

THE LEGISLATIVE ASSEMBLY OF MANITOBA
10:00 o'clock, Friday, April 11, 1969

Opening Prayer by Mr. Speaker.

INTRODUCTION OF GUESTS

MR. SPEAKER: Before we get to the business of the House I wonder if I might introduce our young guests. We have 43 members of the 1st Gimli Scout Group. This group is under the direction of Mr. Fred Dunk, Mr. Jock Archer, Mr. Jim Blondin, Mr. Mason Cameron and Mr. Don Zuloski. This group is from the constituency of the Honourable the Minister of Health and Social Welfare.

You young people heard the applause, but on behalf of all the honourable members I welcome you here today.

Presenting Petitions; Reading and Receiving Petitions. The Honourable Member for Winnipeg Center.

MR. CLERK: The Petition of the Institute of Chartered Accountants of Manitoba praying for the passing of an Act to amend an Act to incorporate the Institute of Chartered Accountants of Manitoba. The Petition of Victoria General Hospital praying for the passing of an Act respecting Victoria General Hospital.

MR. SPEAKER: The Honourable Member for Portage la Prairie.

MR. CLERK: The Petition of Janet Pearson Morton Alexander praying for the passing of an Act for the relief of Janet Pearson Morton Alexander.

INTRODUCTION OF BILLS

MR. SPEAKER: Presenting reports by Standing and Special Committees. Notices of Motion. Introduction of Bills.

MR. OSCAR F. BJORNSON (Lac du Bonnet) introduced Bill No. 52, An Act respecting The Village of Lac du Bonnet.

MR. WALLY MCKENZIE (Roblin) introduced Bill No. 63, an Act to validate certain by-laws of The Town of Dauphin and The Rural Municipality of Dauphin and to enlarge the Boundaries of The Town of Dauphin.

MR. PETER FOX (Kildonan) introduced Bill No. 26, an Act to grant additional powers to Rossmere Golf and Country Club.

MR. R. O. LISSAMAN (Brandon) introduced Bill No. 58, an Act to amend an Act to incorporate The Brandon Community Chest.

MATTERS OF URGENCY AND GRIEVANCES

MR. SPEAKER: The Honourable Member for Inkster.

MR. SIDNEY GREEN (Inkster): Mr. Speaker, I ask leave to move, seconded by the Honourable Member for Elmwood, the adjournment of the House for the purpose of discussing a definite matter of urgent public importance, namely the serious lack of summer employment opportunities now faced by university students who are ending their school term, which situation will be a serious impediment to the implementation of the stated position of the Minister of Education that students should work to obtain an education, and the failure of the government to facilitate productive schemes which have been suggested by faculty members of the University of Manitoba, which suggestions require the exercise by the government of its power to provide funds for universities.

MR. SPEAKER: When perusing the motion of the Honourable Member for Inkster, the question of urgency was foremost in my mind. I must say that urgency within the rules adhered to in this Assembly does not apply to the matter itself, but it means urgency of debate when the ordinary opportunities provided by the rules of the House do not permit the subject to be brought on early enough, and public interest demands that discussion take place immediately. In my opinion, the subject matter as indicated by the Honourable Member for Inkster anticipates a problem months hence and, to my mind, it can be discussed in the reasonably immediate future during this session. It can be accomplished by way of a motion which, according to our rules, may be debated on a distinct motion under notice. This, of course, is provided in our rule No. 26, sub-paragraph 7.

I do not need to inform the honourable member that there are other alternatives if he considers the matter urgent. For guidance in this matter, reference was made to Beauchesne

(MR. SPEAKER cont'd.) 4th Edition citation 100, sub-paragraph 3. I therefore rule the motion out of order.

Orders of the Day. The Honourable Member for Elmwood.

ORAL QUESTION PERIOD

MR. RUSSELL DOERN (Elmwood): Mr. Speaker, before the Orders of the Day, I would like to direct a question to the Minister of Education. Does the Minister have any comment to make in view of the announced increase at the University of Manitoba and the University of Winnipeg of a \$50.00 increase in student fees?

HON. DONALD W. CRAIK (Minister of Youth and Education)(St. Vital): Mr. Speaker, I indicated in the Estimates address that it would not come as a surprise if the fees of university students were raised. I understand that the amount of the two universities are to be raised \$50.00 - I am not sure whether this is \$50.00 average or if they are scaled. If it would be of assistance to the honourable members of the House I would undertake to have this tabulated so that we can see what the fees are, whether they are the same across the board, and also their comparison to other universities, if they so desire.

MR. DOERN: A supplementary question, Mr. Speaker. In view of the stated increase, does the Minister intend to increase the amount of student aid or bursaries?

MR. CRAIK: Mr. Speaker, we did increase the student aid by \$200,000 in the Estimates.

MR. DOERN: Another supplementary, Mr. Speaker. In view of the stated increase, is the Minister taking any action to enable the students to seek summer employment with the Manitoba government by providing job openings in the Civil Service? Is there any government policy on that?

