, the three-quarters of a million dollar loan, Mr. Chairman, to the FFF; whether he was consulted prior to it; whether anything that he had to say influenced anyone in regard to the making of that loan.

I ask this, Mr. Chairman, in light of the four-page letter that the Minister of Industry and Commerce read to this House from the Friendly Family Farms, because the letter states that after consultation with the Department of Agriculture and the Department of Industry and Commerce and so on, that the loan was made; and I would like to hear the Minister get up in the House and say exactly how they arrived at the loan and all about it.

Mr. Chairman, the Honourable Member for Rhineland has said that he wasn't -- I think to quote him exactly he says, "I'm not sold on ARDA" and the reason that he is probably not sold on ARDA is that it takes an expert to try and explain to anybody's satisfaction what it's designed to do. The other night at Plumas, the Ag Rep - and I rather felt sorry for him - was trying to explain what the ARDA programs were intended to do for an area and how it would benefit every farmer within that area. Now in the Riding Mountain-White Mud River Watershed that embraces all or part of 17 municipalities - towns and/or municipalities - I know that the people there that had a great deal to do with this organization don't know where to turn now for advice, or they do not know what type of assistance that they can expect to receive, because the Riding Mountain-White Mud River Watershed Committee was formed I think at least ten years ago, and certainly was the first one of its kind in the Province of Manitoba. Certainly it was the only watershed in the Province of Manitoba that was officially declared a watershed, and I read last year the letter from the then Minister of Agriculture back in 1958 declaring that it was in fact a watershed district.

Well now, in light of new ARDA legislation it has completely changed the picture. It has changed the grant structure; it has changed everything; and not only has ARDA policies and programs had an impact and an effect on it, but the new program, that my honourable friend I guess hasn't touched on yet, the one in regard to the taking over of certain drains in the province as of May 1st, will also change the entire picture completely. And so this committee that hasn't really been -- well it hasn't been doing anything; that is - I'm talking about the Riding Mountain-White Mud River Watershed Committee (it's still a committee; they held a meeting a couple of years ago, they haven't held one since) - they are at a complete loss to know where they stand. And so, just last Friday evening I was invited to a meeting at Woodside along with the Honourable Member for Woodside, and the schoolhouse there was packed to the doors and they were standing in the doorway, packed to the doors with farmers who wanted to know: where do we go from here? Because, Mr. Chairman, out there they have a flood nearly annually in that particular corner of the province, and they want to know now, in light of the new legislation respecting the taking over of drains, where do they go. So I hope my honourable friend will be in the position to enlighten us in this regard.

I would like to know, too, Mr. Chairman, if my honourable friend's definition of a family farm has changed since the last session, because he did kind of define what he thought the family farm was at the last session. I wonder in light of the loan that has been made to the FFF if it has changed. And so, Mr. Chairman, I intend to touch on crop insurance and other phases of agriculture as we proceed along with the estimates - the Manitoba Agricultural Credit Act and so on and so forth - when we reach those various items.

MR. JOHN P. TANCHAK (Emerson): Mr. Chairman, it is pretty hard to debate on this since we have spent quite considerable time in the Department of Industry and Commerce on some of the farm problems, but I feel that I should say something. Representing a constituency which is almost entirely in an agricultural area, I believe that I should raise a few questions here. It has been mentioned that the chief problem of the Manitoba farmer, and in fact the Canadian farmer, is the cost price squeeze, and although I'm not going to condemn this

(MR. TANCHAK cont'd). . . . . government and say that the government hasn't done anything for the farmers - I wouldn't go that far; there was some legislation of benefit to the farmer - but I would say this, that the government has done nothing directly to alleviate this problem of the cost price squeeze. In fact I think the government has done quite a bit to aggravate this situation, and one has been mentioned. But another one which also has been discussed in the past is the refusal of the government to permit the use of coloured gas in farm trucks.

I don't know if all the members are aware how many farm trucks are being operated on the Manitoba farms so I'll just put it into the record. Of a total of about 70,000 trucks which are being used in Manitoba, the number of farm trucks is about 36-1/2 thousand farm trucks being operated by the farmers in Manitoba. That leaves about 33-1/2 thousand other trucks - that's including the PSVs and so on. Therefore you could see that the majority of the trucks being operated in Manitoba are those being operated by the farmer of Manitoba. Therefore, when we raise the question here in the House that we believe that the farmer should be permitted to use coloured gas in his truck, I'm sure that we're on the right track. Therefore if the government wishes to help the farmer, to help him to achieve a little bit of equity from his occupation, I still insist that the government should have acceded to this resolution of ours.

That's one, when I say that the government has done nothing directly to alleviate.

Now another one which aggravates the situation is this increase of the farm truck licence fees. First, there was an amendment here to a resolution providing that the government will reduce the truck licence fees - we don't know by how much - but it was this government which increased the fees just the beginning of this year. So that aggravates this situation also.

Now the third, in my opinion, that does aggravate this is this permitting of the Manitoba Development Fund to invade the arena of agriculture. It seems to me ironical when one department of the Manitoba Government -- and I'll give credit to the Department of Agriculture, the Honourable Minister, that he was trying in his own way to help the farm operators become more efficient operators, but on the other hand another department is utilizing public funds in huge sums to help finance some aspects of integration, that corporate type integration, which are so detrimental to the farmers of this province. So that's what I mean that the government is aggravating the situation.

