

THE LEGISLATIVE ASSEMBLY OF MANITOBA,
8:00 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

MR. R. O. LISSAMAN (Brandon) introduced Bill No. 93, an Act to validate By-law No. 3739 of the City of Brandon.

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

MR. DOUGLAS L. CAMPBELL (Lakeside) introduced Bill No. 140, an Act to amend the Revenue Act, 1964.

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

MADAM SPEAKER: Orders of the Day.

HON. DUFF ROBLIN (Premier and Provincial Treasurer) (Wolseley): Madam Speaker, I would like to table a Return to an Address for Papers, No. 1, on the motion of the Honourable the Leader of the New Democratic Party respecting The Health Act.

MR. GILDAS MOLGAT (Leader of the Opposition) (Ste. Rose): Madam Speaker, before the Orders of the Day, I would like to direct a question to the Minister of Education regarding the new Northern Division that has been established and the Cranberry Portage School. Is it correct that students from the southern area, that is from schools for example like Hillridge or Comeau in the vicinity of Lake Manitoba will be taken to the Cranberry Portage school for higher education?

HON. GEORGE JOHNSON (Minister of Education) (Gimli): Madam Speaker, as I explained at the time, these particular schools -- there are these isolated schools in these areas mentioned, plus the northern part of Matheson Island for example in my area -- the idea was that as we put Cranberry into operation that secondary students from these sites be brought to Cranberry for this secondary education, secondary, 9 to 12.

MR. MOLGAT: Madam Speaker, how does this tie in then with the programs the Minister announced of integration of the Indian and Metis schools into the school system of the province, because I'm speaking now of these two specific schools like Hillridge and Comeau, the Minister may not be aware of exactly where they are. They are in the vicinity of the Narrows on Lake Manitoba. Now those schools are some 30 or 40 miles from the present division school of the Turtle River division. Are those students to be transported some 300 miles to Cranberry Portage?

MR. JOHNSON: Madam Speaker, I would like to get the precise detail on these matters. In general terms, because the students from these schools were not getting the opportunities -- haven't until now -- and should be given the opportunity for secondary education, this was the reason for initially including them as we said in that bill. However, I'd be glad to get more precise information for the Leader of the Opposition and give it to him and certainly the master agreement as signed with Indian Affairs is a very real step forward I feel; it should lead to greater diversification in placing students in public schools throughout the province. I'd like to get a more detailed answer to this specific question if I may.

HON. GEORGE HUTTON (Minister of Agriculture) (Rockwood-Iberville): Madam Speaker, before the Orders of the Day, I'd like to table a Return to an Order of the House No. 48 on a motion of the Honourable Member for Brokenhead, a Return to an Order of the House No. 49 on the motion of the Honourable Member for Brokenhead.

MADAM SPEAKER: Order for Return.

HON. OBIE BAIZLEY (Minister of Labour) (Osborne): Madam Speaker, before the Orders of the Day, I beg leave of the Members that I might be permitted to share information with members of the House received recently from the Committee reviewing labour legislation.

The letter is dated Winnipeg, May 4th: "The Minister of Labour: I have been instructed by the Committee on the review of Labour Legislation to present to you a number of recommendations for amendments to The Labour Relations Act in regard to unfair practices. These recommendations were unanimously approved by the sub-committee and by the full committee

(MR. BAIZLEY cont'd). at meetings held May 3rd, 1965. These recommendations, together with the explanatory comment outlining their desirability, were contained in a memorandum prepared by me on the instruction of the sub-committee. This memorandum was approved unanimously by both the sub-committee and the full committee at the meetings of May 3rd and I am enclosing a copy of this memorandum in its final amended form. It may be of help if I summarize for you the proposed amendments recommended by the committee. They are: 1. To change the heading preceeding Section 4 of The Labour Relations Act from 'unfair labour practices' as it presently reads to 'permitted and prohibited acts'. 2. To extend the present prohibition of subsection (3) of Section 4 to make it applicable as well to unions and persons acting on behalf of unions and persons acting on their own behalf. 3. To include a new subsection declaring the right of an employer, union representative or any other individual to express his views in regard to union activity, provided that those views do not amount to intimidation, threats or undue influence. 4. To provide that (a) during the period prior to the signing of a collective agreement, this is the attempted organizing period, that the Labour Relations Board should be authorized to receive complaints regarding an employee's rights under the Act; (b) the Board should have available the services of investigators who would be responsible for investigating and, if possible, resolving the dispute regarding the employee's rights; (c) the Board should be empowered to hear cases not resolved by investigation and to render decisions on them; (d) the board should have authority to order an employer to do certain things, designed to restore to an employee all of the rights and employment which have been denied him by the wrongful act of the employer, this including payment of wages etcetera, which would have been his had he not been denied his rights. The Board should also have authority to order an employer to refrain from continuing to deny employees their legal rights and to order a union to do or cease from doing things which, if not done, or done respectively, would deny a man his rights under the Act. The committee made two additions not included in the memorandum. One of these would provide that an employee who proceeds to seek his remedy for an alleged prohibited practice by way of the Labour Relations Board would forfeit all claims, and forms of actions or suits arising out of the alleged practices. The other would provide that the Labour Relations Board be empowered to use screened panels of the Board which would allow it to weed out cases which were, on their face, frivolous and vexacious without the need for a formal hearing and representation by the parties.

The memorandum noted that the Board's authority should be limited to remedies designed to ensure the employee's rights. They should not be granted the power to fine or punish anyone for violations of the law. The damage to the employee should be repaired by the Board and nothing more. I should note for your information that the committee had in mind, as a pattern for the changes it proposed, Section 65 of The Ontario Labour Relations Act." Signed Your truly by the Secretary Ben Lepkin for H. D. Wood, Chairman of the Labour Management Review Committee.

I might say Madam Speaker that these are the recommendations that the government will consider during the next year.

MR. T. P. HILLHOUSE (Selkirk): Madam, I wonder if the Honourable Minister would permit a question and a request. Will you be furnishing the Members of the House with a copy of that memorandum?

MR. BAIZLEY: to do that Madam Speaker, yes.

MADAM SPEAKER: Order for a Return standing in the name of the Honourable Member for St. George.

MR. NELSON SHOEMAKER (Gladstone): Madam Speaker in the absence of the Honourable Member for St. George, I move, seconded by the Honourable Member for Carillon, that an Order of the House do issue for a Return showing, for each year since its inception, the answers to the following questions regarding the Manitoba Crop Insurance Corporation: 1. What was the total of the premiums collected from the farmers in each of the crop insurance areas? 2. What was the cost of administration in each area? 3. What was the total amount paid out in claims in each of the crop insurance areas? 4. What was the total number of claims in each of the crop insurance areas? 5. What was the rate of commission paid to those who sold the crop insurance? 6. What was the total amount of commission paid in each crop insurance area? 7. Were any other commissions, travelling or selling expenses paid? 8. What are the names and addresses of these salesmen and what amount did each receive? 9. What was the total amount of the Manitoba Government contribution to the crop insurance plan? 10. What was the total amount of the Government of Canada contribution to the crop insurance plan?

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

MADAM SPEAKER: Order for a Return standing in the name of the Honourable the Member for Portage la Prairie.

MR. GORDON E. JOHNSTON (Portage la Prairie): Madam Speaker, I beg to move, seconded by the Honourable Member for Carillon that an Order of the House do issue for a Return showing: 1. Copies of all correspondence with respect to traffic counts between the government and 1. Shell Oil Company; 2 Imperial Oil Company; 3. B. A. Oil Company; 4. Texaco Oil Company; 5. Anglo Oil Company; 6. Radio Oil Company.

MADAM SPEAKER presented the motion.

HON. WALTER WEIR (Minister of Public Works) (Minnedosa): Madam Speaker, the correspondence requested in this letter does not exist. There is no correspondence of this nature, so I'm not prepared to accept the Order.

MR. MOLGAT: Madam Speaker, before a vote is taken on this, I wonder if the Minister could indicate whether or not, if there is no correspondence, is there then some information that went from the department to these oil companies? Were there studies forwarded to them; were there traffic counts sent to them?

MR. WEIR: Not that I am aware of Madam Speaker.

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

MR. JOHNSTON: Ayes and Nays, Madam Speaker.

MADAM SPEAKER: Call in the members.

MR. J. M. FROESE (Rhineland): Madam Speaker, on a point of order, would I be permitted to ask the Honourable Minister a question. I'm not sure whether I heard him correctly. Did he say there were no statements made?

MADAM SPEAKER: The question before the House is the motion of the Honourable the Member for Portage la Prairie.

A standing vote was taken, the result being as follows:

YEAS: Messrs. Barkman, Campbell, Desjardins, Hillhouse, Hryhorczuk, Johnston, Molgat, Patrick, Shoemaker, Tanchak and Vielfaure.

NAYES: Messrs. Alexander, Baizley, Bilton, Bjornson, Carroll, Cherniack, Cowan, Evans, Froese, Groves, Hamilton, Harris, Harrison, Hutton, Jeannotte, Johnson, Klym, Lissaman, Lyon, McDonald, McGregor, McKellar, McLean, Martin, Mills, Moeller, Paulley, Roblin, Schreyer, Shewman, Smellie, Stanes, Strickland, Weir, Witney, Wright and Mrs. Morrison.

MR. CLERK: Yeas, 11; Nays, 37.

MADAM SPEAKER: I declare the motion lost. Committee of the Whole House. The Honourable the Provincial Secretary.

HON. ROBERT G. SMELLIE, Q. C. (Minister of Municipal Affairs) (Birtle-Russell): Madam Speaker, in the absence of the Honourable the Provincial Secretary, I move, seconded by the Minister of Labour, that Madam Speaker do now leave the Chair and the House resolve itself into a Committee of the Whole to consider the resolution standing on the Order Paper in the name of the Provincial Secretary.

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

COMMITTEE OF THE WHOLE HOUSE

MR. SMELLIE: Mr. Chairman, His Honour the Lieutenant-Governor having been informed of the subject matter of the proposed resolution, recommends it to the House.

MR. CHAIRMAN: The resolution before the committee is as follows: WHEREAS the Legislative Assembly of Manitoba, at its Fourth Session of the 27th Legislature, on the twelfth day of April, 1965, passed the following resolution: WHEREAS a committee was called together for the purpose of advising the Premier as to the advisability and desirability of alterations in the law and business practice in the field of consumer credit, with a view to providing the best possible protection for consumers while at the same time allowing the credit granting industry to function effectively; AND WHEREAS the said committee has now submitted its report with respect to the said matters; AND WHEREAS it is expedient and desirable that a Special Committee of this House should be appointed for the purpose of considering the said report and to make such comments and recommendations to this House as it considers advisable;

(MR. CHAIRMAN cont'd). THEREFORE BE IT RESOLVED THAT this House appoint a Special Committee comprising nine members of the House to sit during the present Session, and in recess after prorogation, to study and review the law and business practice in the field of consumer credit, and without restricting the generality of the foregoing (a) to consider the report of the Premier's Committee on consumer credit; (b) to make such recommendations respecting the field of consumer credit as it considers necessary and advisable in order to protect the consumer from unfair trade practices and at the same time allow the credit granting industry to function effectively; and (c) to report to this House on the matters referred to it at the next Session of the Legislature. AND WHEREAS it is deemed advisable that this House appoint a Special Committee comprising nine members of the House to sit during the present Session, and in recess after prorogation, to study and review the law and business practice in the field of consumer credit, and without restricting the generality of the foregoing (a) to consider the report of the Premier's Committee on consumer credit; (b) to make such recommendations respecting the field of consumer credit as it considers necessary and advisable in order to protect the consumer from unfair trade practices and at the same time allow the credit granting industry to function effectively; and (c) to report to this House on the matters referred to it at the next Session of the Legislature. THEREFORE BE IT RESOLVED THAT a Special Committee of the House consisting of Hon. Messrs. CARROLL, EVANS, STEINKOPF and Messrs. BARKMAN, BJORNSON, CHERNIACK, COWAN, GROVES and HILLHOUSE is hereby appointed to study and review the law and business practice in the field of consumer credit, and without restricting the generality of the foregoing (a) to consider the report of the Premier's Committee on consumer credit; (b) to make such recommendations respecting the field of consumer credit as it considers necessary and advisable in order to protect the consumer from unfair trade practices and at the same time allow the credit granting industry to function effectively; and (c) to report to this House on the matters referred to it at the next Session of the Legislature. AND BE IT FURTHER RESOLVED THAT the said Committee of the House have power to sit during the present session and in recess, after prorogation, and to report to this House on the matters referred to it at the next session of the Legislature; AND THAT the Provincial Treasurer be authorized to pay out of the Consolidated Fund to the members of the said Committee the amount of expenses incurred by the members in attending the sittings of the Committee or expenses incurred by the members in the performances of duties ordered by the Committee in recess, after prorogation, as are approved by the Comptroller-General; AND THAT the Provincial Treasurer be authorized to pay out of the Consolidated Fund all other expenses of a kind and nature required to assist the committee in carrying out the provisions of this resolution and provided the same have received the prior approval of the Treasury Board.

Resolution passed.