MR. CRAIK: Well Mr. Speaker, the Manitoba Government itself does employ a certain number of summer students but the majority are employed through the services of Canada Manpower, who are the direct agents for job placements, and I understand that they will be placing, well less than half of the total number of students. The majority of the rest are placed through their own personal contacts with industries and through individual friends or through their parents. We will be employing a number in the Manitoba government. We have combed through the various departments to encourage them to employ as many summer students as possible in the Department of Youth and Education. In our youth programs we do intend to employ a number ourselves or through the agencies which we will be supporting summer projects.

MR. SPEAKER: Order please. I wonder if, during this period, if I might prevail upon the honourable members when at all possible to retain their seats. It makes it rather difficult for me to appreciate whether the person is getting up to ask a question or whether they are going to go elsewhere and have a chat. I would rather you didn't during this period, in order to keep the business of the House moving along. The Honourable Member for Inkster.

MR. GREEN: Mr. Speaker, I would like to direct a question to the Honourable the Minister of Labour. Is it true, as I have been informed by Manpower officials, that the job situation facing university students is very serious and that there are not nearly sufficient jobs available.

HON. CHARLES H. WITNEY (Minister of Labour)(Flin Flon): Mr. Speaker, the question of jobs for university students has been with us for the last month or so and there has been work done by both the Department of Labour of Manitoba and the Manpower people of Canada. A meeting was held in my office with the Manpower people some time ago - I think it would be approximately about four weeks or possibly five weeks - at which time the Department of Labour of Manitoba agreed that they would cooperate with the Canada Manpower people who would initiate a series of events to try to deal with the problem. It was going to affect the Department of Labour, the Department of Education and the Canada Manpower people. We have made surveys within our own government departments and we are now sitting with the Canada Manpower people and the Department of Education people in dealing with the matter. The Canada Manpower people are acting as the chairman of the committee.

MR. SPEAKER: The Honourable the Minister of Finance.

HON. GURNEY EVANS (Minister of Finance)(Fort Rouge): Mr. Speaker, I would like to provide some answer to my honourable friend from Wellington. The other day he drew attention to a news release dated Jan. 14, 1969, under the title "Winter Roads Policy Announced for the North" in which it is stated that some money has been appropriated for grants to freighters to assist in the clearing of trees, freezing down muskegs, and so forth. The question he asked, I think, was as follows: "Will this have any bearing on the tax applied to the sale of

(MR. EVANS cont'd.) gasoline?" The answer is no.

MR. SPEAKER: The Honourable Member for St. George.

MR. ELMAN GUTTORMSON (St. George): Mr. Speaker, I would like to direct a question to the Minister of Mines and Natural Resources. Has the Minister seen a story in the Financial Post where the economic structure of the pulp mill operation is being questioned?

MR. HARRY J. ENNS (Minister of Mines and Natural Resources)(Rockwood-Iberville): Well Mr. Speaker, yes I am aware of that story. I can assure the Honourable Member from St. George and members of the House that it, as other speculative stories about that venture, are unfounded and untrue.

MR. JOE BOROWSKI (Churchill): Mr. Speaker, I wonder if the Minister of Finance would clarify the last statement. Is this grant going to be based on the tonnage hauled or on the miles? What yardstick are they going to use to give these grants?

MR. EVANS: Mr. Speaker, I am not concerned with the grants. I was speaking of my responsibilities in connection with the taxation of gasoline.

MR. SPEAKER: The Honourable Member for Wellington.

MR. PHILIP PETURSSON (Wellington): Mr. Speaker, if I may pursue that very briefly. The news release states that the gasoline sells at \$1.00 a gallon for boats and power toboggans, and the thought uppermost in my mind was whether the same principle that applies to farmers in the use of gasoline in their trucks might not apply to these purposes for boats and power toboggans. These are both used in the ordinary routine of making a living, using the equipment that they have on the spot for doing jobs that has the same bearing on what they do as trucks and tractors do to what farmers do, and the question was whether the tax was still charged on gasoline, when gasoline sells for as much as \$1.00 per gallon.

MR. EVANS: The tax applies to gasoline on a per gallon basis and does not relate to the price at which it is sold.

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. GILDAS MOLGAT (Leader of the Opposition)(Ste. Rose): Mr. Speaker, I would like to address a question to the Minister of Government Services. A news report yesterday indicated that the cost of living in Canada is still going up. Is the Minister giving any consideration to revising the pensions of provincial civil servants who have retired in past years and who are now living on very inadequate pensions, as admittedly based on their income at that time but inadequate in terms of today's living conditions?

HON. THELMA FORBES (Minister of Government Services)(Cypress): Yes Mr. Speaker, we have it under active consideration.

MR. MOLGAT: A subsequent question, Mr. Speaker. Will there be action taken at this session?

MRS. FORBES: I'm not prepared to answer at this particular time.

MR. SPEAKER: The Honourable Member for Churchill.