Now a fourth point I'd like to bring up here is this excessive taxation, and I know that our farmers are not adverse to paying their fair share of the tax but when they're so unjustly taxed on the gasoline tax and also the increase in farm truck licences and on top of that they have to pay all the other taxes, I think that this is very unfair to the farmer. In my opinion a government which relentlessly continues with unlimited government expenditures, even though it may be expedient from a political standpoint, I don't think that the government is on the right track. As I said before, the farmer is willing to pay his share but the burden becomes so that the farmer cannot take it any more. Of course the government can come back and say, "But what about our tax rebate? We are going to refund some of the taxpayer's money, some of his school tax," but we shouldn't lose sight of the fact that in the first place it is this farmer's money, or this taxpayer's money, that is being, as the government thinks, so generously given back to him. Taken from one pocket and then the government is trying to put it in another pocket.

Another program of this government which concerns me and bothers me, and it is the program of increased production, as far as cattle are concerned, during the past few years. In my opinion I think that this promotion was ill-timed. It had the effect of making it expedient for some breeders to reduce their herds, and instead of producing the desired effect I think it is liable to produce the reverse of what the Minister was trying to do. I feel that the Minister should not have advocated this cattle population explosion as he has done in the past. I believe that the cattle industry should grow as the demand dictates, and I also believe if the demand for beef increased the increase would naturally come about just as fast as it could be absorbed by this demand. I would say leave it to the farmer, the stockgrower. I have faith in the stockgrower and I believe that he will know when it is expedient for him to go into increased production.

I have some other things that I'd like to discuss but this I wanted to say because I think that the government, although it has some policies that are worthwhile, there are some areas of the government policies that could be questioned.

MR. MORRIS A. GRAY (Inkster): Mr. Chairman, at the beginning of the century we had large immigration here, mostly settlers who occupied homesteads and have added to the name

(MR. GRAY cont'd). . . . . of Manitoba being the breadbasket of the world, and indeed this province, it was . . . . . immigration movement for development of the province so much that they have called the Minister of Agriculture until recently the Minister of Agriculture and Immigration. True, during the war there was no immigration, and as it required two names they added a name which is more or less adaptable. Recently, in the last several years, there were quite a few immigrants coming into Canada. I haven't got the figures now but I've noticed them in the Hansard. Now I do not know how many are settled in Manitoba. I do not know whether there's any available land for them to pick up in Manitoba but I do know that they are coming in here. Particularly now when the farmers are threatening to leave the farms on account of the shortage of labour, it should be timely enough and important that somebody be responsible to see whether immigrants could come here adaptable to the country's -- more suitable for this province. No. 2. Is there any help to be given to them? No. 3. How many men can we select or get here to help out the farmers, individual farmers? Otherwise if you don't do this, we lose the immigration, and some of them may have capital, and we lose the industry. . . . . probably unaware that one that had abattoirs in Europe, is now one of the largest producers of meats for local consumption and exporting it, in Saskatoon, and employing several hundred men. So I think perhaps while they are looking for industry, while they are looking for progress for the Province of Manitoba, that they have either been neglecting the farmers in particular with the labour shortage, at least that's what I read in the press, that's what everybody's complaining, and secondly, there may be certain farms that they could pick up. European countries are not too prosperous as yet and with the strike and not knowing whether they live through the night, and they say their prayers every night - that's the reason they say their prayers every night - I don't know whether they are too anxious to be down there. I'm not suggesting a mass immigration but I think we could assume here quite a number of them suitable to our own economy and industry. So my question is whether the government is considering it. My second question is whether there is anybody in the administration that could or would or does take care of it; and thirdly, I think that we could develop quite a bit of industry. The reason is that Europeans -- the fact is that they are coming, and not everyone is coming as we came years ago. They are coming with money and capital, and those who have not capital are willing to work, and all this year - it's a new year now - I think it should be carefully considered, studied, and helped.

MR. SCHREYER: Mr. Chairman, I'm sorry that I wasn't here this morning and as a result I wasn't able to hear the Honourable the Minister of Agriculture make his introductory statement, but I am looking forward to reading it in Hansard and also to listening to his follow-up answers. I suppose that if I had been here this morning I may have prompted the Honourable Minister to quote again from "The Deserted Village" as he likes to do from time to time. I suppose the Minister doesn't really need prompting to quote from that particular poem, however, Mr. Chairman, because the change taking place in agriculture today is such a rapid one that I'm sure that the Minister doesn't need any prompting to be aware of the furious kind of adjustment that is taking place - some of it, perhaps too much of it, painful adjustment. In fact the change is taking place so quickly that I'm beginning to wonder if in a few years' time the Minister of Agriculture may not become obsolescent, or obsolete, and that the function formerly performed by this department might not be usurped or pre-empted by the Department of Industry and Commerce. We have seen some evidence already of the kind of inter-relationship and transposition of functions that's taking place in our province - and not just in our province, I suppose, but other places as well.

In agriculture, fast as the change is, there are some sectors it seems in which the change is more rapid than in others. This is particularly true of the poultry industry, I suppose. I just heard on the radio coming here this noon hour that they have now developed a process - I suppose you'd call it a process - whereby hatching eggs are hatched by ultrasonic sound process, which process has the effect of making the hatch - or provides for the hatching to take place in a much smaller period of time, and not only that, but after the poul is hatched or the chicken is hatched, the rate of growth of the chicken is 35 percent higher or better than if it were hatched normally. So on top of all the other things we've heard about technology in the poultry industry, we now hear about ultrasonic sound in the hatching of eggs.