MR. SHOEMAKER: Mr. Chairman, I don't know the procedure to follow in this particular case but I would like to ask a couple of questions, if I can, in regard to the study that this committee proposes to take. Now last Sunday I spent two hours of my Sunday afternoon discussing a matter with a man outside of my constituency, in which he purchased a car, for cash, only to find out about six months later that there was about \$1,600 still owing against the car. And so they reclaimed the car and he is out \$2,250.00. Now will this committee deal with a situation of this particular kind? There was certainly credit involved. The original purchaser of the vehicle never completed his contract at all. The vehicle was purchased brand new in the Province of Quebec and somehow or other fell into the hands of a rather unscrupulous dealer in Manitoba, and this dealer in Manitoba sold the car for \$2,250.00. The speedometer reading at the time was in the neighbourhood of 6,000 miles. The owner - incidentally at Tealon - was quite happy with the car but lo and behold the bailiffs drove out one day last fall and demanded \$1,594 plus all legal fees from him because the car never was paid for by the original owner. And it seems to me that something should be done to safeguard the people's interest in a case of this kind. I know that he would have recourse, I suppose, against the dealer that he was dealing with but he hasn't any money; he hasn't any money. In fact, the purchaser of this car suspects - and I don't know whether he has good grounds to do so or not - but he suspects that it is a ring; it's a ring that's working in Quebec and through dealers throughout Canada. Some very unscrupulous gang in Quebec, buying new cars, paying as little down as they can on them, and then peddling them all across Canada and disposing of them in this way. Now I'm just wondering, Mr. Chairman, if this committee intends to take steps to safeguard against these unscrupulous acts.

MR. SAUL CHERNIACK Q. C. (St. John's): Mr. Chairman, in my enthusiasm to speak on this matter and to raise questions such as the Honourable Member who proceeded me did, I rose even before you were in your Chair and I apologize for that. My reason was my disappointment in reading the powers and the instructions to this proposed committee because it seems to me restrictive, and I really don't believe that it was intended to be so. The question of consumer credit has been discussed time and again and various attempts have been made to deal with the problem, and have been dealt with by this Legislature in the last year or two - or last year, I should say. And there are still some additional enactments which are required to take care of the problem. But I think we have discussed recently the fact that consumer credit is not the only problem. The fact that credit is involved and time payments are involved, is only an indication that the people who are most vulnerable to bad practices, are people who buy on credit. But the basic problem is not credit alone. There are various methods and techniques that are used in selling which do not necessarily involve credit or are methods whereby credit is an ancillary to the problem and as such I was hoping, especially in the light of what the Minister in charge of this matter has said in the past, that the scope of this committee will involve consumer protection, even in those cases where credit is not the basic problem.

I don't want to take the time of this committee to review the various examples which we have given in the past but I would like to express a very strong hope that the work of this committee will not be limited to consumer credit, that is the purchase-on-time payments, but the general purchase that consumers are liable to make without proper information. And you will note from the terms of reference that this committee is to consider the report of the Premier's committee on consumer credit. But if one would read the report of the Premier's committee on consumer credit one will find that it does not deal with credit alone. It deals with sales practices and indeed the legislation we passed recently involving the 24-hour or 48-hour notice, was not necessarily limited to the principle of credit.

Looking at Appendix A, which appears in the final report of the Premier's committee on consumer credit, one sees a suggested general code of ethics for advertising, listing nine items, none of which are directly related to credit: all of which have to do with disclosure to the public of sales practices and I would like to feel that this committee, when it embarks on its investigation, will look into the entire problem of consumer protection, because the consumer is still the one large member of a group, the member of one large group in our society which is not protected, which does not have an organization which looks after its interests and it is the duty of the legislators to do that.

And again in the committee report - and I'm speaking now of the Premier's committee - one of the final recommendations which was made by the consumer organization but not considered by the credit granting industry, was a government agency for protection of consumer interests and if one reads that section, then one can understand that there are many, many fields in the consumer protection aspect of this report which are not limited to credit.

Therefore I would hope that it is made clear to us before this resolution is adopted, that there will not be a limitation on this committee to deal only with credit, because if that were the case then possibly we would only deal with interest disclosure. That might be the only problem related to credit. But actually where the word "credit" appears, the word "protection" would appear, then I think that we could enter into the field of the work of this committee with an enthusiasm involving a much broader scope, one which I think this government probably intended and I really believe that this government didn't intend to limit this work to consumer credit because, although I don't have it before me, I think that the speeches made in the past by the Honourable the Provincial Secretary dealing with this problem did not limit the work of this committee to the question of credit alone, that is time payments, but to the entire field of the vulnerability of the consumer who is not aware and is not made knowledgeable in connection with the various fields of advertising, of consumer sales, of techniques involving sales methods, of the sophisticated methods that are now used by salesmen who come to the unwary consumer and catch that consumer unawares, which of course is a redundant sentence. But it's still consistent with this report, which deals with the question. For example, I think this report deals with the technique that was used by the organization which advertised, "Building Improvement, Building Repairs" - no mention of loans - "Sale of building material, Sale of services for improvement of homes." There have been cases where people paid cash for that and it's really that type of protection which I think this committee of the Premier considered and dealt with, that were not limited to the fact that a real property mortgage was involved or

(MR. CHERNIACK cont'd). that bonuses and high costs were involved but techniques were involved and, as such, I would just hope that this committee will not be limited.

As one of the persons named to sit on this committee, I would feel quite unhappy if I thought that I were going to be restricted to just that one aspect which I think -- and I give credit to the government that it has dealt with to a considerable extent, but that question alone is really not enough, I believe, to inspire my enthusiasm for one or to inspire the support of the community to the work of this committee which will be continued through the coming year to report at the next session. So that I'm sorry that the Minister isn't here because I believe he would have been able to elaborate on this question, clarify his intention. I'm hoping that we will yet get that clarification from the government.

MR. HILLHOUSE: I feel perhaps that the honourable member who has just spoken is worrying over something that won't arise because I can't conceive of there being consumer credit without a consumer purchase. So how can you study the law relating to consumer credit if you're not also going to study the law relating to consumer purchase? But if it would make my friend any better, I think perhaps you could add purchase after the word "credit" where it appears but I don't think it's necessary.

MR. RUSSELL PAULLEY (Leader of the New Democratic Party) (Radisson): Mr. Chairman, I don't agree with the Honourable Member for Selkirk. And one of the reasons that I don't agree, Mr. Chairman, is because of a ruling by Madam Speaker, within the first two or three weeks of the present session. Now I'm not referring to her ruling per se, because this would be a violation of the rules of the House, but the basis on which the ruling was made was a resolution that I proposed in the House that dealt with the question of the setting up of a department or a section dealing with consumer purchasing and it was ruled out of order at that particular time because of the reference, as I understood it on that occasion, dealing with credit. Then subsequent to that a resolution was adopted after amendment, dealing with the question of consumer purchasing.

As I read the resolution I think possibly the Honourable Member for Selkirk is correct when he makes reference to consumer credit; you've got to have a consumer or something along that line as he said, but the point still is that you can have consumers who need protection without them becoming involved in credit. I think the Member for St. John's has pointed this out and I would suggest, I would suggest, that what the member indicated would suffice would be to use the words "consumer protection and credit" or "credit and protection" in the resolution. Now how this is achieved I must confess that as far as Beauchesne or the rules are concerned at this particular stage I am not aware but I do think that it is important.

And then too, Mr. Chairman, another feature would be that if the resolution is adopted and I'm sure that it will be, it would indicate to the public at large that the consideration of the committee is not confined to consumer credit but protection as well, and I think that it would be advisable to expand the resolution itself to include consumer protection as well.

MR. ROBLIN: Mr. Chairman, if no one else has any comment perhaps I could venture a reply on behalf of the Minister. In respect to the point raised by the Honourable Member for Neepawa, I think really he's getting at the question of the registration of liens and although it might not be that the registration of liens in Manitoba might not protect you from the kind of nefarious transaction he talks of, which is plainly a criminal act, I think the question of the registration of liens should be considered by this committee.

With respect to what the other three members have said may I say that I think their fears are really groundless because what this committee is being asked to do is to review the report of the Premier's committee and that certainly cast a pretty wide net and took in a great many other things beside the one point that's been mentioned and it seems to me that that is what the committee will be doing. They'll be looking into all these other questions as well because they are part of the sum and substance of what the Premier's committee has been doing. So I really expect this committee to have a pretty wide field and really lots to do.

MR. CHAIRMAN: Resolution passed. Committee Rise. Call in the Speaker.

IN SESSION

MR. CHAIRMAN: Madam Speaker, the Committee has adopted certain resolutions and instructed me to report the same.

MR. JAMES COWAN, Q.C., (Winnipeg Centre): 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. SMELLIE: Madam Speaker, in the absence of the Honourable the Provincial Secretary, I move, seconded by the Honourable the Minister of Public Works, WHEREAS the Legislative Assembly of Manitoba.....

MADAM SPEAKER presented the motion.

MR. FRED GROVES (St. Vital): Madam Speaker, before you put the question and while the other members were speaking .. (Interjection) I'm sorry, did I do something wrong? (Interjection) Oh, I see.

MR. ROBLIN: Madam Speaker, I think the Honourable Member was trying to attract your attention when you were putting the question and failed to do so. I think the House would probably be willing to hear him if you would allow it and then put the question afterwards.

MADAM SPEAKER: The Honourable the Member for St. Vital.

MR. GROVES: Now I'm more confused than ever. Are we not speaking on the resolution to, or motion to adopt this resolution? (Interjection) Oh, well while the other members were speaking I was trying to find the amended resolution, or the amendment to the resolution that I submitted during the debates in the House, and I've been searching this resolution for some reference to the amended resolution that was adopted by the House. And that amended resolution says, "request the committee of the Legislature proposed to study and review the law and business practice in the field of consumer credit, to also study and review the law and business practice as it relates to consumers in other fields besides consumer credit, and without restricting the generality of the foregoing, to consider (a) licensing and bonding of dealers in some trades; (b) registration of conditional sales contracts; and (c) means of eliminating misleading advertising and sales practices." Now surely, Madam Speaker, if the House passes a resolution and refers to a committee this specific field which really is separate and apart from consumer credit, why isn't it included in the resolution? I can't understand it.

MR. ROBLIN: Madam Speaker, if I may try and untangle the chain of events here, I think that what happened is that some time ago we passed the first motion on the consumer - similar to the one that we passed tonight - for the committee to meet during the session. Subsequent to that, we passed the resolution my honourable friend speaks of, which referred further matters to that committee. So the committee is seized of it as I understand the situation. What has come before us tonight is merely the technical one that enables them to sit during the recess. So although I'm subject to correction, I think that the matter is in hand.

MR. MOLGAT: Madam Speaker, there's no question is there that this committee will not be limited strictly to the matters that were in the report from the Premier's Committee? -- (Interjection) -- That's right. If there are other matters, they can take those into consideration as well.

MR. ROBLIN: Yes, if I may be allowed to say so, I think the committee now has the two resolutions before it.

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

MR. ROBLIN: Madam Speaker, may we now proceed with the debate on Bill 141.

MADAM SPEAKER: Bill 110?

MR. ROBLIN: 141, Madam Speaker - the next one, Shared Services. Madam Speaker, it's the second item on Page 4.

MADAM SPEAKER: The adjourned debate on the second reading of Bill No. 141. The Honourable the Member for Hamiota.

MR. B. P. STRICKLAND (Hamiota): Madam Speaker, I adjourned this for the Minister of Education and I presume that he would be adjourning the debate if he speaks.

MADAM SPEAKER: Is the Honourable Member closing the debate?

MR. JOHNSON: Madam Speaker, in rising to close the debate on the second reading of this particular bill, I want first of all to thank those honourable members who drew to our attention the possible lack of clarity in Section 157 (b), and since brought to our attention I have directed this matter to the attention of the Legislative Counsel. The matter was - it was intended, as I have explained, I think earlier, that the services mentioned it is intended will be rendered within the public school and I think the amendment will be brought forward at Law Amendments, which I hope will be on Friday morning, and give a couple of days for people who may wish to appear before the committee on this bill, may do so at that time.

As soon as the bill was printed copies were sent to the trustee organizations and those people primarily interested. We will do our best in the next few days to let people know as best we can in hope that anyone who has something specific to say to the committee shall do so. I would point out to the members of the House that during our hearings we heard from

(MR. JOHNSON cont'd.) certain divisions, did present briefs - these are all as a matter of record - and hope if they have anything more to say on the particular bill before us that they will do so at that time. Certainly I'm not minimizing by any means as I've said many times and have said previously in this debate, the importance of this bill and I respect the feelings of the Honourable Leader of the NDP, whose opinion I respect very much, but I would like to say that there was no intention of breaching the principle that he was mentioning this afternoon. And just as honestly and conscientiously as I can I say that the principles in this bill are largely those that I spoke on in closing the debate on the resolution, namely, that this bill proposes as it states to make available through the divisional system, through the districts of the province, to private schools who may wish to affiliate the opportunity to the people to get together at the local level with a minimum of government restriction, and largely to legalize also of course what has been the practice in certain divisions as we've said earlier. As I said, these are the best of knowledge I can get. These particular services that have been going on in the past and are going on at the present time have no sanction under The Public Schools Act.