MR. BOROWSKI: Mr. Speaker, I have a telegram here from Snow Lake that I received last night. The telegram reads "Simon House Road in usual condition, deplorable. Would appreciate improvement before more fatalities occur." And it's signed by a B. Grimmelt, President, Sub-Local 7106. I wonder if the Minister could make some statement whether they are going to do something about this road, which, as he knows, is a national disgrace to Manitoba.

HON. STEWART E. McLEAN, Q. C. (Minister of Transportation)(Dauphin): I am sorry Mr. Speaker, I didn't hear -- couldn't hear the reference to the road. What road is the honourable member speaking of?

MR. BOROWSKI: Simon House Road is the road that goes into Snow Lake. It is called, I think, the Simon House Road, but it's a road that runs into Snow Lake, about 21 miles of it.

MR. McLEAN: Mr. Speaker, we are just in the process of rebuilding the road.

MR. BOROWSKI: Mr. Speaker, the road that's being rebuilt is not the same road. They're straightening it out. In some instances it's three miles away from the old road. They still must travel on this road and this is the one where all the accidents and fatalities are taking place and this is the road that's referred to, and they'll be using it until this new road is completed.

MR. McLEAN: Yes, we'll look at the matter. I was not aware of this and I can assure the members of the House, just so that you're not concerned, there have been no fatalities that I am aware of.

ORDERS OF THE DAY - MOTIONS FOR PAPERS

MR. SPEAKER: Order for Return. The Honourable Member for Gladstone.

MR. NELSON SHOEMAKER (Gladstone): Mr. Speaker, since I wish to make a few brief comments on the Order, I'll talk on it this afternoon.

MR. SPEAKER: Agreed? The adjourned debate on the proposed motion of the Honourable the Minister of Finance. The Honourable the Leader of the Opposition.

MR. MOLGAT: Mr. Speaker, I mentioned to the House Leader yesterday that I would not be prepared to speak on this today - and I have discussed it with the two other parties who are concerned - because of the time limits. I think I'll be ready to go on Monday.

HON. STERLING R. LYON, Q. C., (Attorney-General)(Fort Garry): The only point I would mention, Mr. Speaker, is that the item under the rules has to be called in any case, as my honourable friend appreciates, and I confirm his conversation.

MR. SPEAKER: Committee of the Whole House.

MR. MCKENZIE: Mr. Speaker, I move, seconded by the Honourable Member from Lac du Bonnet, that Mr. Speaker do now leave the Chair and the House resolve itself into a Committee of the Whole to consider the following Bills: Nos. 14, 32, 10, 25, 27 and 48.

MR. 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 for Souris-Lansdowne in the Chair.

COMMITTEE OF THE WHOLE HOUSE

MR. CHAIRMAN: Bill No. 32, an Act to permit The Town of Flin Flon to make a Grant to the Grey Nuns of Flin Flon General Hospital. (Sections 1 to 5 were read and passed.)

MR. MCKENZIE: Mr. Chairman, is there some reason that you have overlooked Bill No. 14? You're talking of Bill No. 32. My ...

MR. CHAIRMAN: Oh, we'll just reverse them then.

MR. MCKENZIE: You can finish 32 if ...

MR. CHAIRMAN: Yes. (The remainder of Bill No. 32 was read section by section and passed.)

Bill No. 14, an Act to provide for the making of grants by the Town of The Pas and the Local Government District of Consol to the Sisters of Charity of Saint Anthony's General Hospital of The Pas. (Sections 1 and 2 were read and passed.)

MR. MCKENZIE: Mr. Chairman, I move, seconded by the Honourable Member for St. Matthews, that Section 2 of Bill No. 14 be amended in the third line thereof by deleting the words "fifty-five thousand" and that be replaced with the words "thirty-seven thousand four hundred". I might explain, Mr. Chairman, the principle in the bill that was allowed for The Pas was not allowed for the Local Government District of Consol, and the figure that was put in the draft bill apparently was caused by a first draft letter, and I think if one takes the 3.65 mills in the first section of the bill it raises \$225,000 and 3.65 mills in the Local Government District of Consol raises \$37,400.00.

MR. CHAIRMAN: (Sections 2 (as amended) to 7 were read and passed.)

MR. SAUL MILLER(Seven Oaks): Mr. Chairman, I'd like to make a comment on Section 8 that we are coming to, and in doing so question really the entire philosophy of this bill although I don't intend to vote against it. Earlier in second reading we questioned the whole approach of the government in still using an archaic system in building hospitals, getting the local municipalities to vote by-laws to participate through ratepayer approval, and here we have a situation in Section 8 where The Pas is going to have to have a money by-law and the Local Government District of Consol is going to have to have a by-law, the federal government is participating, the provincial government is participating, debentures will probably be issued as well, and yet each of these by-laws is going to have to be held and a majority will have to carry in each of these various jurisdictions. In other words, The Pas will have to vote on it and have a majority before it's effective; the Local Government District of Consol will also have to vote on it and it too will have to have a majority. So that even if The Pas approves it and if the federal government is prepared to put up funds and the province is prepared to put up funds and the debenture issues could be sold, the fact that the Local Government District of Consol, one small portion of the area, defeats this bill - or defeats the by-law, the entire hospital could go down the drain. And surely the principle in providing a hospital is that such an institution is needed, and if it's needed it shouldn't be dependent upon one small group who,