On top of all that, Mr. Chairman, there are those in the field of agriculture and outside, who are on what you would call an efficiency kick. Now it's true that in some ways the agricultural industry must improve its efficiency, but I think efficiency is a relative concept. Efficient, relative to whom or to what? I said before and I say again that much of the prodding

(MR. SCHREYER cont'd) . . . . . and much of the pushing of the agricultural industry toward greater and greater efficiency is ill-conceived and it is being advocated by people who are not in the industry in any dollars and cents way; they have no stake in the industry. It's all very well for them to sit back and make all sorts of calculations and theoretical computations and say that more and more efficiency must be injected into the industry. The trend toward greater and greater enlargement of the unit in order to obtain the economy or efficiency of scale is taking place in any case, and it doesn't have to be prodded and it doesn't have to be advocated quite as aggressively as it is being advocated by the arm chair experts. It's taking place anyway, Mr. Chairman, and since it is, what should a government in Western Canada or of any western province, or any province for that matter, what should it be looking at as a possible means or ways of easing the process of adjustment and readjustment? It seems to me that since scale is involved so much, that the role of the Co-operative becomes more and more important, and I would hope that this government is thinking or giving a high place in the order of things to the co-operative movement.

I didn't know just what the attitude of this government was toward the co-operative movement - it certainly wasn't hostile. On the other hand, you couldn't -- there wasn't much evidence that their attitude was one of obvious support until the incident or episode out at Blumenort, which leads me to think that this government is not particularly anxious to stimulate or encourage the co-operative movement, that the attitude of this government to the co-op is one of neutrality at best. I wonder if it isn't time, therefore, to really think more specifically and to think more positively about the co-op movement as one of the means by which the independent farm operator may yet salvage his position and help himself to stay in operation and make a reasonable go of things.

I'm also wondering if it isn't time to think about the possibility of licencing of farmers. I'm sorry I wasn't here this morning; I don't know if this has not been raised yet. A few years ago someone had said, "Well, licencing of farmers." I would have tended to regard that as unnecessary speculation or unnecessary conjecture or as advocating something that was too radical and ill-conceived, but the more I think about this matter of licencing of farmers, the more I am inclined to think that the times, the times are coming to necessitate, in order to give protection - and I use the term without apology - in order to give protection, not of the inefficient farmer, but in order to give protection to the reasonably efficient farmer against encroachment by corporate style producers. That is to say, not against farmers who wish to increase their unit and volume of production, but against those who enter into agriculture merely as an interesting sideline. It seems to me that those people who go into farming as an interesting sideline, who really make their living - perhaps even their mint - in some other field, are treating agriculture in the same way that a normally respectable man treats his mistress. The relationship is the same - an interesting diversion.

Well, Mr. Chairman, I think that it is becoming obvious that more and more people are going into agriculture, not because this is a meaningful way of life to them, not that it's even a major part of their livelihood, but merely because they think they see an opening; they've got some extra capital; and they want to play around. I return to that idea - the analogy, I think, still applies. I think too that besides the role of the co-op and the possibility of licencing farmers that it is time for all groups, all parties, to make no apology when they advocate price supports at a more substantial level than they are now. After all, the government at Ottawa just a few months ago entered into a deal with the United States relative to the automobile industry, and that deal amounts to a \$50 million bonus for the automobile manufacturers. If it is in order for the Government of Canada to give a \$50 million bonus to the automobile industry, it is equally valid that the Government of Canada should be called upon to make up the \$50 million income loss which the western economy has lost because of the drop in the price of wheat. In fact, the two figures are amazingly close one to the other. The auto industry gets a \$50 million bonus; the western farmer makes or suffers a \$50 million loss. And when a resolution is proposed that the government at Ottawa subsidize this loss by \$50 million, it falls on deaf ears or almost on deaf ears, which seems to me to be an indication of discrimination, as entreatment, as between two different sectors of our economy. So I think that it is not wrong and I don't think it requires apology to advocate more substantial price supports; and I think that the price support issue should be also related to scale of operation. I don't think that we should advocate price supports without limit as to volume per farm unit, but that some reasonable unit be conceived of.

Finally, in this same connection, Mr. Chairman, I think that marketing boards are very

(MR. SCHREYER cont'd) . . . . . much a possibility as a means of helping to solve this problem facing the medium size operator. Only I think that it is becoming clear that before a marketing board really settles down to effective functioning, it will naturally have a few problems that must be ironed out in the initial year or two. It is my understanding that the potato marketing board, for example, is working out relatively well but there is some disenchantment or dissatisfaction, not very much but some, and it's coming almost exclusively from the small operators and I gather it is only because of the quota allocation system.

And I don't mind saying right now, in order to give the Minister something specific to think about, that a marketing board that has to deal with both large, middle and small scale producers, that there should be an open attempt made to give somewhat of a break to the smaller producer. This is my understanding how the Wheat Board operates, on the initial quota and so on - the smaller producer does get a relative or a bit of a break and I think that the potato marketing board's position in the eyes of the smaller growers, would be enhanced if an adjustment were made insofar as allocations were concerned. I don't know whether this board is going to become a contentious issue or not. It is my feeling at the moment that there is only a small amount of dissatisfaction. But that small amount of dissatisfaction - small in numbers - is quite vehement in its quality and perhaps that signals some trouble ahead, I don't know.

In this matter of farm efficiency and size of operating unit, I just indicated some possible things that could be done to prevent too rapid and painful a process of adjustment. There are some things that should not be done however, Mr. Chairman, such as was done by the former Conservative Government which we had. They did some things that were good but one thing that it did that I feel was very bad, was its amendment of The Wheat Board Act which enabled the selling of feed grains, etc., outside, outside the Board's purview. This may have been welcomed by some farmers at first, Mr. Chairman, but one thing it did do, it had the effect of enabling corporate style operators to enhance their position. They were able to obtain feed without having to meet any sort of conditions of the Board, etc., and it went to enable them to expand their operations - and to expand their operation even more with the result, with the result that, -- and it shows up particularly now in the poultry industry, and to some lesser extent in the hog industry.