Insofar as the schools are concerned that are mentioned here, all the private schools operating have been put down as to their name, location, whether elementary or secondary, and they have all been placed here just so that some correspondence with the department in getting the names of all the schools - we hope they're all here - it is simply permissive to make it clear that all of these people if they wish to get together with a division at the local level may do so. It's permissive legislation in that sense.

The bill of course is to be brought in on proclamation and certain details and so on. Much thought has been given latterly as we prepared for this bill as to just how the administration of this would operate. There are certain details that will have to be worked out no doubt. However, in general terms the principle of this bill that is before the House, as I said earlier, is to legalize those Shared Services that are now taking place, to make it possible for divisions and private schools at the local level to arrange transportation on established bus routes if they so wish or for any other services. It is my hope that this type of arrangement can take place amicably as I say at the local level. It's fully intended that any other services offered or available, that the private school may wish to be made available to it, can negotiate with the divisional authorities of schools in that area and I would hope that they could make these arrangements and we could sit down with the authority and work out proportionate costs. I again appreciate the temperate debate which has taken place.

I think that when you examine this bill closely that the protections to the Public School System are underlined. I do hope that we can see our way clear to supporting this measure at this time, because I think it is pretty tough at this stage in the evolution of education in our province as I tried to emphasize previously, with the need for all the encouragement we can to our boys and girls to avail themselves of the excellent facilities in our province, and I see nothing wrong with the principle as enunciated through this bill of making transportation available to these boys and girls and textbooks as outlined.

I really think there's nothing else I can say, Madam Speaker. I think I've said it all in the last few days. I do sincerely hope that those who wish to make representation to us and to comment on this bill may do so on Friday. I think this whole matter has been before our people and our school authorities now for some time in debate. The bills as I said to the public authorities that we can contact readily, these bills have been sent once they were tabled in this House this morning, so many will have had an opportunity to just see what is embodied herein.

MR. PAULLEY: Madam Speaker, I wonder before you put the vote whether the Honourable Minister would permit a question.

MR. JOHNSON: Yes, if I can answer it, Madam Speaker.

MR. PAULLEY: Would the Honourable Minister of Education undertake to have advertisements inserted in the press or over the use of the radio in order to spread the word as far as possible of the fact that a meeting will be held to consider this matter in Law Amendments on Friday morning.

MR. JOHNSON: I would hope, Madam Speaker, that this will be brought to the attention through the people who report on our matters here; and I would also assure the Leader of the NDP that whatever pipelines we have in the department we will do our best to see that people know of this.

MR. MOLGAT: Madam Speaker, I wonder if I could ask another question of the Minister. Is it definite then that the Law Amendments Committee will be called on Friday morning for the

(MR. MOLGAT cont'd.) purpose of discussing this bill; and secondly, in view of the fact that last year when this was introduced in the House the Premier sent out something in the order of 12,000 copies of his statement. Would the Minister be prepared to send out an equal number of copies to people who may wish to appear?

MR. JOHNSON: The answer to the latter part is "no"; but 10:30 Friday morning will be Law Amendments and we'll look over the bill at that time.

MR. E. R. SCHREYER (Brokenhead): Madam Speaker, I've one question if the Minister would care to answer. The Minister said that since the legislation is permissive, as it is, it wasn't necessary to consult with the divisions or the private schools. Now then, I would ask the Minister, in view of this, does the government have any idea at all as to how many private schools and divisions might enter into agreement after this legislation is passed?

MR. JOHNSON: Madam Speaker, there are private and parochial schools in 17 divisions in the province. I believe two or three at the present time are carrying out a form of shared services to our knowledge.

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

MR. ROBLIN: A recorded vote please, Madam Speaker.

MADAM SPEAKER: Call in the members. The question before the House the proposed motion of the Honourable the Minister of Education on the second reading of Bill No. 141.

A standing vote was taken the result being as follows:

YEAS: Messrs. Alexander, Baizley, Barkman, Beard, Bilton, Bjornson, Carroll, Cowan, Desjardins, Evans, Froese, Gray, Guttormson, Hamilton, Harrison, Hutton, Jeannotte, Johnson, Klym, Lissaman, Lyon, McDonald, McGregor, McKellar, McLean, Martin, Mills, Moeller, Molgat, Patrick, Paultley, Roblin, Schreyer, Shewman, Smellie, Shoemaker, Stanes, Strickland, Tanchak, Vielfaure, Weir, Witney, Wright and Mrs. Morrison.

NAYS: Messrs. Campbell, Cherniack, Groves, Harris, Hillhouse, Hryhorczuk and Johnston.

MR. CLERK: Yeas, 44; Nays, 7.

MADAM SPEAKER: I declare the motion carried.

MR. ROBLIN: 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. SCHREYER: Madam Speaker, before you put the question, I have a point of - I suppose it's order, or point of procedure to put to the Premier. I would ask him if it is the intention to proceed with Bill 110 because I would like to speak on it tomorrow or at any time it's called. Is it the intention to proceed tomorrow?

MR. ROBLIN: We will proceed with that bill. There'll be further debate on it.

MR. MOLGAT: Madam Speaker, on the same point before the vote is taken, I wonder if I could appeal to the First Minister regarding the bills that are before us put forward by private members. In view of the fact that law amendments is called for Friday morning, and while these would not normally go to law amendments, but at this stage in our proceedings I think it might be acceptable to the House if they were to go to law amendments. Would it be possible to have these processed through the House and either accepted or rejected or at least processed so that they could appear at that law amendments committee and therefore people who may wish to make representations would have the same notice as is given to those who may wish to make representations on Bill 141.

MR. ROBLIN: I expect we'll do that, Madam Speaker, because I'm hoping we'll finish agriculture tonight and be able to devote tomorrow to these important matters.

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 for Winnipeg Centre in the Chair.

COMMITTEE OF SUPPLY

MR. CHAIRMAN: Resolution No. 32,1 (a) passed, (b) passed. Resolution 32 passed.

MR. SHOEMAKER: Mr. Chairman, I think my honourable friend the Minister of Agriculture was just getting up steam when you called it 5:30 so I suppose that he would now want to proceed.

MR. HUTTON: to their request. We were talking about marketing boards and marketing commissions because, in the case of both hogs and potatoes, these are commissions appointed by the Government of Manitoba, the Lieutenant-Governor-in-Council.

(MR. HUTTON cont'd.) There was a question as to how many pools were affected by the potato marketing commission. My information is that they have pools running concurrently for reds, gems, whites, and in each case for washed and dried and a pool running for seed potatoes of each variety. So far the longest of these pools was for a period of about one month.

There were some questions asked about the relationship of Gardeners Sales Co-operative to the marketing commission. There is no connection between the \$14,000 in the estimates that is assumed by the Department of Agriculture and the marketing commission, no connection whatsoever. That arrangement stands on its own feet except that the Gardners Co-op undertook to provide space for the government in the facility so that growers who did not have washing facilities and grading facilities available to them would have some place to go and could get these services for a charge. But there is absolutely no connection between the co-operative and the commission. It's just that the commission has made an arrangement to use these facilities for its purposes.

The charges being made at the public grading station for washing, grading, bagging and tagging, 30 cents per 75 pound bag; grading, bagging and tagging, 25 cents per 75 pound bag; retagging, 5 cents per 75 pound bag; and for bags when required 15 cents per 75 pound bag. For delivery of potatoes to buyers when requested, 10 cents per 75 pound bag. Until further notice the commission's charges to all producers shall be 10 cents per 50 pound bag, 15 cents per 75 pound bag and 20 cents per 100 pound bag. This is the fee charged to carry on the work of the commission. The area that is excluded from the operation of the commission is the area west of 51 Highway and north of Number 4. The growers in this area are not compelled to market their potatoes through the commission but they are required to pay the marketing charge. The reason that this area is exempted at this time is that it is administratively difficult to regulate the marketing in this part of the province and the amount of potatoes grown are rather insignificant at this time. They may very well be brought under all of the regulations of the commission at such time as the commission deems that the sale of the product in the area is significantly affecting the price and supply position in the market.

The Member for St. John's asked if there were any further monies in the estimates except those in 15 (c) 3. Yes there are. This money is reflected in new engineering positions and increased expenditures in the administration planning divisions and the operating costs in terms of salary and expenses for the increased staff that's required to carry out this new program. So to look for that money we have to look through the total program not just in terms of grants in aid or expenditures on provincial waterways.

MR. CHERNIACK: limited to 15 though?

MR. HUTTON: Better get my book out. Yes, it's all under the Water Control Conservation Branch, but it's divided up between the various sections of the branch.

Oh yes, the Honourable Member for Brokenhead asked about the undertaking that was given in respect to frontage. I gave that undertaking personally to a public meeting that the frontage that they were losing they would regain with the construction of the new 59 highway, and it's rather regrettable that this has not been taken into account in the negotiations if this is the case, because I know that I gave that undertaking and I will certainly compare notes with my colleague in Mines and Resources with respect to that matter.

I don't think I'll get into the question of licencing farmers. I don't know on what basis you would licence them, whether maybe I wouldn't even qualify if you had too stiff an examination. There is a form of licence in the provisions under the Natural Products and Marketing Act, but it is not a selective type of licence. Anybody that's in the business of producing is registered and is granted a licence to sell. It might, if used in terms of restricting the expansion of the production of a product, it might be used to maintain stability in production. Although I like the idea of orderly marketing I'm not in love with the idea of using this method to create a closed shop, as somebody mentioned this afternoon. I don't think that the Commission is contemplating the creation of a closed shop but they are very conscious of the fact that if there is unrealistic expansion in acreage everybody is going to suffer, and there is real danger this coming year of an unrealistic expansion based on the very favourable price structure that we have had in the current crop year in potatoes, and it might result in an unrealistic expansion of acreage and there might be an awful lot of very disappointed growers and unprosperous growers. There isn't much sense growing the product unless you can make a little money at it, and sometimes the freedom of choice is the freedom to starve to death. I think that the Honourable Member for Rhineland should have a look at the Milk Control Board and

(MR. HUTTON cont'd.) discuss with somebody who was familiar with the conditions that existed at the time that that legislation was implemented, to know that the marketing of the primer products can sometimes become very chaotic and not only endanger the individual but undermine and erode the whole industry as an industry itself.

Well, I understand from the members that they did not receive a copy of this press release put out by the Manitoba Potato Marketing Commission. I'm sorry that that happened. I will see to it that you get a copy of it because it's a very lucid explanation of the policy of the commission and the reasons for their various regulations, and I will undertake to see to it that you get it because I think it will help all the members to understand what to a lay person may represent an erosion of individual rights but which I think will mitigate to the advantage of everybody.

The Member for Gladstone was concerned about the role of the Department of Agriculture in respect to FFF Farm. I think it is unfair to isolate one situation and to neglect to look at the other side of the coin, what the department is doing in respect to helping people on family farms to adapt themselves to changing conditions. I think that the great preponderance of our effort has been directed toward the, let's call them the average farmer, in Manitoba. We have this exodus of farm people; it appears that it is going to continue; but through such things as research, crop insurance - and I thought the Honourable Member for Lakeside made a wonderful case today for crop insurance when he pointed out the very wide fluctuations in yields that are experienced from time to time and year to year - with our farm credit program which we have just revised again to try and assist the less fortunate people, those who don't have so much capital. We have just finished reducing the equity requirement from 35 percent to 20 percent and this means that instead of \$2.00 for every dollar he can raise, the young farmer, or even the established farmer who is trying to adapt, can get \$4.00 now for every one that he can put up, and I know that here we are relying again on increased efficiency but, you know, this is one race where we really don't have it within our ability to change the rules. We're in a race with farmers across Canada, with farmers in the U. S. , with farmers all over the world, and if you don't come in first you come in second. The trouble is in this game if you come in second there is very little prize money, so we have to try our best to make sure that our farmers make the most of their business acumen and the resources they have to work with or that can be made available to them so that insofar as we are concerned and the farmers are concerned that they run first.

Now I know that in this race the laurels all seem to go to the consumer. This is why in the last couple of years the department has been putting more emphasis upon the marketing area than we have in the past. I don't say that we put more emphasis on the marketing area than we do on production, but I think we have to give more thought and more consideration to improving marketing conditions to the extent that we can in the province than we have hitherto. We have done this by making more market information available, by conferences, with use of television, with publications etc. , and I think the government this past year made a fairly reasonable contribution to improving marketing conditions with the establishment of these two commissions.

We have a request for consideration of the establishment of a broiler marketing board before us. I attended a meeting, oh, several weeks ago now of the egg producers who have experienced some pretty grim returns, as the Honourable Member for La Verendrye has pointed out, and I put it up to them that if they continued to each try and solve his own problems as an individual they were likely to have pretty rough going. I don't know just what the answer is for them but I'm sure they will come closer to it by working together. They are establishing an association now and considering ways and means by which they might improve their bargaining position in the market place.