(MR. MILLER cont'd.) for a very good reason — perhaps they can't afford it; perhaps their tax base is too low; perhaps the income of the people living in that area is somewhat lower than average and they, through no lack of desire of a hospital for through sheer economics, turn it down — this entire project, this entire hospital could be endangered, and I would ask the government again to look into this whole question of the manner in which hospitals are financed and the manner in which hospitals are to be built in Manitoba, because I think it's a very dangerous method we're using and one which deters hospitals from being built where they are needed and, instead, too often the hospitals go where people can afford them rather than where the need is greatest.

MR. CHAIRMAN: (The remainder of Bill No. 14 was read section by section and passed. Bills Nos. 10 and 25 were read section by section and passed.) Bill No. 27, an Act to amend and consolidate an Act to incorporate Manitoba Pool Elevators. Section 1 — passed. The Honourable Member for Rhineland.

MR. JACOB FROESE (Rhineland): Mr. Chairman, I do not intend to bring in any amendments at this time. I just wanted to have a few words on the bill. I did not rise to speak on the bill on second reading. I had intended to but since we dealt with the bill in Committee I received the information that I needed. I now see the whys and wherefores of the bill and the reasons for their restructuring. I am indeed pleased to see that this is a permissive bill that's permissive legislation, and that it will not be forced on the farmers of this province that they will have to accept it, that there is an alternative in this bill, and I think this is indeed very good because I was concerned in the matter that we might see something happening which might not be in the farmers' interest in the long run, but we know that this legislation is brought in to accommodate a certain situation where you have rail line abandonment where certain elevators will not be used any longer, and where some of these local associations will have to be dissolved or consolidated, as this bill now provides, with the central organization. So there is definitely a purpose for this legislation that is before us now. I do hope that, as you pointed out in the Law Amendments or in the Private Bills Committee, that opportunity will be given to discuss this matter at the local level and that farmers will have an opportunity to discuss matters of this type and where they will be able to make a decision on their own. I do appreciate the provisions in the bill for this matter, and therefore I will support the bill.

MR. CHAIRMAN: (Section 1 to 9 (1) of Bill 27 were read and passed.)

MR. DOUGLAS CAMPBELL (Lakeside): Mr. Chairman, just as a point of interest, I have spoken to the Legislative Counsel and he has told me the reason that this bill is set up in a form a little different to what we've been used to. I'd just like to ask if you could check, Mr. Chairman, with either the Legislative Counsel or the Clerk: is it necessary under this set-up that you pass, for instance, 7(1), 7(2) and then Section 7 passed? Do they not stand by themselves?

MR. CHAIRMAN: Oh, I see. Well, I guess you're right. I was following the initials of the chairman of the Committee on Private Bills, so I didn't want to go wrong on that score.

MR. CAMPBELL: I wasn't objecting at all, Mr. Chairman, or criticizing. It is a new type of a bill and the Legislative Counsel tells me that it's because of the computer system, making use of the computer system in regard to bills.

MR. CHAIRMAN: Well, I thought that due to the fact there's several initials on there, that I'd follow the same procedure rather than somebody might come forward ten years from now and say the bill was Now where were we? (The remainder of Bill No. 27 was read section by section and passed. Sections 1 to 4 of Bill No. 48 were read section by section and passed.) Bill to be reported

MR. FROESE: Mr. Chairman, I don't think you called (f) under Section 4.

MR. CHAIRMAN: Oh, pardon me. I have an amendment pasted over top of (f). With the approval of all the members I'll call (f) now. (f)—passed. Bill to be reported.

Call in the Speaker. Mr. Speaker, the Committee of the Whole wishes to report the following Bills: No. 14 as amended, and Bills Nos. 32, 10, 25, 27 and 48 without amendments.

IN SESSION - GOVERNMENT BILLS

MR. M. E. McKELLAR (Souris-Lansdowne): Mr. Speaker, I beg to move, seconded by the Honourable Member for Winnipeg Centre, that the report of the Committee be received.

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

BILLS NOS. 14, 32, 10, 25 and 27 were, by leave, read a third time and passed.

MR. JAMES COWAN, Q. C. (Winnipeg Centre): Mr. Speaker, I move, seconded by the Honourable Member for Souris-Lansdowne, that Bill No. 48, an Act to amend an Act to incorporate Investors Syndicate of Canada, Limited, be now read a third time and passed.

MR. SPEAKER: Moved by the Honourable Member . . .

MR. COWAN: Mr. Speaker, the name of the bill was changed in committee, and I would move that an Act to amend an Act to incorporate the Investors Group be now read a third time and passed.

MR. SPEAKER: I'm given to understand that the motion before the floor is correct and the name is not changed until it receives Royal Assent.