I think that some sectors of our agricultural industry are now at the point where they are almost beyond redemption insofar as the small and even medium scale operator is concerned. But I think that, unless we keep our eyes open, more and more of the sectors will trend this way to the point where eventually we will settle down with a farm population of somewhere in the order of four or five percent and when that point is reached, then as the Honourable Minister without Portfolio said a few weeks ago, we will have a landed gentry in this province. And when that point is reached then I'm afraid I shall have to say right now that I won't be particularly interested in the agricultural problem any longer, because when that point is reached these people remaining will know how to take care of themselves, they'll know how to manipulate supply and demand to suit their own ends.

It seems to me that one of the sectors of the agricultural industry is now thinking of asking for a marketing board to be established. I think this is probably the broiler industry. While I'm in favour of marketing boards, and I say so without equivocation, I have two reservations; one I have already expressed and that has to do with the way in which the allocation is made to the small, as opposed to the large producer and my other reservation is that I really don't think a marketing board is necessary when the number of producers in that sector are small in number. The less the number of producers, the less need there is for a marketing board, because they are then able to act in concert quite a bit without having to have a board do orderly marketing for them. And I don't mind saying so. A small number of producers if allowed to have a board, could perhaps obtain too powerful a position. I don't know what too small a number is, but it seems to me where there's less than 100, less than 75, a board is then no longer necessary after hundreds have been frozen out, out of production.

I was going to make a comment or two about ARDA but I would guess that the Minister did say something about this, perhaps rather extensively, so I shall not say anything at this time on that score.

Then finally, Mr. Chairman, I have one or two points relating to the floodway episode still and I'm wondering whether the Minister would want me to raise that now or at the end of the item. Well, very briefly, Mr. Chairman, my point to the Minister is this: that at the time when his department was negotiating for the acquisition of land for the floodway, just

(MR. SCHREYER cont'd). . . . . east of 59 in the Gonor-Narol area there, the department or the Minister of both, gave an undertaking to these people that even after the construction of the floodway their land on the far side would have access to a new PTH 59 that was to be built. Subsequently, that new PTH 59 was built and the land comes right up to it. However, the Department of Mines and Resources is, according to my information, taking the position that this land cannot be deemed to have access to the new PTH 59 and therefore they are not considering this as a factor in the estimation of the value of the land, which, Mr. Chairman, contradicts flatly the undertaking or the position taken by the Department of Agriculture and Conservation when they were negotiating for the purchase of the land in the same area.

Now there's a conflict of opinion, if you like, between two departments of the Crown and I have it fairly well documented with maps and a couple of letters and I would ask the Minister to try and indicate just how this problem can be reconciled finally. I have here a letter, if he wants me to read it, from himself to an individual in the area saying that - well I'll read the letter. Do I have your permission? This is on March 1st, 1965. "Dear Mr. X: This is in reply to your letter of February 9th, 1965, regarding access to your property on Lot 215, Parish of St. Andrews, lying east of the floodway. Under the arrangement discussed with you at the time, a portion of your property was acquired for the floodway. Access was to be provided by a service road along the east side of the new PTH 59 which, as you know, runs along the east side of the floodway. However, with acquisition of land in this area, including your land in question, for the Bird's Hill Park, it is now no longer necessary to provide access directly off PTH 59 to your land. It is my understanding that you are aware that this land has been taken for park purposes by the Department of Mines and Resources," etc.

Now the point is that the culverts were never installed simply because there was no point. The land was going to be expropriated for the park and if the park's going to be built there, why waste money putting in culverts? The point is that the culverts not having been put in, the Department of Mines and Resources is taking the position that there's no access there and they're refusing to consider access then as a factor in price determination and, Mr. Chairman, it sounds rough no matter how you look at it. It may be that this is the kind of a problem that can be settled with just a few words between two Ministers or somehow, but it should be dealt with.

MR. CHERNIACK: Mr. Chairman, I assure the honourable member I won't be long and also that the Honourable Minister knows my question and if he knows my question then he also knows that he has an answer. Unlike Ministers of other departments to whom I've directed this question, who did not have an answer, he has. The Minister may know that I'm looking for some \$5 million that seems to be lost in the estimates and I'm looking for money which was intended to be returned to the real property ratepayer out of the special levy of taxes which was carried through last August. Now I have found money in this department's estimates which seem to be for that purpose and in line with what was intended to be done according to the Honourable the Provincial Treasurer's statement, and that is the figure which appears under Item 15 (c) (3) namely, \$1,682,860. If I'm correct then this amount does form part of the \$19 million which I did find and I'm wondering if the Honourable Minister can inform me whether there's any more money of that type in these estimates of his department which I haven't located.