The Member for Inkster asked about assistance to immigrants, asked about the availability of new land that might be settled. Our Crown land has been taken up very rapidly in the last three or four years in terms of leases. Most of the attractive areas in terms of ranch type leases have been taken up. We do have some areas of arable land that still can be opened up but to date the economics of the situation have not encouraged a land reclamation project. There are something between 150 and 200, 000 acres south of Grand Rapids that undoubtedly will be developed some time in the future. The last major land settlement project of course is the Pasqua project, but all of this land has been taken up. We have a very close liaison with the Immigration Departments of the railways, and we maintain a close liaison with the National Employment Service, and wherever we can be of assistance in helping people to establish here

(MR. HUTTON cont'd). . . . in Manitoba we extend the technical and professional assistance that we have in the department.

In respect to the - I'm not going to talk about colored gasoline - in respect to the point raised by the Member for Gladstone on the watershed districts; under the new policy of provincial waterways there is really no necessity for the establishment of a watershed district. The Provincial Government is taking over all the major streams in that watershed. The drains and streams that are left with the municipalities are of a very local nature. All the inter-municipal drains that is - where more than two municipalities might be involved - are pretty well taken over by the province and are now our responsibility, so in the future if your farmers want to know where to go, your municipalities will have maps of the drainage areas which delineate the provincial portion of the drains or creeks or rivers in the municipality and delineate also the municipal responsibility. So in - Pardon? --(Interjection)-- Well, that's another question. The province is continuing to offer engineering services to the municipalities and we will do all the planning from the central office, and we feel that we will be able to effect watershed planning because we will retain control over all of the water developments in the municipalities. They will be responsible, however, financially to carry them out, and of course the extent to which they develop their drainage and water conservation in the municipality will rest upon the good judgment and desires of local government.

ARDA he says has pretty fuzzy concepts. I think I have to agree. We've got some people in Canada talking about ARDA as a method of waging war on poverty, and the desire is, on the part of the Federal Government, to direct ARDA monies into the poverty-stricken areas of the nation. We in Manitoba don't agree with this concept because nobody wants to be designated as an impoverished person to start with. People may be poor but they've still got pride; we don't like it for this reason. We don't like it either because as I think the Honourable Member for Rhineland pointed out, sometimes you throw good money after bad when you try to build up an area that has no resource space to be developed, and sometimes the best way to help people is to spend the money in the area where it will create opportunities for these people, and to set up the machinery then to move the people to the area where the new opportunity exists. The people of the Interlake, for instance, are many of them quite incensed by the continuing reference to them as a blighted area, as an impoverished area, and I don't blame them. The Interlake is an area which has opportunities for development that it has never had before. That doesn't necessarily mean that it's a poverty-stricken area, just that the tremendous demand for beef cattle in the last few years projecting into the future opens up tremendous opportunities for the Interlake. There's great opportunity there for - this applies to the Westlake area too - there's great opportunity to increase the carrying capacity of these lands, to develop the recreation potential, to develop the wildlife potential, to carry out public works' projects which will enhance the resources that they have, and if you look at the little yellow booklet that was passed out to you today you will see that there is a pretty good program going there, and there's some real interest on the part of these people; but I don't think that their interest would be a whit less if we talked about ARDA in positive terms rather than negative terms. ARDA is a means by which we can adjust the mistakes that have been made in the past, but it is also more than that to us here in Manitoba. It is a means of laying the strong foundations for building on in the future, and we would much rather emphasize the positive and forget this negative approach of "war on poverty." Not that we want any poverty in Manitoba, but I think there is a more inspirational approach than to adopt this slogan. I don't know that I have anything more to say at this time.

MR. CAMPBELL: Mr. Chairman, the one thing that my honourable friend didn't answer - I didn't notice him if he answered it - was the question that I raised about just what is the government doing now and proposing to do about this cost price squeeze that his own publications admit is growing worse.

MR. FROESE: Mr. Chairman, I also would like to remind the Minister whether he'd be prepared to comment on the further development on the Hespeler Floodway. I asked him the question - he might be able to inform us. Also, briefly commenting in connection with ARDA and the Interlake area, I'm not opposed to the development of the area, but my concern is that certainly we don't want to develop rural slums or put money into areas where the farming people will just be living in misery. I think if we go into an area and do some development that it should be worthwhile and that it should be a good. . . .

MR. CAMPBELL: It seemed to me that the Minister didn't get around to answering that question that I've asked now for the second time, re the table in the budget speech.

MR. HUTTON: table, I had a memoranda explaining this, but it revolves around the quite large variation in the amount of grain consumed for feed on the farm, and this accounted for a very wide and almost an unbelievable fluctuation in those figures; but this was the reason, roughly the reason, the approximate reason, why it appears hard to appreciate this differential as between years. Apparently some years we have a much heavier use of feed grain on the farm than in other years.

I just don't want the remarks of the Member for Rhineland to go on the record without saying something when he talks about spending money on rural slums. I think the Member for St. George and the Member for Gimli and the Member for Fisher and myself would take a little issue with this, because the Interlake is a part of Manitoba that offers a great variety in terms of soil and resource potential. We have some of the very best, most fertile land in Manitoba, placed in the Interlake, and those areas that may look a little bit stony or where the land is a little shallow, if you go up to the Lundar Fair you'll find some of the top quality cattle being shown in Manitoba, and we believe that with the ARDA programs that we have in the Interlake that we are going to increase opportunities. We would like to be able to use ARDA or have the flexibility in our agreement with Ottawa to use ARDA to a greater extent in other places in the province, but it seems that they have adopted a policy which confines us to a great extent to rural development areas, and it is for this reason that the emphasis is being put on the Interlake area; it is not because we believe that it is a poverty-stricken area, and I want to underline and emphasize that.

MR. CAMPBELL: Mr. Chairman, in connection with the table that I've been mentioning though, perhaps it isn't a major point, but after all this is a table that gets a lot of attention paid to it because it appears in the budget speech, and it's just inconceivable to me that the reason that the Honourable Minister gives could make this difference, because we have here, with just two years intervening, we have a 50 percent increase in the amount used for seed and feed on the farm. Now with acreage remaining quite constant there just can't seem to be any great variation like that in - oh, that's from '61 to '64; we just have the '62 and '63 years in between; and taking the '61, it shows \$65 million deduction for seed and feed; by '64 it shows 103 million; but if you go back ten years you get just one third of this, 38 million, and it seems to me it's just unrealistic.

MR. JOHNSTON: I wonder if the Minister is going to comment or give an explanation of his land agents purchasing land in the Portage Diversion; and the other question, can he justify paying \$75,000 for the Bain farm at Portage? I'd like to hear his explanations.

MR. HUTTON: My explanation to the Honourable Member for Lakeside, I know he finds it difficult to believe - I found it a little difficult to believe too - but this is to the best of my knowledge what accounts for it. Apparently we do have quite a fluctuation in the amount of feed grain that is used in Manitoba from time to time.

In respect to the remarks made by the Member for Portage, I can tell him that I find it difficult to believe that the men who are dealing on behalf of the government with these people have resorted to the tactics which he describes. I expect that -- you know when people are faced with the necessity of moving out, giving up their land which many of them have had in the family for more than one and sometimes more than two generations, there is a certain apprehension and fear, sort of an atmosphere which will I think permit people, or allow people to interpret things that are said, or put a different connotation on things that are said, than they would if they were standing by as a bystander or as an observer. I will enquire into the matter. Certainly they did not go out with the instructions of the Minister or anybody else to deal with people in Manitoba in this way, but I think that maybe the description of the behaviour of these people has suffered a little bit, may have been distorted a little bit by the natural fears and apprehensions of people that will experience when they're faced with the necessity of relocating in some cases and in other cases of giving up their farm and maybe going into retirement.

As far as the \$75,000 that we paid for the Fort farm, I can assure the honourable member that any time we wanted we could sell the property for what we paid for it. I've already had an offer. It is my understanding that a prominent company in Portage la Prairie made an offer for part of that property which approached what the government paid. The decision to make that payment was only taken after very thorough consideration by qualified appraisers, and the decision was reviewed by the special committee that was established to review all our property purchases so that it was on that basis that we made the purchase and we feel that it was a prudent agreement for the government to enter into.

MR. JOHNSTON: Mr. Chairman, I find it a little difficult to accept the explanation regarding the Fort farm purchase; however, I will come to that later. But I would like to bring to the committee's attention a statement that has come into my hands since this morning. If I had had it at that time I certainly would have read it and tabled it. I have the permission of the writers of this statement to table this document and if the committee so wishes I will do so after reading it.

Now this is about a farmer. I believe his name will be known to the Honourable Minister when I get into the letter. This farmer has 160 head of dairy cattle, a three-quarter section land with pasture in the area and a goodly water supply. Now his problem is not like the ordinary grain farmer, that when he moves away all his requirements can be met by proper soil and a reasonable water supply. In the case of a dairy farmer he must stay near to the creamery where he has his quota; that is, reasonably near so that he can take his produce in or his product in and out; and he must have more than an average water supply with a herd of this size. He also must have suitable buildings and everything that goes with a large operation that I'm describing.

Without any more ado I'd like to refer to the statement and read it. This happens to be a dairy farm I am writing about, a two-family unit concerned. The date of the statement is April 29th, 1965. "Owing to a letter we received from Mr. Hutton dated September 24th, 1964, stating our buildings would be removed by mid-summer 1965, negotiations were carried on with us by the Department in October, 1964. We were forced to search for another farm. We travelled over 2,000 miles with a heartbreak at the end of so many trips. On January 6th, 1965, I wrote Mr. Hutton a letter stating we had a couple of farms we were interested in, one in particular, and asked if we could have an appointment with him to discuss our situation. There was no reply. In the meantime, our first choice was sold to someone else. We lost it because of the Department's delay.

"We then turned to another farm, the assessed value which is approximately half the assessed value of what we now have. We negotiated for the purchase of this farm in competition with another buyer, and being anxious not to lose it we put a deposit on it in late January undertaking to pay the balance April 1st, with provision made for one month's grace with interest to be paid during that extra month.

"On February 18th, negotiations on our own farm had not commenced again so we went in to see Mr. Hutton. We explained our situation and he said he fully understood our position and said there were two things he could do; one, give us priority with their committee for negotiations which have been delayed, or give an advance of 75 percent of their offer, and this does not mean that we would be through negotiating; to go home and not to worry about it and we would have our money by April 1st. By March 23rd, we had not heard from the government so I wrote a letter to Mr. Hutton reminding him of his offer by March 30th. Still no word, so we went to our solicitor. He wrote to Mr. Hutton.

"March 31st, Mr. Slusar, their representative, called on us, with no advance payment and no further information. April 2nd, we visited Mr. Hutton in his office along with Mr. Slusar and Mr. Griffiths. Mr. Hutton remarked that when he promised the April 1st payment he was sure this could be done, but owing to certain things happening he found he was not able to keep his promise. Due to it being their fault he felt it was up to them to compensate us by paying the interest and for us to borrow the money to complete the bargain on the farm. He asked Mr. Slusar to take it up with the board which we were to meet at 10:30 a. m. We were also told by Mr. Griffiths at this time that we would not be moved from our own farm until at least the fall of 1966.

"We went immediately to the board, accompanied by Mr. Slusar, who mentioned to the board about Mr. Hutton saying to us to borrow the money and to compensate us by paying the interest. Mr. Rattray remarked, 'That is his job'. Mr. Slusar was to see someone else about it.

"On April 7th there was no word from the department so our solicitor wrote Mr. Hutton to see what was happening. On April 8th, Mr. Slusar and the Price Rattray committee came to our farm and went through the barn with our men. Mr. Hutton agreed a new barn was necessary on a new farm to continue our dairy operations when we move. The replacement value of an identical barn as we now have is approximately \$12,000; the department allowed us only \$7,750.00. Mr. Slusar came into the house and told us that the only way we could have an advance payment is either by agreeing to their offer, which we had never received in writing, or they could expropriate; it was an ultimatum; the pressure was put on; if we go to arbitration

(MR. JOHNSTON cont'd).and they lose, for us to remember, they could appeal it and even go to the Supreme Court; why on February 18th the advance payment could be made by giving three-quarters of their valuation and on April 8th only by expropriation or settlement.

"On April 9th, we again saw Mr. Hutton and he said if we asked him to expropriate us it would be on a friendly basis and we could still negotiate. It was a different version that Mr. Slusar gave us. We met Mr. Hutton again on April 15th and it was the same deal. We asked for a better settlement which we need to re-establish ourselves as we are today. This unit consists of three-quarter section and a pasture nine miles away and twenty buildings in good condition. Some are new. The price which they have offered us is a little over \$118,000.00. With land prices on the rise we cannot buy a farm of equal value and re-establish us as we are today. In fact, this last offer, when Mr. Slusar gave it to us, the committee were not prepared to buy the pasture as they had intended to the week before. I would also like to point out here that Mr. Bradford, the government valuator, never stepped in one building to evaluate them while on our property. How can it be a true valuation in this manner?

"In the Daily Graphic of Monday, March 2, 1964, Mr. Hutton remarked at a meeting at Elie: 'Farmers losing land would be fully compensated. If only part of a farm was affected the government would buy that part. If, however, the Diversion left a farmer with an uneconomic unit, the government would buy the whole farm.' On April 19, I wrote Mr. Hutton again to see if they would pay the interest at the bank, as they were willing to lend us the money if they had proof our land would be sold to the government in the future. The same reply. Our willingness to ask for expropriation would be necessary proof.