MR. SPEAKER presented the motion.

MR. GREEN: Mr. Speaker, I beg to move, seconded by the Honourable Member for Elmwood, that debate be adjourned.

MR. SPEAKER presented the motion.

MR. SPEAKER: The Honourable Member for Winnipeg Centre.

MR. COWAN: I was wondering — I've told the members of the House about the urgency for having this bill passed as soon as possible, told them on Monday, and we've had quite a lot of opportunity since then to consider this. It was distributed on Monday so it's been before the members since Monday; Tuesday, Wednesday, and then it was given second reading on Wednesday; Thursday it was in committee, and we haven't asked that the rules be suspended excepting on the very first day, on Monday, and now it is before the House again on Friday, and I would think that if the member wishes to speak he should be able to speak now instead of delaying this further as it is really quite important to the parties concerned to have this bill enacted as soon as possible.

MR. GREEN: Mr. Speaker, I have some research that I'm doing on the question. I'll be ready to speak on Monday. I considered that there was a very urgent matter that I wanted to speak on earlier in the day and I couldn't speak on it. It was one of those things.

MR. SPEAKER put the question.

MR. SPEAKER: I think it would be well to try it again. Would the honourable gentleman from Brokenhead please take his seat?

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

MR. SPEAKER: The motion that the House resolve itself into committee?

MR. EVANS: Mr. Speaker, I beg to move, seconded by the Attorney-General, that Mr. 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.

MR. SPEAKER presented the motion.

MATTERS OF URGENCE AND GRIEVANCES

MR. SPEAKER: The Honourable Member for Seven Oaks.

MR. MILLER: Mr. Speaker, I rise to speak on a matter of what I consider importance and a grievance. I'm talking specifically about the problem which is being faced by students in Manitoba, not three or four months from now, but three weeks and two weeks from now. The winter term is coming to an end and within two or three weeks thousands of students are going to be thrown on the open job market, and we know that the situation in this regard is grim in 1969. All reports from all over Canada indicate that this year will be far more difficult for the students to find summer employment than ever before. Coupled with the now announced increase of the student fees of an average of \$50.00 per subject, which means \$200.00 to \$250.00 added to the tuition fees next year, thousands of students are faced with a very grim prospect, and that prospect is: are they going to be able to continue their education?

Mr. Speaker, I don't think this can be taken lightly. We have already invested in these students tens of thousands of dollars through the elementary and secondary school system, in the years that they have already spent at the university, and I think we have to protect, if nothing else we have to protect our investment. It makes good economic sense. So Mr. Speaker, I think this is not something that should be taken lightly, and it isn't being taken lightly by other people outside this Chamber.

A committee was recently formed at the University of Manitoba, a committee consisting of faculty people who are concerned with this problem, who recognize what the students are facing, and on their own they distributed a questionnaire to all members of both the teaching and administrative staff, seeking a solution to the problem. They enquired from the various

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(MR. MILLER cont'd.) departments whether they would be able to employ one or more students in a productive way this summer, and this is over and above the students that would normally be taken on for summer employment. They found that upwards of another 200 students could be usefully employed for an average of 15 weeks at each job in assisting in various things such as re-design of laboratory experiments, of assisting with research projects, of compiling bibliographies, of helping to clean up laboratories; in other words, constructive, useful jobs; jobs that do have to be done and will be done in the course of time, but they are asking that it be done now.

Now it would be possible to transform these potentialities into actual jobs only if the money is made available, Mr. Speaker, because the various departments of the University are limited in the funds that they have available for summer employment, and what I am talking about is finding work for an additional 200 students, and it may not be much - 200 students isn't that many when there are thousands looking for work - but it's indicative to me that the professors who work with these students all year are concerned enough to try to do something on behalf of these students, and they calculate that students could be paid on an average of \$50.00 a week, which is hardly a grandiose sum of money; that if the jobs lasted 15 weeks, that is just under four months, it would require an outlay of only \$150,000, Mr. Speaker, but it would make the difference between some of these students coming back or finding it very, very difficult to come back.

I gather this committee has already done some exploratory work. They have approached both the federal government and the provincial government to see whether indeed some money would be forthcoming in support of such a project, and I don't think anybody in this House would question the inherent worthiness of such a program because certainly they are not asking for money for these students just to be paid out; they are suggesting that a work program be established. Basically, that's it. The Minister, as we know, believes that people should work and, if possible, work hard, and I suggest that at \$50.00 per week this is hardly large pay or very good pay for summer employment, but as far as the 200 students is concerned it means that they could perhaps go back to university, pay their fees as the Education Minister wants them to, and not be endangered in furthering their education.