MR. DOUGLAS L. CAMPBELL (Lakeside): Mr. Chairman, the Minister himself set such a good example in introducing the estimates and which I must confess a bit unusual for him, of brevity, and my colleagues have followed and done the same, particularly the honourable member who just spoke, that I'm encouraged to try and make my remarks a little briefer than usual too. But I'm one who wants to start off by saying, Mr. Chairman, that I think there are some areas in which we must believe that there's an improvement in the agricultural situation and if any of the members except the farmers would listen to me I would be inclined to give rather briefly some of the highlights of what I think agriculture faced a few years ago, and then compare it with the situation where I think it is improved now; and that is that in this field that my honourable friend from Brokenhead touched on near the end, of stability to the farmer's income, I think there has been improvement made because up until we had some of these more modern programs, the farmer certainly had to face an undesirable combination of circumstances. He had to run all the hazards of production and they were more I believe than they are now, or at least the measures to help alleviate them were not as great as they are now, and he had the marketing problem to contend with and all the rest, to the extent that I think it can be generally conceded that as far as field crops are concerned,

(MR. CAMPBELL cont'd) . . . that the acreage times the yield times the price will represent the total value. I just did a little bit of checking a few nights ago on returns that have been made in the old days and I find that in a year not too far away, that taking acreage times yield times price, that the total return to the farmers of Manitoba was 12 times as high in one year as another -- 12 times as high in 1962 as they were in 1931 with not too great a difference in acreage. Now what other industry has ever had to face a situation like that? Twelve times as high in a 30-year period. And then the price alone, without taking into account the acreage or yield factor, which are of course are important, but the price alone has been more than six times as high in an even shorter period -- 1919 as compared to 1932. What other industry had to face a changing situation like that? If you take the average yield over the whole of the province of Manitoba there have been years when it's been three times as much -- and that wasn't high -- as it was in another year just in the very recent past, going back a matter of only 20 years.

Then if you go to livestock, and everybody knows that the livestock industry traditionally has not been quite as subject to violent fluctuation as the field crops industry, but even there, even there, the cattle price was more than ten times as high in 1951 as it was in 1933; and the hog price -- they traditionally haven't fluctuated quite as much -- was practically seven times as high in '51 as in '32. You will notice that there is a bit of a variation in those years as well. And so we could go through the list and I ask what other industry has ever had to face situations of that kind? No, no, not my honourable friend, no.

And then there's another opinion that's been rather widely held that I think should have some attention paid to it, and that is that the farmers were great wheat growers and that they have been growing too much wheat and that they have been increasing their acreage even in the face of adverse conditions. The fact is, Mr. Chairman, that Manitoba -- and I'm speaking all the time of Manitoba alone -- Manitoba reached 3 million acres of wheat 60 years ago; away back in 1906 we got to 3 million acres of wheat, and we've only been over 3½ million acres of wheat two times in all that intervening period. So it really hasn't been the difference in acreage through the years that has been responsible for the farmers' difficulties.

And I think that some of the things that have come into focus in more recent years have contributed greatly to the fact that we don't have this tremendous fluctuation to face that we did in those days, but in its stead has come this other problem that everybody is conscious of -- the cost price squeeze that people are talking about, and I had noted the same thing that my honourable friend the Member for Gladstone had, that the Minister when he spoke of the situation agriculturally in 1964 was careful to mention the "gross income" was the highest in history. Like my honourable friend from Gladstone I'd like the Minister to tell us what was the "net income", because this is what counts and what we are faced with now as I see it, we have a better situation than we had before so far as the violent fluctuations in price are concerned, goodness knows they were a problem, but now we have this other thing that has been operating in recent years and that is the squeeze between gross returns and net returns. Sure, the farmers are doing a better job because of a lot of different factors that I don't need to go into at all, they are generally well known. They're doing a better job of producing but they're not getting more money left in their pockets, generally speaking, and the reason is this squeeze and it's getting tighter; and to introduce the first critical note of my honourable friend the Minister of Agriculture and the government, the one mistake that I charge them with is that they made the mistake of pretending that they were going to be able to help this situation.

I'm fair enough to them to say that I think they believed that they could do something about it and they have done some things that I'm sure have been beneficial in total, but also in total the fact is that the squeeze is there and continues to get tighter and what do we find? I ask my honourable friend, as the Honourable Member for Gladstone did, to give us the net return in '64 rather than the gross, but we do have the situation as far as '63 is concerned. This is the year book of Manitoba agriculture for 1963, covering the crop year of 1963, and it gives the figures for that year, published by my honourable friend's department and a very good publication too, and what does it show? It shows that in 1963 the farmers did once again a wonderful job of production. They produced \$390 million worth but what was their net -- \$120 million worth. The production was down only \$36 million from that record year up to that time, of the '62, the production was down \$36 million but what is the other factor? The costs were up \$18 million. And that's the continuing price squeeze that we're in and I have no doubt that although the figures may vary considerably in 1964, I have no doubt that the trend was

(MR. CAMPBELL cont'd) . . . . likely the same. Indeed we have the word of another publication of my honourable friend's department "The Manitoba Farm Outlook" for 1965, and another excellent publication, but Mr. Chairman it gives scant comfort to the farmers who face this continuing cost price squeeze because here is what it says, in summary, and I'm reading from Page 2 of that report: "Slightly higher prices and a continuing trend to fewer farms with higher costs of production are in store for Manitoba agriculture in 1965. Small price increases over 1964 are likely in both livestock and crops as major groups."

Well this shows how the experts can be wrong because not only do we not have a higher price but, as far as wheat is concerned, the price is concerned, the price is down already since they gave this forecast. But the purport of this is that the prices are going to rise little, if any -- slightly is their word, but there are continuing rising costs and this is the problem that the farmers face and I'm afraid, by all the evidence that we have before us, that they're going to continue to face for some time.

I could deal with the publication from the Manitoba Farmers Union that my honourable friend from Gladstone mentioned and it shows that the index number of farm prices, as compared to the 1957-61 five-year average, has dropped. The prices have dropped, in 1964 compared to that five-year average by a little more than seven percent whereas the costs of the commodities and services used by farmers have gone up an increase of 14 percent. Or you can take the publication of the Canadian Federation of Agriculture which indicates the same thing.