"Our time of grace is up. We lose our \$1,000 deposit and we have the lawyer's fees facing us and no new farm to prepare to move on. Land prices are rising. I would like to point out, if I may, to move a dairy herd takes planning; it cannot be done in six months; pasture to be established which takes more than one summer; hay to establish for feed. To have to look after our dairy herd and to move and re-establish ourselves in one summer is a big problem. Something will be neglected.

"The committee should take a second look at our situation and listen to some reasoning. The prices are of today and not twenty years ago. We have been negotiating since last October with an offer still too low to re-establish ourselves. Octave Enterprises were offered such a good price it took but three weeks. We have lived here 29 years. How long did Octave Enterprises own theirs? We have had a great deal of worry and been humiliated over this mess, besides the expense involved due to the government error, delay, neglect or whatever you want to call it.

"All we ask is a settlement that we can relocate on property of equal assessment as we have; a good supply of water; shelter and buildings replaced. The moving and disturbance of a dairy herd causes a sharp reduction in production. Our herd consists of 160 head, half of which are registered Jerseys for the dairy." And this statement is signed Laura Adams and Alf Adams.

Mr. Chairman, the meaning I take out of that statement that I just read was more or less a war of nerves, and I think these people have been put to a great deal of mental anguish and strain and it has been shown in the statement that they are losing money over this thing, and I'd like to know from the Minister how are these people going to be treated. What is being done to get this situation moving? They have shown a great willingness to talk and negotiate, then half way through the negotiation the ground rules are changed. They're changed from negotiation to a threat of expropriation and a holdback on the offer so that they could put a deposit on their other land. Was the Minister this hard to deal with with Octave Enterprises, on a piece of land that was evaluated at \$29,000 odd that was taken by auction for \$32,500 by Octave? I have a letter here supporting a statement I made this afternoon that this farm was put for sale by a real estate agent in Portage la Prairie, from Aronovitch and Leipsic who were acting for Octave. This farm was put for sale in Portage la Prairie at \$65,000, yet the Department of Agriculture pays \$75,000 for it. Now I would like some kind of an explanation, if there is one, for the two different methods of negotiating land purchasing.

MR. HUTTON: Mr. Chairman, I think that the Honourable Member for Portage, if he reads that statement again, will appreciate that there were only two ways that I could get the money into the hands of the people concerned. One involved their agreeing to a purchase price of \$118,000 odd; the other was for me to expropriate the land which then enabled us to make an advance of 75 percent of the appraised value. I have no legal authority to advance money on any other basis.

(MR. HUTTON cont'd),

From the inception, I suggested to these people, since they were unhappy with the offer that was made by the committee, that they should agree that the best thing to do would be to have the Department of Agriculture expropriate the land, in the knowledge that this was not done because we had given up all hope of making settlement but in the knowledge that by following this procedure they would have the pressure taken off of them and would be able to consider their negotiations without being under the pressure of getting money by a certain date. I might say that since that time we have filed a plan of expropriation with the Land Titles Office and procedures have gone forward to get these monies into the hands of these people if they wish to take advantage of the provisions of The Expropriation Act which provides for these advances without prejudice to the land owner. I probably should have done this sooner, but as I have pointed out in the past in this Assembly, I think it is much better if there is friendly agreement about the procedures to be followed rather than that I should exercise the authority of expropriation unilaterally and without due consideration for the feelings of the people involved.

I regret that we were not able to come to terms with these people. Certainly, we have tried to consider their requests but I can hardly overrule the findings of the Review Committee when they have been retained by the government to advise us and to make recommendations with respect to properties that are needed for various public projects. I might point out that the price that is offered, \$118,000 odd, represents \$247.00 an acre all told, which even in the Portage Plains is a pretty fancy price for land and buildings. I wish I could sell my farm for \$247,000.00. If anybody will make me that offer I think they can have it. It's a lot of money.

I don't think that you can compare farm lands, even well-developed - and I will admit that in this case the farm is well-developed; it is really an unusual farm in that sense - but I don't think that you can compare this property to the Fort property that we purchased because the property that was purchased from the Bain Estate was -- it has potential for subdivision and it could be serviced with gas, water, etc, and of course it had a speculative value that you can't attach to ordinary farm land no matter whether -- even if it is rather the best farm land in Manitoba and fully developed with buildings, etc. I don't think that this is a valid comparison to make. I can show you some pretty rough-looking land around Metropolitan Winnipeg which wouldn't compare at all with the land in the Portage Plains in terms of productivity, but it's worth many times more because of the potential for subdivision etc., so I think that that is not a valid comparison to make.

I regret, as I say, that we haven't been able to reach agreement with these people. I have seen them, as you have reported, on many occasions, I've talked to them at some length; they even visited me at my home; and I think every effort has been made to effect a settlement, but we have to maintain some semblance of relativity between what we pay for one farm and what we pay for the next one beside it, and the department and those people who were charged with the responsibility of making recommendations have just not been able to bring themselves to meet the conditions that these people apparently feel that they are entitled to. Just take the barn for instance. It may be true that a brand new barn of that size is worth \$12,000, but the barn we are buying is not a brand new barn, and it has to be discounted to some extent because otherwise we would leave them much better off than they were before we approached them. We are not supposed to make anybody any poorer but we're not supposed to enrich anyone either in our settlements, and I really cannot with any sense of responsibility recommend that we offer more unless additional evidence is produced to justify these increased expenditures.

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

MR. JOHNSTON: Mr. Chairman, I'm sorry I can't accept explanations of that sort. Some of them are ridiculous. If it was found necessary to serve expropriation papers on the Adams farm, why were not these treated the same way, and then we could have settled once and for all the value of that particular piece of land? The Minister has made statements here that this Fort farm, as he refers to, was a desirable piece of land for housing development.

MR. CHAIRMAN: that we have a rule against repetition, and we've had this matter debated many times. . . .

MR. JOHNSTON: Mr. Chairman, the Minister has made some incorrect statements.

MR. CHAIRMAN: You've had the answer from the Minister many times. . . .

MR. JOHNSTON: Is the rule only for one side?

MR. CHAIRMAN: and the time has come when we must leave this subject and get on to another subject.

MR. JOHNSTON: Mr. Chairman, the Minister has made some incorrect statements. I'm

(MR. JOHNSTON cont'd) trying to substantiate - I'm trying to bring this out. Is this not permitted?

MR. CHAIRMAN: You've repeated yourself many times. Go ahead.

MR. JOHNSTON: Well, I'll try not to be repetitious, Mr. Chairman, but I certainly can't let some of those statements pass. The Minister in speaking of the Adams farm said that he offered \$247.00 an acre. This is an incorrect statement. The offer included 20 buildings. There are two homes on that farm; one is worth 16,000 and one is worth 12,000. This brings the land offer down. The land offer was not \$247.00 an acre. It was something like \$140.00.

MR. HUTTON: Mr. Chairman, just on a point here of privilege, I never said that we offered \$247.00 an acre for the land only. I said the over-all worked out to \$247.00 an acre and I took the pains to say that even with those improvements it was a big price. I understood the Minister to say that even \$247.00 an acre was a good price for Portage Plains land. I would like to ask the Minister what is going to be done about the lost interest of these people and their \$1,000.00. They made their commitment on the Minister's word. Is this the best explanation, that they're just going to be out of luck? I'm wondering if perhaps too much confidence isn't being placed in the Rattray Committee. And the Minister made the statement regarding a barn that these people claim there's \$12,000 replacement value. Well, I'm sure these people would be very happy if the Minister would find them a farm of equal assessment with a barn that will hold 160 head of cattle, with a cement floor and electric lights and waterworks and everything else, because this is part of their problem. They can't just take the money; they have to replace the barn. And you don't pick up second-hand barns of this nature and put them on to the piece of land you have.

I return again to what is known as the Fort farm. This is 123 acres of arable land, I am informed, out of 219 acres. There's a large piece of this land that is swamp, has water in it all year round - it can't possibly be used for a housing development. And where the run of swamp runs on this farm is right alongside the road where, if that draw were not there, it would be possible to have a nice housing development there, but not with the layout and this swamp running through it; and to say that this land is priced because it's housing development land, the Minister has had a statement that he has had an offer of equal value. In other words, the government paid a price that will be paid by someone else. This is a very interesting statement, because I know people in the Pine Ridge area have written offers where they could have sold their land. Will this mean that their written offer that they had one or two or three years ago will stand up before this Rattray Committee? If they've had a \$25,000 offer one or two or three years ago? Does this mean then that this establishes the price? Because I will inform my honourable friend that there are people at Pine Ridge who have these written offers, and I'm very glad to hear him say that these offers now are valid.

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

MR. CAMPBELL: Mr. Chairman, before 1 (a) passes, I would like to ask my honourable friend the Minister if this statement is correct in this letter, that on February 18th the Minister said he fully understood the position of the Adams family and said there were two things he could do, "give us priority with their committee for negotiations being delayed, or given an advance of 75 percent of their offer." Does the Minister deny that he made that statement to them at that time?

MR. HUTTON: I don't deny it.

MR. CAMPBELL: Pardon?

MR. HUTTON: No, I don't deny it.

MR. CHAIRMAN: 1 (a) passed.

MR. CAMPBELL: How does the Minister explain the fact that he wasn't able to live up to that - undertake.

MR. HUTTON: I think maybe it's not the first time in my life that I wasn't able to live up to an undertaking. Sometimes we think we are going to be able to do things and we can't, or we find that we can't. If I had never failed to live up to an undertaking I think I'd be quite an exceptional individual. I'm not.

MR. CAMPBELL: What the Honourable Minister is saying, and I accept his word if he says it, that he made a mistake at that time. Is that correct?

MR. CHAIRMAN: 1 (a)--passed; (b)--passed.

MR. MOLGAT: No, no, Mr. Chairman. There are still several matters on 1 (a) before you move on, Mr. Chairman. Did I understand the Minister correctly to say to the Member for Portage la Prairie that there had been complete appraisals on the property about which the

(MR. MOLGAT cont'd). member was talking. Now, back on the 15th of March, I tabled an Order for a Return, Mr. Chairman - this is now over a month and a half ago - asking about the appraisals that the government had conducted in the matter of the Bain Estate, and I'm still waiting for answers to that Order for Return; and yet, due to the fact that this applied to matters that have gone on some year and a half or two years ago, I would have thought that the department could easily have obtained the information by now, because it seems to me that there's a very pertinent point on this matter of appraisals. When we were discussing the Bain Estate the Minister in whose department we're now dealing interjected on a number of occasions and asked the very specific question: were these accredited appraisers? Because he was questioning the appraisal made by some people, for example, from Portage la Prairie, and others who had made appraisals. He questioned those appraisals and referred to the fact that possibly they were not accredited appraisers. Now, were the government appraisers accredited appraisers? Well I asked that question, Mr. Chairman, on the 15th of March and I have no answer from the government; and I have good reason to believe that the government appraisers were not accredited appraisers at that time, and I would like to know from the Minister, in view of the fact that he made such a point about this matter at that time, whether or not the government appraisers specifically involved in these appraisals were in fact accredited appraisers.

MR. HUTTON: I'd have to check the file on this, but I believe it was Mr. Bradford of the department who made the initial appraisal on the Fort farm, and he is not only an accredited appraiser but I believe a senior officer in the Appraisal Institute. The property was examined by Mr. Price Rattray, and then further the whole Committee of Review visited this property, and I know that Mr. Driver is a member of the Appraisal Institute. I'm not sure about Mr. Price Rattray, but on the other hand I do know that he was chairman of the Metro Board of Review and a man of great experience and knowledge in the field of appraisals; and in addition, Mr. O'Dell, who although he isn't an accredited appraiser or an appraiser at all, all he had to offer was many years of experience as a farmer, and we felt that he might bring to bear upon the decisions, the attitudes maybe and the understanding of a man who has been long associated with municipalities - a former president of the Union of Rural Municipalities - that he might bring a different point of view to bear on the decisions that were made, so that we got some balance into the final judgment made in respect to prices. But as far as I know, yes, they were accredited appraisers, Mr. Bradford being, I believe, a former president of the Appraisal Institute.

MR. MOLGAT: Mr. Chairman, the matter could be very easily resolved if the government would supply the information asked in the Order for Return, which I repeat was in this House a month and a half ago and which still has not been answered. It would almost appear that the government's not very anxious to answer it. I think if the Minister were to check he would find that there may have been other appraisals made of the Bain property. He refers to the Price Rattray Committee. I think the Price Rattray Committee came on the scene long after the government had made a decision to purchase. I think my honourable friend will find if he checks that the departmental appraisers who were involved in the Bain property were not accredited appraisers, in spite of his great statements at the time when he made that great maffia speech in this House.

MR. HUTTON: Mr. Chairman, is the Honourable Leader of the Opposition calling me a liar?

MR. MOLGAT: I didn't call you a liar. I suggested you check up on the facts of the case.

MR. HUTTON: Do you know that it wasn't Mr. Bradford?

MR. MOLGAT: I suggest to you that you answer my Order for Return which I asked a month and a half ago. It's a very simple thing to do. You were extremely anxious at that time to make a great speech about maffia-ism and all the rest of it, but if you'd answer some questions, if you'd just answer some questions truthfully and in a straightforward manner.

MR. HUTTON: Thank you.