Now I hold no brief for the federal government. I deplore very much, and I have said so publicly that I do not support the federal position, or the federal posture that education is a provincial matter and let the provinces and the individuals worry about it. I have never been able to accept that and I can't accept it now. Education is far too big a problem and far too important to Canada as a whole to be hoisted on to the shoulders of the provincial government or of the individual. But since I cannot appeal to the federal government at this time, I am asking that the province take the lead, and perhaps by doing that they can show up the weakness in the federal position and it will strengthen their arguments that education is serious enough to our economy and to our country that it must be supported. And so I am appealing to the provincial government that they should consider making monies available to the universities in order that they may employ as many students as possible over the summer months.

Now, there could be, there has been a suggestion in the press, I know, that we are currently experiencing inflationary pressures in Canada and that we shouldn't undertake new programs which might add to these inflationary pressures, but the truth is that this money is money that would be spent to provide productive employment for persons who would otherwise be idle, so it's not likely to prove inflationary. The extra spending would be matched by the extra output these people put in through their work and effort. The work done by the students on summer employment projects would contribute much to the research and the teaching done by the university, so in that regard it would be a help to the university itself and the outlays required to generate such work could properly be regarded as an investment in education in addition to being a creator of employment.

I suggest, Mr. Speaker, that there is another by-product that we mustn't overlook, and it's the fact that the student morale and the attitude towards the university and towards their future prospect as students and as citizens would be greatly enhanced. They wouldn't experience the frustration which is all too common today because of the lack of employment for our students both at the university level and in high school, the frustration felt by young people who want to work but can't get work. They won't develop the feeling of hostility towards an adult community that appears to show concern and talks about concern but doesn't do too much about it except say, "Sorry, there's nothing we can do about it." I suggest it would tend to help the students

(MR. MILLER cont'd.) from getting into the feeling, or as I say, suffering from a feeling of being rejected by the society in which they live. It would give them a positive attitude. It would keep them occupied in the summer. It would perhaps save them from roaming around, eventually after a couple of weeks of that becoming frustrated, angry and letting out their anger in a manner which we of course don't necessarily approve of, but I can quite recognize that if one seeks work and can't find it that inevitably frustration builds up where there is an antagonism, and where that antagonism is too often expressed in people reacting violently, perhaps, in expressing their anger and their dissatisfaction. And Mr. Speaker, the amount of money is comparatively small - \$150,000.

Last night we heard that the Finance Minister estimated a surplus in his budget of \$600,000. If he's planning a surplus budget of \$600,000 I don't think the people of Manitoba are going to be very angry if, instead of a budget at the end of the year of \$600,000, he ends up with a surplus of \$450,000 and makes available \$150,000 to keep 200 students occupied gainfully in a positive way at the university, helping the educational system, helping the university and, in the final analysis, helping the students in their future as students and helping the economy through the injection of positive labour, positive work which these students will accomplish.

So I would urge the Minister of Education and firstly and secondly the Minister of Finance, who controls the purse strings, to give serious consideration to this matter, and to listen and to respond to the plea of the faculties at the University of Manitoba and to make available to them the small sum, relatively, which is required to give gainful employment to these 200-odd students which would benefit not only the students but also the community as well. Thank you.

MR. SPEAKER: The Honourable the Minister of Education.

MR. CRAIK: Mr. Speaker, I indicated earlier during the question period that I would attempt to get the figures for the honourable members. I haven't got them here yet but I hope and trust maybe they will arrive in the next few minutes because we are phoning to get the actual amounts that are involved, but I do have some figures here on the university fee structures and I would like to hand them out, and if the other figures arrive you can simply add or supplement to them for Manitoba.

But I would like to comment on the matter of grievance brought up by the Honourable Member for Seven Oaks. There are two or three specific problems that he has here. First of all, the job situation for this summer is one that has been of concern and this does happen periodically; it has happened in other summer periods. At the present time I don't think we know specifically whether the job situation is any more critical than it has been some other years. The difficulty always is that in our country and in Manitoba the construction industry and its activities are one of the very large employers of temporary summer help, which means students, and until things start to open up we don't usually know very accurately just what the employment picture is going to be when the universities close for the season. However, all the indicators are that the job situation is not particularly good this summer.

With regard to the specific proposal which the honourable member has brought forth regarding the employment of 200 people, I would agree that there are opportunities at the university but it might be helpful if these people who are involved in this were prepared to do their planning a little bit ahead of time rather than arrive on your doorstep on 10 minutes notice with a plan that could do with some more serious documentation and a little more long-term planning. To arrive on your doorstep and ask for \$150,000 or \$200,000, even when you are in a budget the size we are in, is just not possible. It's not possible to do it and to expect someone to have a reserve of this amount sitting in your hip pocket for a plan that somebody says is workable and is going to solve many of the problems they have now. I don't wish to sound critical of their endeavours. I am sure that they are well intentioned and it may very well be helpful, but I would state that it would be very much more helpful if they could think this out in a little more depth and a little more detail and provide some advance notice that they do have specific work that should be done and that they have people who are available for the job.