Mr. Chairman, this is the problem that we face and this is the one that my honourable friend the Minister undoubtedly is concerned about too and I would like to know from him what now his department say they are going to do about it, because I could quote here, and I don't want to waste the time of the committee, but I could quote from the speech that my honourable friend the Minister delivered at the opening of the Outlook Conference a year earlier, or the one that the Honourable the First Minister quoted there. You know the longer I stay in the political atmosphere, the more I am inclined to remember what Job said, and he said, "Oh, that mine enemy had written a book," and the honourable -- I have no enemies in the House that I know of, and I don't refer to my honourable friend the Minister of Agriculture, but if he hasn't written many books, he has made a lot of speeches and they serve just as well for these purposes and the same is true of my honourable friend the First Minister, because my honourable friend the First Minister said, just a year ago that he was very very optimistic about the agricultural outlook. And we can be optimistic about the outlook as far as production is concerned. The farmers are doing a good job. Technology is helping out, mechanization is helping out, the plant scientists have helped out greatly. The programs have helped to stabilize the situation but the prices continue to go up and the spread between what the farmer receives and the cost of production continues to narrow and what's the answer to this in the long run? Now that's the question I want to pose to my honourable friend the Minister of Agriculture.

Then the one other thing, because I will be speaking on some of the other matters briefly later on, the one other thing that I want to remind him of is that I asked some time ago for the explanation of the size of the difference between aggregate production and net production as shown in the 1965 Budget Speech of the Honourable the First Minister and he said that he would deal with it later on. Does my honourable friend remember the occasion? I'd like him to deal with that sometime during these estimates.

MR. FROESE: Mr. Chairman, I already spoke briefly before and I didn't have my notes with me, although I had some thoughts and would be later on. I'd like to follow up what the Honourable Member for Lakeside just said in connection with the farm situation. Just the other day I got a copy of the Wheat Board report for the year '63-64 and the graphs and tables in this report are quite revealing too and they just give support to what the Honourable Member has just said. When I take a look at Page 20 of that report I find that the annual averages of Canadian Wheat Board selling quotations, basis in store Fort William - Port Arthur, for the year '61-62 are quoted here as, for 2 C.W. Durum it was 342½; a year later it was 256 1/4; and for the year '63-64 it was 216 3/4 - going down. And it's gone down still further since that time.

Then we take oats; 2 C.W. Oats is quoted as 96 cents for the year '61-62; 81 3/4 for the year '62-63 and 78 5/8 for the year '63-64. We continue on with barley; the year '61-62 it was quoted as \$1.43 7/8; the following year '62-63, it was \$1.30 3/4; and the year '63-64 it was \$1.23 1/2. All of these have gone down considerably.

(MR. FROESE cont'd) . . . .

Then we go on to a further table on Page 2 of the second section of this report, and here we have the yield rate of principal grains in the prairie provinces, and 1963, you had wheat - the average yield was 26 bushels. The following year, '64, it was down to 19.9. For oats, in '63 it was 48.6 and in '64 it was down to 40.8. For barley, in '63 it was 36 bushels; in '64 it was 30.1. In rye, '63 it was 19.2 and in '64 it was 17.3. In flax seed it was 12 1/2 for the year 1963 and 9.6 in '64. Rapeseed, it was 18.3 in '63 and 15.8 in '64. All of them are down and some are down considerably.

Then we have also the production figures, the production of principal grains in the provinces, and I'm going to quote the year '63 -- quoting them all would be too much -- and here we have wheat, in 1963, the production was 703 million; in '64 it was down to 578; in oats we had 304 million in '63, 206 million in '64 - down a hundred million almost. Then barley, we had 213 million in 1963 and 157 million in '64. This is also away down, almost 25 percent. They have rye, 11,180,000 in '63, 10,700,000 in '64. Then flax seed, 20,300,000 for '63 and 17,900,000 in '64. All these figures are a reduction and it just goes to bear out what the honourable members have said, that the prices are down, the production is down and this results in a lower income for the farmer. And as was already pointed out, the costs going up, so that we have a further squeeze on the farmer.

Now Mr. Chairman, I discussed the Manitoba Potato Marketing Board before and made some points. I have since secured my copy of the regulations and I would like to make some references to the regulations that were set up by the government and filed on the 18th of December 1964. And I would like to read certain sections of them because these sections later on have a bearing on the operations of the marketing commission and I think they in turn further restrict operations as I already pointed out before. It says here under Regulation No. 7: "Every registered producer shall pay to the commission for use of the commission's facilities and services, such charges as may be imposed by the commission from time to time." Here I would like to know from the Minister just what charges have since been fixed by the commission? What do growers have to pay for the services? Then in Section 9, they refer to pools that are being set up - that the commission sets up pools in certain lengths of time, that potatoes are being sold within, and those pools would then pay a certain price according to the amount that they have received. And the prices that are being paid within these pools can differ very sharply I understand, and I would like to know from the Minister how many pools have so far been established this year, since the marketing board went into effect. How long a duration are these pools that they have exercised during this time?

Then if I go down a little further to Regulation 11, and this reads as follows: "Notwithstanding anything contained in this regulation, a potato producer may (a) make on-the-farm sales of potatoes to a consumer in lots approved by the commission; and (b) with the written permission of the commission, operate a road-side stand for the sale of potatoes to a consumer." In connection with (a), the on-the-farm sales - it has to have the approval from the commission and how large a lot will they approve? Is this only small lots of just a few bags or what does this pertain to? Can they sell large amounts under this section?