MR. MOLGAT: my honourable friend would be in a better position.

MR. HUTTON: Thank you.

MR. MOLGAT: All he has to do is answer the Order for Return and tell us the facts. He has neglected to do so all this time. I say to him, come out with the information, then the House will be able to know how to relate the statement that you made on that debate with the facts of the situation. That's very simple. Surely in a month and a half the Minister has had ample time to provide the information. I can see no reason whatever why an Order for Return of that type which dealt with three properties for a period going back over two years, could not have been replied.

MR. CHAIRMAN: 1 (a)--passed; 1(b)--passed.

MR. MOLGAT: Mr. Chairman, on the subject of 1 (a), I would like to go on to another subject and that's the question of ARDA. The Minister has spoken to us about ARDA on many occasions and we had tabled before us at the opening of these estimates a specific booklet on ARDA in Manitoba, and yet when I check the figures as to what ARDA is doing in Manitoba and what ARDA is doing in other provinces, I find that Manitoba is not taking advantage of this program in the same way as, for example, the Province of Saskatchewan, because the figures that I have - and if the Minister's figures are different then I would be very pleased to hear from him - because my figures come from a statement made by the Minister of Forestry for the Federal Government in a speech that he made in December of 1964, and he covers the first three years of ARDA. This is a public statement that he made; I presume the figures are available to my honourable friend. They are a summary to November 30th, 1964, and when you take the various types of projects: the Alternate Land Use projects; the Rural Development projects; the Soil and Water Conservation projects, and then the Research projects - and I think those are the four that are specifically involved - and when you take the total of all these joint projects, we find that the Province of Manitoba is far behind the Province of Saskatchewan. According to my figures, the Province of Manitoba entered into 67 projects; the Province of Saskatchewan entered into 134 projects; in other words, double in the Province of Saskatchewan what is being done in the Province of Manitoba insofar as the number of projects involved. Exactly double.

When you go along to the dollar expenditures, that is, the Federal Government contribution, we find that in Saskatchewan the Federal Government has contributed to the end of November '64 over \$8 million, almost 8.3 million dollars, and the comparable figures given by the federal Minister responsible for this department at that same date, indicate that Manitoba at that point, from a federal standpoint has received 3.4 million dollars. In other words, less than half the dollar figure of what Saskatchewan did; 3.4 million in Manitoba and 8.3 million in Saskatchewan. Now in view of the specific problems that we have in the Province of Manitoba, the statements made by the government in the past regarding matters such as alternative land use, which is certainly very important -- but even more important possibly is the soil and water conservation projects, because I well remember that some two years ago the Minister had before us here in this House on the launching of his estimates, a very large map of the Province of Manitoba showing us all the projects that he was going into and everything that was going to be done in the field of soil and water conservation, and yet, when you look at the figures, we are not doing anything near what the Province of Saskatchewan is doing. My question to the Minister is this: why is it that Manitoba is lagging behind our neighbouring province in these very projects which the Minister has been advocating?

MR. HUTTON: Well, the simple answer is that Saskatchewan's allocation under the ARDA program, I don't know what it is but obviously it's much larger than Manitoba's, because the federal monies that were available to us over this three-year period were 3 1/2 million dollars and we spent 3.4. That's pretty good bookkeeping.

MR. MOLGAT: Mr. Chairman, suggesting that this was the limit to which the Federal Government was prepared to go? They were not prepared to invest any more money if Manitoba made requests for additional projects? If Manitoba made requests for additional projects is the Minister suggesting that the Federal Government turned them down.

MR. HUTTON: Well let me answer it this way. Under the proposed new agreement which we have yet to sign, there is a much larger allocation for Manitoba. It runs 1,800,000 per year for five years. The fact is that the Province of Manitoba may not be able to use all this money that is allocated to us in the future, because under the new agreement, the proposed new agreement, there is a revision in the grant structure which necessitates a larger contribution on the part of the Province of Manitoba in an area where we've been spending a great deal of money; that is, in water control and conservation. The proposed new grants are much less, substantially less attractive than the cost-sharing basis that we have had in the past three years. I'm saying that 3 1/2 million dollars was the amount of money that was provided for ARDA in Manitoba in the agreement that was signed in 1962, and we spent 3.4 of those 3.5 million dollars. I don't know whether we could have gotten more than we got. We got all we could afford I expect.

MR. MOLGAT: The failure to get any more then is not the Federal Government's failure, which is what the Minister was indicating in the first place. It's because Manitoba didn't apply for it.

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

MR. ELMAN GUTTORMSON (St. George): Mr. Chairman. tabled an Order for Return today requested by the Member for Brokenhead, and one of the questions asked was the number of property acquisitions in the Portage la Prairie area re the Portage Diversion, and the answer is given as 14. Then question (b), the number of settlements made in each of the months since the commencement of the program of acquisition, and it said November 1964, four; December 1964, seven; January 1965, one, for a total of twelve. Is there a typographical error? It says one is 14 and the total is 12. Is it a typographical error or what is the reason for the difference? Would the Minister have the names of those farms where the settlements have been made?

MR. HUTTON: Yes, I can get them.

MR. GUTTORMSON: Would you get them? Question (b) says there was one settlement in January. Have there been no other settlements in January then? No other settlements this year except that one in January?

MR. HUTTON: Well, if that's what the order says, then I guess that's right.

MR. GUTTORMSON: If the Minister will give me the names of those -- and he'll check so far as the difference, will he?

MR. SHOEMAKER: Mr. Chairman, I notice that you're very anxious to get past the Minister's salary and no doubt the Minister himself would like us to get past this item so that he would sleep better tonight knowing that, whether or not he earned his salary, the House approved of it. And I for one am not quite certain whether I want to approve of his salary until he answers some of my questions and a little more clearly than he has up to this point. I thought when he answered my question in part relative to his position with the loan that was made to the FFF farms, that he said, my honourable friend said - and I wrote it down here - that it wasn't fair to consider just this one aspect without considering all that the Minister had done in the field of agriculture, and if he said that it seemed to me he was saying it in a very apologetic manner: "Well, even if I did approve of that loan I've done so many good things that you can overlook this one bad one."

Now this is the inference that was left with me. And I asked two or three specific questions. Was he consulted prior to the loan, prior to making the loan, and was the loan made by reason of advice that he or his department gave to them? That was a couple of specific questions I asked. I pointed out that the four page letter that was read to the House from the FFF farms suggested that they, that is the FFF farm, went into this huge venture because of the encouragement and advice that they received from my honourable friend. Because about four times in the letter they refer to "the economic and agricultural research units of the Manitoba Government advised us," and they say this four or five times throughout the letter. So while the Minister hasn't definitely come out and answered me, the inference is that he did; he was consulted prior to the loan being made, and that he approved of the loan.

Now I would like to have some kind of an answer on this because you will remember, Mr. Chairman, last evening was it, or the night before, that I attempted to move a resolution when we were in Committee. I guess it was Monday night perhaps because we were dealing with the estimates for the Department of Industry and Commerce; and you recall the motion because you read it, and you probably still have it there. I haven't got the exact wording because it was just scribbled out, but it was to the effect that two genuine bona fide farmers be added to the directorate of the Manitoba Development Fund, and the First Minister of course got up and suggested that it sounded too much like a "Shoemaker Special," I believe, and it was not allowed. An original Shoemaker Special, or something of that kind.

Well, Mr. Chairman, I think that this is a pretty important issue, and at the chance of being repetitious I want to follow it and pursue it a little bit further, because just everybody knows, including my honourable friend, because I've got lots of statements where he has said this: "The cost-price squeeze is getting worse," and as the Honourable Member for Lakeside said, the people are looking to this government for an alleviation of the squeeze because they promised it. And I well remember the first election that I fought in. I still have in my desk here some of the propaganda that was put out at that time, and it says, "The Campbell government has abandoned the farmers to the pressure of the cost-price squeeze and Campbell has said you can't do anything about it. Well, you put us in and we'll see. We'll fix all that up." --(Interjection)-- Pardon? I can find it, Mr. Chairman. If anybody's interested I can find it in my desk; I've got it right here. So it's only natural that the farmers would now look to this government to alleviate the squeeze. That's only natural, because if someone gives you a promissory note, sooner or later you hope to collect, and the farmers are now looking to this

(MR. SHOEMAKER cont'd)..... government to alleviate the cost-price squeeze that they talked about -- that they talked about.

And then it is little wonder, too, Mr. Chairman, that some of the farmers in the province are asking my honourable friend what his philosophy is, and I want to read into the records -- read it all somebody says? It was a fair speech, this four-page speech; four pages, eight pages, Mr. Chairman, so I'm not going to bore the committee with all this but it was made by my honourable friend to the Third National Farm and Business Forum on Friday, March 30, 1962, and when he gets halfway through, because it's over on Page 4, he says - and I'm quoting the Minister: "I sometimes am asked what philosophy the Department of Agriculture has in developing agricultural programs." Well, in light of the loan that has been made to this field factory I don't wonder but what the people would ask what his philosophy is, because in the same paragraph where he asks this convention assembled what his philosophy is, and then he proceeds to answer it, he says: "All this must be done within the concept of the family farm as the basic unit in agriculture. I am sure that the family farm will persist as a permanent institution due to the important place of the family farm in Canadian life, and to the fact too that the family-operated farm has many inherent strengths over the 'field factory' concept of farming."

Now I don't know the difference between a field factory and a vertically integrated factory, and perhaps when my honourable friend gets up he could explain what he meant by this statement in light of the loan to the FFF farms, because I am as convinced as anyone can be, and I am as convinced as the Manitoba Stock Growers are convinced and as the Manitoba Bureau and as the Manitoba Farmers Union are, that the establishing of these field factories is not going to be good for agriculture in the long run. In fact, I'm rather convinced that my honourable friend feels that way too. And that is why Mr. Chairman, that is why I moved that motion yesterday that didn't get anywhere, because I felt that if you had two or three real good genuine farmers on the directorate of the Manitoba Development Fund that they would see to it that the best agricultural interests were preserved and preserved for all time. That is, if they thought in their judgment that it was not good business to loan money to enterprises of this kind then they would have some control over the other directors on the board, and I think that it would only make common sense to do this.

Now I said something when we were talking on the Industry and Commerce estimates about a bona fide farmer in my area that had plenty of farms, plenty of money, and everything to prove that he didn't make too many errors, and he said that he thought that often the farmers were more perceptive than the professors, and he went on to say that because of my honourable friend's expansion program in the field of beef cattle - I think this was the one he cited - that it had resulted in the price of cattle going down. Now, probably my honourable friend will not agree that that is so, but I am told that at a recent convention of one kind or another, when he was asked from the floor how did he account for the drop in the cattle last year, he said, "well, that's simple." He said, "It's temporary over-production." Now if he says he didn't say it I can't prove that he didn't because I wasn't there; it was just related to me.

But I have before me, Mr. Chairman, something that proves that the price went down because it emanates from the "propaganda department" and it is as usual designed, or the heading is designed to make the story sound good. It says, "The hay and grazing fees are cut 10 to 12 percent." The date -- January 15, 1965. It's fairly recent. Now true it quotes the Honourable Sterling Lyon, because naturally the fees are paid to his department and they're down, so the story is intended to portray, in light of all the increased taxes and everything, that here's something that's gone down. Well sure they've gone down; at the expense of what? At the expense of a depressed cattle market. And it admits - that is, the propaganda sheet admits: "During this period in 1964 the average price at St. Boniface for standard grades was \$17.94 per hundred pounds as compared to \$20.53 for 1963, so they're down around 15 percent, the prices, so consequently the grazing fees are down. I understand how they're tied in.

How it's arrived at, I understand that, but on this very subject - and it does touch on agriculture, Mr. Chairman - one thing I can't understand though about these grazing and hay fees is this, and I just found out to my sorrow about a month ago or two, probably two months ago. Two fellows came into my office and said, "Can I transfer my grazing permit to my neighbour? I don't need it any more. I want to transfer it to my neighbour." I said, "Well, I don't know whether you can or not but I guess you can," so I dropped a letter -- well he said, "I'll pay the fees," because he already had his permit number and the billing in his hands.

I took it, took the money, wrote my own personal cheque - I have it in here too - and about a month later the fellow came in and he said, "Did you never send that money in for my

(MR. SHOEMAKER cont'd). grazing fees?" I said, "Certainly I did, and I sent it in the same day and there's my cheque," and I've got it in the desk too if I can find it amongst the other stuff here.

So at long last I get a letter that in cases where one permit is transferred to a neighbour, you've got to pay two years. You've got to pay last year's all over again plus this year's. It's a penalty -- the penalty is, if you want to call it that, for transfer, one year's rent. Well I can't understand that philosophy, when we're supposed to be doing something to alleviate the squeeze.