The other point is, of course, that the university does already manage a very large chunk of the educational budget in Manitoba, and in fact a fair-sized chunk of the provincial budget, and the amount that you are talking about here may just as well be available out of their uncommitted funds as they are out of the provincial government's, and in addition to that, they are much closer to the topic that they have in mind; they are much more aware of the job that should

(MR. CRAIK cont'd.) be done at the university than somebody in the government is aware of, so I would say that there are two or three things here involved. There is planning for this sort of thing and then there's the question of who, in fact, has availability to the funds to do the job that they have in mind, and I would suggest that it comes right back down to the universities themselves, and if they have something that they need to be done, let them plan ahead and let them make their propositions. In the meantime, we have projects of our own which we have been working on and which we intend to undertake, probably not all of them directly ourselves but through organizations that are involved in the youth field, that will offer employment to students, whether they are university or high school, in the area of youth development, and these will probably be what might be termed experimental projects. I'm not in a position at the moment to go into detail on them, but the funds that we have got in and planned for in the youth area are committed if and when they reach fruition, so that we are attempting to make the moves that we think are essential and which we can afford at this time.

Now the basic question of employment again comes down to the individual involved and to the Manpower people who are in the job placement business, and it must ultimately primarily lie there. We, as a partner in this, are attempting to do what we can to provide direct opportunity through government service, but that is pretty much the extent of our role, plus the youth programs which we are attempting to get off the ground floor for this season. Now if I could ask these to be handed out, this will give you some picture of the universities fee structure and hopefully this will cast some light on Manitoba's position in university fees.

MR. MILLER: I wonder if I might ask the Minister a question, Mr. Speaker? Mr. Speaker, I wonder whether the Minister could tell me, does he not feel that the university's role is to educate and the government's role is to plan for the economy as a whole?

MR. CRAIK: Well, Mr. Speaker, he might reverse the question and ask what the proposal is that the honourable member has suggested here that the university is developing.

MR. MILLER: Mr. Speaker, the university faculty did something which it's normally not geared to do. It went to the trouble of recognizing a problem, went beyond the educational field itself, and sought an answer to a serious problem. This government, through its Minister, is rejecting any answer at all.

MR. 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 Souris-Lansdowne in the Chair.

COMMITTEE OF SUPPLY

MR. CHAIRMAN: Agricultural Societies. (a)--passed; (b)--passed; No. 3.--passed. 4. (a)--passed. . . .

MR. FROESE: Mr. Chairman, under 4 we are dealing with the Credit Union Services Branch, and I certainly have something to say in connection with this particular aspect of the department. We know that the credit union movement is a self-help movement and that it has been in operation now for better than 30 years in Manitoba. I think it was first organized and started way back in 1937. Since then, the organization as such has grown where we now have roughly 180,000 credit union members in Manitoba. These members in turn have assets of something like \$157 million. The organization, or the movement, has grown very much. Even the loans outstanding as at the end of 1967 were something like \$128 million, so that the credit union movement today is serving many people in this province and not just very minor amounts or small loans, but they are contributing to the industrial development of this province as well.

The annual report made by the Director of Credit Union Services to the annual meeting of the Co-operative Credit Society of Manitoba had quite a few things to say. He mentions that the general growth had slowed down slightly, but this is something that you can expect. I know that of our own local, because of the crop conditions and because of the delivery quotas and so on, that you did not experience the same growth that you experienced in past years, and that as a result you have a slow-down. But on the other hand, I feel that the organization as such is growing, and growing soundly in my opinion.

The matter of issuing loans compares quite well with that of the small loans companies which increased their loans outstanding by 13 percent, the chartered banks by 16 percent, and the credit unions by roughly 16.8 percent, so that the matter of lending compares quite favourably with other organizations. The loans outstanding, I mentioned the figure of \$128 million as at the end of 1968. Just a few years ago, in 1960, the total amount outstanding at that time

(MR. FROESE cont'd.) was \$35 million. So that you can see the enormous increase and strides that the credit union movement has been making these past several years. The liquidity requirements under the Act are met. In 1960 we had a liquidity of \$6,380,000. At the end of 1967 this increased to \$22,969,000. So that, too, is keeping pace and I think it's a good indication of the movement in general, that it is performing a very unique and a very satisfactory service in my opinion.

However, there are certain matters that I would like to bring to light at this time. In addressing the annual meeting of the Credit Union League just a few weeks ago, the director also reported and again reported progress, but he also had a few statements to make in connection with the drafting of a new Credit Unions Act. Right now, as the Minister will well know, there is a committee of the League and the Credit Society and the credit union services that are working on the drafting of a new Act. Apparently working papers or probably a first draft had already been made and that they're refining it and bringing in a second draft which will be later on distributed, as I understand, to the various unions and chapters for discussion at a later date. However, they are bringing in a number of new concepts into the new Act, and while some of them I go along with, there are one or two which I take strong exception to, and while this may be a little early to discuss these new concepts, still I feel that this is the time to discuss them and not when we'll have the Act before us at the next session when changes will be very difficult to make. And therefore I refer you to the matter of shared capital and the structure of the new credit union after and when these concepts are incorporated. I'd like to read one particular paragraph in this report, and quote: "The accepted definition of shared capital is a complete misnomer in a credit union. Shares in a credit union have always been considered savings. We have accepted the traditional concept that shares are permanent capital and we would suggest that every person desiring to become a member of a credit union would purchase one \$5.00 share on which he would receive no dividend. Our suggestion in the Act is that shared capital should be nominal, permanent and not withdrawable unless the member withdraws from the society."