Then going down to Regulation No. 12 and here this section deals with the exceptions: "This regulation does not apply to" - and then they go on - "(a) (b) (c) and (d)" And under (c) I would like to read, "Producers in an area designated from time to time by the commission and approved by the Manitoba board". Does this mean to say that we have certain areas in Manitoba, that are exempted from the operation of the commission and whereabouts are these areas? Are they just in northern Manitoba or will certain producers in the southern part or in the western part, be able to produce potatoes and not be subject to the commission's rules and regulations? (d) says, "A producer who in the opinion of the commission, it is not necessary to control." Apparently there are some areas that they feel that are not necessarily that they have to be controlled.

Then there's a circular that went out from the Manitoba potato marketing commission, the date is April 21st, 1965, and the circular is No. 13. And here the commission outlines the regulations that they will impose in connection with quotas and Item 5 reads this way: "The commission will use as a basis for quota purposes, the higher figure of either a three-year average acreage planted, or 80 percent of the highest acreage planted in any one of the three years 1962, 1963 and 1964 in all categories of table and seed potatoes."

Then I go down a little further to Section 8 of the same sheet and then here it reads: "New or increased production of all varieties other than Netted Gems will be dealt with as follows -- I understand Netted Gems are used for shipping, so that they do not come into the category:

(MR. FROESE cont'd) . . . '8 (1) -- On planting up to ten acres, 20 percent will be recognized for quota purposes; (2) on next ten acres planted, 15 percent will be recognized for quota purposes; and (3) on planting over 20 acres, 10 percent will be recognized for quota purposes, providing however that the maximum increase for any quota will be limited to 30 acres. "

Now Mr. Chairman, when I was speaking earlier under the Minister's salary I mentioned that it would next to impossible for any new grower, to come in and this just substantiates that very fact, that if you have new plantings, if a new growers come in, that he plants ten acres, he will receive a quota from 20 percent of that acreage; if he plants 20 acres, the next ten acres, he will get a 15 percent quota, on the next ten acres; and on anything over and above the 20 acres, he will get a 10 percent quota. Now a farmer cannot begin to operate and go into potatoes on that basis, that if he is only going to be able to sell ten percent of his production. It doesn't nearly cover the cost and therefore this just means that new growers will be excluded and even the increased acreage under this system is subject to a quota system. So that, I feel that this is very discriminative and that, as I pointed out earlier, this means that we will have fewer and fewer growers in Manitoba and larger and larger growers, which amounts to the same thing as the Family Farms. So that we're not encouraging it at one point, it's being done in another section as well.

Then, I think the other matter is that the Cabinet has passed certain regulations but the commission itself is making much further restrictions than the regulations that are set down. So here we've passed on powers which should never have been passed to a commission of this type and I feel that this law should be taken off our books completely. I hope the Minister has something more valid to qualify the existence of the Manitoba potato marketing board.

I also see that on the estimates before us we are allotting \$14,746 to the Gardeners' Co-op, which is working in conjunction with this board I understand; and this means that only a very few people will be able to take advantage of this 14,000 that we are spending under that item. I would like to know from the Minister how many members there are to Gardeners' Co-op; how many actual producers there are that are members of Gardeners' Co-op, so that we would have some idea as to what is happening there and what we are doing with our funds that we are allocating to this item.

A further matter that I would like to have some clarification on has to do with the agricultural research and experimentation. I find on Page 111 under the soil science section, that there apparently is a map of the Winkler area available. It says here, "Winkler Map Sheet Area; surveyed area and report status same as in 1963. However the 1963 report did not include reference to ground water studies which have been concluded this fall. These studies consisted of measuring salinity and ground water fluctuations in soil being considered for irrigation. Three years data on water level fluctuations have been gathered. This information should prove extremely valuable in consideration of irrigation suitability. "

I also notice that there are other areas like the Carman area where similar studies are made and maps are made available. I wonder if these maps are available to members, if we could have a look at them and also be more closely and better informed on this whole matter of irrigation that once we have the Pembelier dam, it should come into reality, that we as members would be better informed and also better able to advise our people back home. I would appreciate if the Minister would inform us on this matter.

These are some of the matters that I felt I should raise. I also have one other item here. I don't know if I should bring it up at this time. This has to do with the family farm unit. I have referred to this on other occasions. Last fall there was a special session of the -- I think it was the Winnipeg Chamber of Commerce, the Agricultural Bureau of the Winnipeg Chamber of Commerce, that put on a panel discussion and the subject matter was "The family farm concept, - right or wrong." And one of the participants was Mr. Ralph Hedlin and he produced a written copy of an outline of his beliefs in this matter and later on in the discussion he also made reference that Mr. Gilson who was another participant in the panel, had more or less subscribed to this same idea. And I would like to read a paragraph or two from this section because I think it has a bearing on the future outlook of the family farm unit in this province, if this is actually a government policy that is being expressed here. And I'm quoting now: "Experience has confirmed that on balance and on the average the family farm is the most efficient unit for producing food, but this implies a definition of family farm in economic terms. Perhaps the most useful definition is the one given by Dr. Craig Johnson of the University of Manitoba, at the Resources for Tomorrow Conference in Montreal in 1961. His definition is that a family farm

(MR. FROESE cont'd) . . . . is 'a unit in which (1) the operator makes all or most of the management decisions; secondly, most of the labour is provided by the farmer and his family; and thirdly, it is a farm unit with sufficient resources, land and capital to provide the family with an adequate minimum standard of living; and fourthly, there's a reasonable security of tenure'."