Now I mentioned two or three days ago that my honourable friend the Minister of Industry and Commerce had received a letter from a poultry marketing board, and a duplicate had been sent to my honourable friend the Minister of Agriculture, or vice versa. What I did say, they both got the same letter. This one is addressed to the Honourable George Hutton and the Honourable Gurney Evans, in 1964, warning the both of them at that time, warning the both of them at that time that there was real concern over an overproduction in the broiler industry, and apparently since that time they turned around and loaned three quarters of a million dollars to a vertically integrated plant or field factory, or call it what you like; and I think that this is too bad. In an article here in yesterday's paper headed "Forcing the Small Farmers Out says Tanchak," and it reports on the debate that took place between the Honourable Minister of Industry and Commerce and the Member for Emerson, and Mr. Evans says, "If we are going to have vertical integration," oh, I think my honourable friend said this; yes. "If we are going to have vertical integration then it's best to farms" - I don't know whether this is a misquote or not - "for the benefits accrue to the producers."

MR. EVANS: A point of order. Is it correct for my honourable friend to refer to another debate that is already closed and to repeat materials that have already been spoken?

MR. SHOEMAKER: Mr. Chairman, I'm sorry. The paper quotes my honourable friend the Minister of Agriculture as saying this, but anyway my honourable friend that has just spoken recommended that a lot of these things that I'm talking about now be dealt with under the Department of Agriculture because he was trying to divorce himself from this subject.

MR. CHAIRMAN: you don't repeat yourself.

MR. SHOEMAKER: Pardon?

MR. CHAIRMAN: See that there's no repetition please.

MR. SHOEMAKER: Okay. I shall try and do that. I suppose if you used a different set of figures than you used before that would hardly be considered repetition, or if you used a different . . . However, there was quite an argument took place between myself, the Minister of Agriculture, the Member for Emerson and the Honourable Minister of Industry and Commerce, over the consumption of broiler meat and all of this, you will recall Mr. Chairman, and my honourable friend said that in trying to justify this loan -- one of them did. I'm not certain which one said this but one of them said this, in an attempt to justify the loan they said that Manitoba was eating about 5 million more pounds of poultry meat than they were producing, and it was necessary to bring this production up. On the other hand they turned right around and said it was interesting to note that 80 percent of what the FFF farm was now producing was being exported, and to me

MR. CHAIRMAN: the honourable member you've gone over that before.

MR. SHOEMAKER: Yes, but I still haven't got a satisfactory answer, and when I do get a satisfactory answer then I will cease my repetition. I wish my honourable friends the Ministers would get a little more repetitious and that would be reason for us being less repetitious. Now Mr. Chairman, my honourable friend I expect will give us his philosophy on the Department of Agriculture when he rises, so I'll drop that one for the moment.

MR. SCHREYER: permit a question?

MR. SHOEMAKER: Will I permit a question? Oh certainly I'll permit a question.

MR. SCHREYER: I'd like to ask the Honourable Member - about four or five minutes ago he made reference to the Minister of Agriculture and the Minister of Industry and Commerce saying some time ago that they were concerned about the possibility of over-production of broilers. Could he give me the time when this was supposedly --

MR. SHOEMAKER: Well Mr. Chairman -- Pardon? Am I allowed to answer the question?

MR. CHAIRMAN: We've had that in the debate; the Minister answered it -- it's been answered.

MR. SHOEMAKER: Just in order to answer my honourable friend the Member for Broken-head I will send him a letter. What I said was that both of them had received a letter warning

(MR. SHOEMAKER cont'd)both departments, and you can have a look at this letter if you like.

My honourable friend the Minister of Agriculture touched on ARDA and what it was intended to do, and he rather frowned on what the present Federal Government's program was in regard to ARDA and the sharing of the various projects with the various provinces, and we learned of course later that it was partly due to his failure to make applications. I had written down here -- I was going to ask him this question. He said that there would be no need now to reconstitute the Riding Mountain-Whitemud River Watershed authority. That's what he said -- well he's nodding in the affirmative. I wanted to make sure that that's what he said, because this meeting that the Honourable Member from Lakeside and myself attended, this was a real concern of theirs out there. These people in this area are near the bottom end of the watershed and the old watershed concept was - and I think there's a great deal of merit in it - was to start at the top end and build your dams and try to control it, and the people in the Woodside area are saying, "This is fine and dandy when you take the long range view but we want to know where do we go from here now? When are we going to benefit? When are we going to benefit?" They say, "We've been sitting here since Manitoba became a province and we still are faced with the same problem."

Now one thing that I am not certain of, Mr. Chairman - you may be, but I'm not - and that is, is the government as of last May 1, the provincial government, responsible for all of the rivers, creeks and streams; and if so, are they then responsible for all of the flooding that stems from them? I know that you can talk about your three - what do they call them? The three, number three drains, number four drains, five drains, six drains, seven drains and so on. But I rather thought that the government in this current year did not intend to assume any responsibilities on, say, the six and seven or eight drains; that they're only going to take over two, the number three and the number four drains this year, and the number one and the number two drains would remain the responsibility of the various municipalities. Now I wonder if my honourable friend would care to go into some more detail on that.

And then, when it comes to priorities - and certainly this group at Woodside felt that they had a priority. They want to know, how do you establish priorities in a huge provincial program? How do you make application? How do you establish priority?

Now when we were dealing, Mr. Chairman -- you heard this one; no doubt about this one. This isn't duplication. I asked my honourable friend the Minister of Industry and Commerce how the Christmas tree farming program was progressing because a few years ago this economic survey that was made of the province at a great expense recommended Christmas tree farming in nearly every area of the province, and they even recommended a Christmas Tree Marketing Board, and my honourable friend the Minister of --(Interjection)-- they did Mr. Chairman. I have the proof of that in my desk as well. The Minister of Industry and Commerce said, "Don't bother me now with that one. I've got enough headaches. When you come to the agricultural estimates why my honourable friend will enlighten," I think that's the word he used, "enlighten the committee." Isn't that right? That's what he said, "on this jet age program." And so, Mr. Chairman, I would like to hear what he has for the future of agriculture in this particular field.

Now, as a matter of interest to all of the members of this committee, I want to read one paragraph and have my honourable friend guess who the author was: "It is not the purpose," and incidentally Mr. Chairman, this is from a little ARDA booklet we have. "It is not the purpose of ARDA to reduce the number of farms. Those who feel that the small farm problem can be resolved by uprooting people arbitrarily from their farms do not understand the deep attachment of rural people to their home surroundings. ARDA is designed, rather, to help by various means to improve the income and standard of living of the smaller and more marginal farms, and in that way to help improve the overall position of agriculture." I wonder if my honourable friend knows who made that statement. I think I've got them guessing. It was the Honourable Alvin Hamilton, Minister of Agriculture, and he made that statement back in 1962. My question is, and he can answer this one; does he agree with that statement made by the Honourable Alvin Hamilton? Because no doubt he made it when my honourable friend was down at this convention in Montreal, was it? Somewhere down in there.

So now if we could start, Mr. Chairman, and get my honourable friend's philosophy in the Department of Agriculture and some questions regarding the FFF farms, the part that he played after the application was received, and whether or not his advice resulted in the loan; or was an

(MR. SHOEMAKER cont'd).....application made for a larger loan and did he cut it down? So Mr. Chairman, I'm not prepared to pass his salary until we get some answers to these questions.

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

MR. HUTTON: Mr. Chairman, the Manitoba Development Fund does not consult with me when it is about to make a loan, or considering making a loan, and it didn't consult with me in this case. We've had some debate in the House about the independence of that board in making its decisions. It's quite true that the people concerned drew on the intelligence and information in the Department of Agriculture in carrying out their study on the economic feasibility of their proposition, but I trust that the Honourable Member for Gladstone would not expect the Department to discriminate against anybody in respect to information that we might make available to them on the production of any primary product.

As far as my philosophy on agriculture is concerned, with all the reading that my honourable friend does from Gladstone, he should be quite aware of that. I've talked about it for five years and it hasn't done any good; my honourable friend is still asking me what it is. Apparently I couldn't do any more to enlighten him tonight than I have on any other occasion. As far as his farmers are concerned up there about the development of water control and conservation and the problems on the Whitemud River Watershed, I'd like to tell him that the meeting that we held at Neepawa, at which time we discussed the proposed policy of that time with respect to establishing a provincial waterway, met with unqualified support and enthusiasm on the part of the municipal men who were present, because the character of the problems in that area, the inter-municipal aspects of these water control projects, are probably more pronounced in that area due to the topography of the country than anywhere else in Manitoba, and they welcomed the implementation of this new approach to our respective responsibility.

I think that if there is any place in Manitoba where the provincial waterways policy has a very beneficial application for the people, it is in the Whitemud Watershed; in fact the whole eastern escarpment will gain because they had some rather unique problems. Clearly the final solution to water control in this particular watershed I believe was beyond the resources of the local people to cope with, and the government will be -- has, as of the first of May, assumed responsibility for the more onerous tasks that lie ahead in bringing these waters under control. So I merely say to the Honourable Member for Gladstone and the Honourable Member for Lakeside: tell your farmers that we have a base to work from now that eventually will see their major problems solved.

Terms of priorities. You heard the Honourable Member for Rhineland ask for work to be done on the Hespeler Floodway. We have to allocate our funds and the time of the engineers as fairly as we can, across the areas of Manitoba where water control and conservation is of major importance. I can tell the Honourable Member for Rhineland I know there is a great deal of money in the estimates for construction on the Hespeler, and I think he and the people we represent will be fairly satisfied with the work that will be done there; and I am anticipating and looking forward to some satisfaction of the people that my honourable friend from Gladstone represents as well. I think in the next few years that we can undertake and complete some long-needed projects.

MR. CAMPBELL: that particular situation the Honourable Member for Gladstone has mentioned. I was present at this meeting too, and if it is correct, as he says, that this is sort of a lower level of that particular watershed, then the part of it that's in my constituency is the lowest of the lower level. We're right -- we have the outlet of the river where this finally comes to, and we have the area part way to Gladstone where the severe flooding took place this year and has taken place for many years.

Now I understood my honourable friend the Minister to say some years ago in the House that what he found, or had been found in practice to be objectionable or unworkable in the Act that we had put on the statute books, was that it was too centralized, if I remember correctly what he said at that time. And that it didn't leave enough to the local people. Well, it seems to me that in a case of this kind you've got to have a great deal of central authority, and as I caught my honourable friend's statement earlier this evening -- or I believe it was this afternoon, on this matter he said now that the control, the over-all control will be centralized. I believe that's correct. I think that's necessary, but I got the implication from what my honourable friend said that the municipalities were going to be given a good bit of authority too. And here's the difficulty that I see in this set-up and probably I see it with more urgency because of the fact that the part of that area that's in my constituency is at the lowest end of it, is this, that unless

(MR. CAMPBELL cont'd). there is over-all planning and central control with the number of municipalities there are involved there, all or part of 16 or 17 municipalities, if you leave too much of the work to the municipalities then each one of them will be doing their little part piecemeal, and I'm afraid that you will hustle the water down once again as engineers and drainage people seem to have done so frequently in the past, down onto this lower level that I'm talking about; and I suggest to the Minister and I'm sure he's acquainted with this situation himself, that in my humble estimation there are two places to operate on in this kind of a program. First, do everything you can to hold the water back. I'm a great believer in dams, whether they be little ones or big ones. Do all you can to hold the water back, and I believe there has been some work done on dams in the Riding Mountain area. That's the first thing it seems to me.

And then so far as waterways and the very fact that this is called the waterway program, rather indicates that it's a drainage program, and to the extent that you're going to be making drains, then for goodness sake having done what you can to hold the water back at the top, then what else you do, start at the bottom and work up; and if they can just remember those two over-all propositions - hold all you can back at the top and all the works that you do start from the lower part and work up. And a tremendous amount of the difficulty in the Province of Manitoba has happened in the past because of either or both of those simple basic formulae not being observed.

I know that the time that we were in office here we had a lot of investigations about the building of dams up in the Riding Mountain, and we came up with -- we got the advice from the engineers that it was difficult to put the dams in there because of the fact that the foundations were not stable and wouldn't hold a great amount of water and there is of course a very deep slope and these are problems, but after a while when the beavers increased in numbers - thank goodness - they showed the engineers that dams could be made there that would hold and they had to work on the same foundations that the engineers had available, but they didn't know about these problems that the engineers saw and so they just went ahead and built the dams. Generally speaking if you'll watch the beavers at work, they'll show you where the engineering can be done. So, what I suggest to my honourable friend is that there is a danger with 16 or 17 municipalities in there, for them to be, each one of them quite naturally concentrating on its own problems because likely they've all got some of them to varying degrees, concentrating on their own problems and putting a certain amount of pressure on to my honourable friend's department to get the work in their municipality. I'm glad to see that he's to some extent in agreement with me on the over-all project, hold the water back as much as you can higher up with the expediting of its movement starting in the lower region. Of course my honourable friend is quick enough to catch on that I'm saying, start in my constituency, but I'm afraid that this is what the different municipalities will be saying, start in my municipality. This is why you do need some over-all control in my opinion.

Now Mr. Chairman, I have to be repetitious on this case because I think it's three times already that I've asked my honourable friend, who has spoken at some length, if he is going to reply to the question that I asked him, and I hope he didn't do so during the very few minutes that I was out of the committee - to reply to the question that I asked him, that I think is the basic question of all that's before agriculture in Manitoba today, and this is, what is the present plan of the department to deal with the cost-price squeeze?