I should probably read a further paragraph: "Agricultural fundamentalists apply only the first two criteria and so inevitably they come out against any significant modifications of the agricultural status quo. It might be useful to look at some of the farm industry needs that they ignore and so try to define the role of the real family farm in agriculture of the future."

And then he goes on to give some more of his views; but in the discussion that followed later, it was pointed out that in order to be an economic unit with sufficient land and capital, you had to have an 800-acre farm. Now, I would like to know from the government, is this accepted by the government? Do they think that a family farm unit is an 800-acre unit? Because if that is the case then I would say better than 90 or 95 percent of the farm units in my constituency are not economic units because we have a lot of smaller farms - two quarter-section farms or some with less than that, and I for one don't see that we should accept this and work accordingly trying to achieve just that - to have 800-acre farms. Once we accept this as policy it would mean that we'd be working toward 800-acre farm units and I certainly could not subscribe to that at this particular time. I wonder if the Minister would have some remarks to make on this.

HON. GEORGE HUTTON (Minister of Agriculture) (Rockwood-Iberville): Mr. Chairman, I'll start to answer some of these questions. I think I'd better start with the Member for Rhineland who has just spoken and reply to his comments on a marketing commission. I will be very frank with the Members of the Legislature. I think that we have a choice to make and so do the farmers of this province and this country. When you read about the European Common Market and what's happening over there, the organization that is being established -- the policies being established -- which are in terms of agriculture completely inward oriented, I think that the farmers of Manitoba, and this nation are going to have to compromise a little bit with one another, and decide whether they're going to stand together, give up the little bits of this traditional freedom and independence that we cherish, or we're going to go down the drain. Now maybe it will be one of Mr. Hays' flush toilets that he's talking about having every farm have, but I think that we have to make a choice here.

I don't think that many of us, if any of us, cherish or entertain very kindly the idea of the loss of independence and the loss of freedom that the farmer, as a free enterprising entrepreneur has enjoyed for generations. On the other hand we have heard enough here today from the members to indicate that he's up against a very real problem and it's one that he's having growing difficulty in solving by himself. Now the co-operative movement has proven to be a very useful and helpful way of getting around these problems but it hasn't entirely solved the problem. In the grain trade, for instance, we have wonderful co-operative organizations like United Grain Growers and the Pools of the three Prairies but we needed the Canadian Wheat Board in regulated marketing to give us even the stability of income that we enjoy today. Oddly enough, the farmers of this western part of Canada worked diligently, and worked together, to perfect a grain marketing machinery which is second to none in the world, but then they just seemed to -- once they'd done that they quit. Now if anybody thinks that the vote that was held -- in 1947 wasn't it -- on coarse grains, which indicated the satisfaction of the farmers or otherwise - if anybody thinks that that vote would be reversed today, I think that the only way they could contemplate seeing reversal would be that the figure of 89 percent in 1947 might be turned around and it might be 98 percent would be in favour of it.

I think that we learned through that experience that we could lose some freedom of choice and that it was good for us. Now I admit that in the case of the potato marketing commission, it has meant adjustments, it has meant adjustments for individuals; it has meant they lost the freedom on the part of growers to do as they liked, but if they want to do what they like, well then they can't have regulated marketing and the question arises as to whether they really want orderly marketing or whether they want the chaos that has existed in the industry up until the 4th day of January this year.

My experience has been that there have been very few complaints. They have been rather vociferous, where they arose. They arose out of a development in the potato industry or potato marketing that was bad, because the situation had been so chaotic that growers had actually got into the wholesaling business. They were marketing their potatoes directly to the

(MR. HUTTON cont'd) . . . retailer. Now the wholesale trade in vegetables is a very important section of the business of selling vegetables - in this case, potatoes, because the wholesale trade controls the outlets for our Manitoba grown products. So if we were going to get co-operation between the growers, the wholesaler and the retailer, then this meant that there had to be an understanding, that growers weren't going to trespass into whosalers' area, and vice versa, because these wholesalers that are handling our products here in Manitoba, also handle that product outside of Manitoba and they are the key to selling more Manitoba potatoes.

So one has to weigh the loss of freedom and choice on the part of a few growers who had gotten into the wholesale business, against the best interests of the industry at large, and -- (Interjection) -- Yes, it was a kind of vertical integration, I guess. But it arose out of the fact that growers were finding it increasingly difficult, due to the cost-price squeeze, if you like, to make ends meet by simply growing potatoes and selling them to the wholesaler. Well the feeling is that if the wholesalers and the retailers are going to support and co-operate with the growers in effecting a stability of price for him in the maximum market and then they didn't want to see the growers cutting their own throats, so there had to be a definition of roles here.

I'm not going to argue that it wouldn't be better if we didn't have to have some regulations but I'm going to say that on balance, the growers are going to be in a stronger position than they have been in the past and that it will provide for an orderly development of the potato producing industry in Manitoba. I don't know whether the Members are all -- (Interjection) -- I just want to say this, if you will let me - I don't know whether you are all in possession of a circular that was put out by the potato marketing commission in which the goals and the means of achieving those goals were pretty well covered by the commission. I was under the impression that all Members of the Legislature had been sent one of these circulars -- (Interjection) -- Well if you haven't got it, I'm going to make sure that you do get it.

MR. ROBLIN: Committee rise.

MR. CHAIRMAN: Call in the Speaker.

#### IN SESSION

MR. CHAIRMAN: Madam Speaker, I wish to report progress and ask leave for the committee to sit again.

MR. COWAN: Madam Speaker, I 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 8:00 o'clock Wednesday evening.