MR. MOLGAT: Mr. Chairman, while we're on the subject of vertical integration and so on, the Member for Gladstone has asked of the Minister whether or not the Minister was consulted before the loan was granted to one specific vertical integrated poultry operation. The Minister said that the Development Fund does not consult him, and I think that that is a true statement. Is it not also true however that the Minister received some applications or complaints from other people who were concerned about this development of a further enterprise in an area where there already was an existing eviscerating plant, and did the Minister not get some requests prior to the granting of the loan, or prior to the beginning of the work on the new plant from other producers? Did he not find out at that time that there was very wide concern in a large part of the agriculture community in this regard, and when he received this information was there not consultation at that time with his colleague, the Minister of Industry and Commerce and with the other parties involved in this matter, the Development Fund? I would like to know from the Minister exactly what happened in this regard. Was there some consultation? Were there complaints? Did the Minister give any recommendations at that time?

MR. HUTTON: I recall that the Minister of Industry and Commerce and myself not with the representatives of the broiler producing industry. I am not aware that this was before the loan was approved by the Development Fund. I expect it was not. The broiler industry was concerned about the over-production and the very small margin in their industry. I'd like to point out though that Manitoba is not the only province where the producers are concerned about the price structure in the broiler industry. Just recently the broiler producers of Ontario, who produce 40 percent of all the broilers produced in Canada, voted on the establishment of a broiler marketing board, and 85 percent of those voting supported the establishment of such a scheme. The producers I understand in Alberta are moving towards the same kind of a marketing scheme. The producers in British Columbia have had a broiler marketing board for some time.

I frankly cannot buy the argument, although I don't like vertical integration, especially in the sense that we think of it where the farmer tends to be a peon working for the big interests. I can't for the life of me see how the establishment of this particular plant in Manitoba is going to have very great over-all impact on the price of broilers here in Manitoba, because we have a national market, as a matter of fact it's a continental market. And the same thing I think applies to broilers as applies to the cattle market. To suggest that because we had 166,000 more cattle in Manitoba this past year than we had two years ago accounted for the softness in the market is ridiculous, because there are over 100 million head of cattle on the continent, and 166,000 isn't going to make any difference. So I think in a national market where you have the movement of a product into Manitoba, easy movements of the product into Manitoba from other jurisdictions, that we are, I think, putting too much emphasis on the impact that this particular industry or plant is having on the broiler industry.

I want to underline the fact that this does not represent an endorsement of vertical integration and field factory type farms. I still believe in the family farm. All efforts are geared to assisting the farmers in every way that we can. As far as the cost-price squeeze is concerned we are endeavouring to keep our farmers as competitive as possible with their competition, and this is really the only thing and the only answer is to keep them competitive. If we don't remain competitive then we go under. We just have to run first, that's all. It's a pretty simple answer. We can get marketing boards and we can do all these things but we still will have to be competitive with producers in other areas. We are expanding the services that are available to our farmers in an effort to help them to maintain their competitive position in Canada and with farmers wherever they are and may be competing with. It's an unforgiving business. If you make mistakes they're fatal.

This is why we have to offer more in the way of services to our farmers. For instance, we have had these farm business groups over the past five years. We have had some thousand farmers enrolled in these business groups. These young men -- I say young -- most of them are under 50. They take a four-year course with us and they work together with the specialists in the department on farm management, on soils, on field crops, on agricultural engineering and in a sense they get the advantage of a diploma course in agriculture without having to attend the university. Now many of these farmers are coming to us today and saying, "What are you going to do with us now, don't turn us lose. You are going to have to provide us with a sort of a post-graduate service." So we have been considering planning for the establishment of a personal consultative service for these men and they would be charged for it. Many of them have said to me, "We would be willing to pay \$200 a year to get this kind of service where we could take our particular problems to professionals in the field and get their advice, where we could make use of a central computer for the analysis of our business."

Farming is becoming so such an involved technique today that it is very difficult to make general recommendations and have them apply with any kind of effectiveness on individual farms. Every farm varies because every farm has a different manager. Every farm has different resources and so each one must be considered as an individual unit before you can apply recommendations. These general recommendations have to be modified and adapted to the individual farm unit, the individual farmer. The old system of extension is no longer effective in this complicated kind of farming that we have today. So I foresee in the coming years development of a different kind of extension, a very intensive personalized type of extension and the farmer will have to pay for it. But I think he will want it. He is asking for it now and I think if we can give him this kind of a service that it will help him to overcome the cost-price squeeze. I just say this before I sit down. I expect that it is not only the farmer who has trouble with the cost-price squeeze. I understand that the number of bankruptcies in Canada in

(MR. HUTTON cont'd). any given year is much higher percentage-wise than the number of the farmers who are forced off the land. So I think that --(Interjection)-- Yes, oh yes. This is a fact, this is a fact and one that we lose sight of, that the farmer is not the only businessman who falls on evil days.

MR. EVANS: the Minister's Salary and we could then review the debate under the items at a later stage.

MR. CAMPBELL: Well, yes, I think that's a good idea, Mr. Chairman, but it seems to me that this particular matter that I'm discussing, the cost-price squeeze, really arises more on the general question than on any other and I completely recognize the position that the Honourable the Minister is taking and I realize that farming has become a complex business. I realize all that, but the point I'm making is that when my honourable friend who is now leading the House, the Honourable the Minister of Industry and Commerce, was over on this side of the House and the Honourable gentleman who leads the government ordinarily was on this side of the House, one of the things that they assailed the then government with was that the economic position of the farmer was not keeping up with the rest of the economy. My honourable friend the Minister of Industry and Commerce used to criticize us for the fact that the population of Manitoba was falling behind the national average which showed that Manitoba wasn't keeping up in this race that my honourable friend is speaking of. And I never objected to them doing this sort of thing because they were valid criticisms but it wasn't only what happened then, and I can't blame my honourable friend for those days because he wasn't here, but since they have come into office they have continued to say the same thing that the farmer is not getting his proper share. They are worried about the cost-price squeeze.

I just turned up here, among many that I have, and I'm not going to take the time to read a lot of them, but I just turned up the Manitoba Budget Speech and Economic Review of 1961, the First Minister of the Province speaking. He says on Page 11, "But we must emphasize our concern for the unsatisfactory state of net farm income." This was in 1961. "While production has held well, net farm income continues to lag behind the net income of the economy as a whole." Then I miss a few lines and he says, "However we must continue to press those measures which will give to the farmer a more substantial share in our economic benefits." Now my honourable friends have been doing that according to them but we have the report of their experts that slightly higher prices will probably come along, small price increases, but the costs are going up and every year, according to their own reports, this cost-price squeeze is getting worse. We've had these measures introduced; we've had crop insurance put in, to a limited extent; we've had this easy credit that they talked about; we've had my honourable friend the Minister of Industry and Commerce telling us that industry has benefitted greatly but the situation continues, continues, and it not only continues in spite of these things, it gets worse, and I couldn't help but recall the election propaganda of my honourable friends where they said regarding agriculture, and this is from one of the election material pamphlets put out by the Roblin Government: "Vote Progressive Conservative June 16th, 1958. The next step forward is a Roblin government." And under the heading of agriculture, it says, "The Campbell government has abandoned Manitoba farmers to the pressure of the cost-price squeeze. The Liberal Leader has said there is very little the Provincial Government can do to help. Just as the Ottawa Liberals were dismissed from office for the failure to deal with farm problems. . . ." I frequently said in this House when my honourable friends that were over here then charged me with not doing enough for agriculture I tried to be honest; I said to them that the things that were the greatest effect on agriculture lay in the national sphere or even the international sphere because it depends so greatly. My honourable friend mentioned this afternoon what's happening over in the Common Market and this sort of thing. The international sphere means so much; he's mentioned the continental one, the continental one means a lot, the international means -- the national sphere means a lot. But I said there was little relative to those things that we could do in agriculture but no, no, no, no, no, my honourable friends said, -- no, sir, it's your fault, you've got to do it. Now I want to know. They've been doing it and where are the results? This cost-price squeeze to which we had abandoned the farmers continues to get worse. My honourable friend I guess says, we're going to do more of the same thing. Here we have the statement of the "Outlook" for 1965 saying that the cost-price squeeze is going to get worse.

MR. SCHREYER: Mr. Chairman, I don't want to appear vindictive at this late hour but there are a couple of statements that the Minister of Agriculture made that require some elaboration. And I don't intend to get into the cost-price squeeze now for fear that I may squeeze

(MR. SCHREYER cont'd).....your patience somewhat. The Minister of Agriculture said that it's not just farmers that are having difficulty, that the number of firms going bankrupt in Canada every year exceed the number of farms that cease to exist.

MR. HUTTON: Percentage-wise.

MR. SCHREYER: Well I didn't hear that last qualification and at this hour I'm not quick enough in my thinking to get the import of this percentage-wise qualification. I was just going to put to the Minister a figure that would show that in a period of five years - in the recent decade, in a five-year period you have close to 100,000 farms ceasing to exist. This is a rate of cessation or abandonment that surely far exceeds the number of bankruptcies in the equivalent period.

Well I'll leave that for the moment because I'm not sure of the relationship that this percentage-wise qualification has in the picture. Now the other point that I wanted to make or point out was that the Minister also said that this is a pretty unforgiving business etc., farmers must learn to run fast in order to win the prize, etc. we must help the farmer in Manitoba to become more competitive, we must help him to be really competitive. Well I don't know what sort of help or assistance can be given in this direction because no matter what the Department of Agriculture and its extension service does, it will never enable the family farmer to be competitive with corporation type farms, the kind which his colleagues want to establish in this province. I don't want to get into broilers either at this time Mr. Chairman, but I want just merely to say that I don't accept the statement made by the Minister of Industry and the Minister of Agriculture. They both said more or less the same thing, namely that if we didn't produce these broilers here in Manitoba, that it would be a case of more and more being imported from outside. Now it seems to me that in the broiler industry that most of your broilers are brought to the consumer, to the market, in the fresh unfrozen state. This is the way they are of highest quality, and so I don't see that importing of broilers is as much of a threat as the Minister of Industry and Commerce would have us believe.

I think that these are about all the points I want to make at this time. I still have a couple of matters to raise relative to the take-over of the drainages in the municipalities but I will wait for the item.

MR. FROESE: Mr. Chairman, I haven't taken part in the debates as far as the FFF or Friendly Family Farms, but it has given me a lot to think about and it seems to me that if the loan hadn't been made by the Development Fund that all this criticism wouldn't have come to the government. But then on the other hand, how much do we believe in free enterprise? To what extent do we believe in free enterprise? I think here is where we have to figure out where is the demarcation line. To what point do we go. I always take the position that if you create a monopoly, that in my opinion, is going too far and in some cases I think even with our marketing legislation, those boards, that in a way you create a monopoly because you just have one source through which you will dispose of your product. Then also the Development Fund is a place of last resource from where you draw your monies from in case you need them, and I'm not sure whether these people were unable to get a loan from the bank -- was that the case, or was it not? If they would have been able to secure the loan from the bank then certainly the government would have escaped a lot of criticism on this whole matter. As far as the industry itself, in the particular constituency where it is, I think some of the farmers are definitely not too happy, but as far as the business community itself, I don't think they have much to kick because they have a going concern there which will provide revenue to their particular community in taxes and so on. So that you have to consider all angles in this matter and I think it's one of just how far and to what extent do you actually believe in free enterprise.

MR. GUTTORMSON: Mr. Chairman, I listened with interest tonight earlier when the Minister made reference to the Interlake and I'd just like to say that I am pleased that he contradicted so many of the uncomplimentary remarks that have been made about this area because I certainly disagree with them and, after listening to the Minister tonight I'm convinced that he feels the same way, because these remarks are uncalled for and have caused a lot of strife in the community as a result of them. But unfortunately, as the Minister knows, many of these remarks - well all of them - were made by government representatives. I'm not suggesting they made it on his authority but they made it on their own and some of the people are pretty hostile about these remarks. They feel that they've caused a lot of harm to the district. So I want to thank the Minister for making those statements tonight because I know that people in the area will be very pleased that he did contradict them, but I would like to just remind the Minister -- he's talking about the area and I concur with everything he said about it -- I'd just like

(MR. GUTTORMSON cont'd).....to add this, I hope he'll get behind us and give us a highway because before the area -- we'll need a highway to get in there.

MR. MOLGAT: The Leader of the House indicated that he would like to get the Minister's Salary through, I have no objection, I have some more matters I want to bring up -- the matter of the broiler production in Manitoba and so on but I can do that under the item, just as readily I have no.....

MR. EVANS:.....lots of opportunity to debate almost anything. I suggest we pass Item 32 and go.....

MR. MOLGAT: As long as it's clear that we can do it on the item, I'm not insisting on holding up the Salary.

MR. EVANS: Nothing can stop you.

MR. CHAIRMAN: 1 (a)--passed. 1(b)--passed. Resolution No. 32 passed.

MR. EVANS: Committee rise.

MR. CHAIRMAN: Call in the Speaker.

IN SESSION

MR. CHAIRMAN: Madam Speaker, the committee has adopted a certain resolution and asks leave 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. EVANS: Madam Speaker, I move, seconded by the Honourable the Minister of Agriculture that the House do now adjourn.

MADAM SPEAKER presented the motion and after a voice vote declared the motion carried and the House adjourned until 9:30 a. m. Thursday morning.