Mr. Chairman, this will completely change the structure, the financial structure, of the credit unions in this province, and I am concerned about this because we know under The Companies Act and also when a union goes to the bank to make a loan, which many of them do at the present time in order to service their members, that shared capital is of great importance because this is the money that is there to strengthen your organization. When you buy shared capital of an organization or company, you buy into that company and therefore you're responsible to any monies that will be borrowed later on by the organization, and the shared capital is there to back this up. And if you're going to remove shared capital from the organization, not completely but almost, because under this new concept you will have very little money in shared capital in your unions, and I feel that this is not a sound proposition, that this will not strengthen your organization. Instead, I think it will weaken your organization and therefore, Mr. Chairman, I think the Minister should take cognizance of this at the present time and use his influence in this matter because I feel that this certainly is something that we should consider at this particular time.

There are other matters listed and mentioned

MR. CAMPBELL: Mr. Chairman, I wonder if I could ask my honourable friend a question. Before the honourable member leaves that subject, would he tell us the author of that recommendation that he just read to the Committee. I missed the source.

MR. FROESE: The source is a report to The Credit Union League of Manitoba Limited, Annual Meeting, March 20th-21st, 1969, by R. D. Chase, Director of Co-operative and Credit Union Services.

MR. CAMPBELL: Might I ask, Mr. Chairman, is it an address by Mr. Chase to the ?

MR. FROESE: Yes.

MR. CAMPBELL: Thank you.

MR. FROESE: This is why I feel that this must of necessity be endorsed by the department or by the Minister if the director of the branch makes these recommendations, and therefore I feel that it is urgent that the Minister look into this before these matters are finalized. I don't want to go into the other matters because I am sure this would require at least a half an hour's time to discuss the various points. However, I would think that copies of this address should be circulated to members so that they could peruse them and form their own opinions on the recommendation.

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

Mr. Chairman, in bringing this matter forward, I had some specific matters in mind and I already mentioned that credit unions, as organizations, are borrowing from banks at the present time. In 1960, as I mentioned, they had loans outstanding of \$35 million. At that time their total borrowings from banks or other sources was \$2,150,000. In 1968, their loans outstanding were \$128,401,000 and their borrowings had gone up to \$13.7 million. So that you have an increasing amount of borrowings made by credit unions as organizations, and when you take a look at their requests and demands for services, this is not surprising because, as credit unions themselves, they are in itself not an expansionary source. They cannot expend the credit supply such as the banks can. These powers are not given to credit unions under provincial law. This power is strictly held with the chartered banks under federal act. However, since credit unions accept businesses and corporations into membership, and these businesses require larger loans and more power or more credit to operate their businesses, their demand is increasing and we find that we are financing many businesses today, such as stores and machine companies, and even industries that are coming in, and to quite a large amount.

The credit unions are also making real estate loans, and here again the requirements are very heavy, the demands are heavy, and not all of them can be met because a lot of these require long term financing which credit unions are really not meant to be in. At least until such a time as they have secured funds over a number of years, they have to confine their operations more in the short term lending field. But, at the same time, the larger credit unions have large amounts outstanding in real estate loans at the present time. And this is one of the reasons, too, why they have to resort to borrowings. In one of the reports that I mentioned earlier, there is a comparison given as to the ratio of consumer debt to disposable income, and we find that in 1951 this figure stood at 8 percent. By 1960 the ratio had increased to 16 percent and today, or at the time of the report, this was increased to 20 percent. That means that the ratio of consumer debt to disposable income stands at 20 percent today.

The report also mentioned that experts say it must be limited to this amount, that it is not safe to exceed this amount. Whether they are right I am not here to say, but we know that to be the case and that not only locally but this is the case right across the board in Canada, and because of this and because of the heavy demand, the credit unions as such are required to borrow money from the banks or other organizations, financial institutions, that have money available. And, as I mentioned the other day, credit unions are limited under Act as to the amount that they can pay in interest on shared capital or dividends, and this in turn has reflection as to whether they can make any money on the monies that they borrow from the banks, and I can say that many credit unions are presently just accommodating their members when they go to other sources for funds, in order to provide the money and credit to their members; that it is no longer a paying proposition to them and for them to lend money from other sources and then re-lend it to their members. It's simply a matter of accommodation, and one of the reasons is this limitation of the six percent interest dividend that they can pay. This also puts them into a straitjacket that they can no longer compete with other organizations, even the banks, today. Because of the six percent limitation, and whereas banks and other organizations are offering as much as seven to seven and a half percent, this puts the credit unions at a very, very bad disadvantage. I feel that this ceiling of six percent should be raised, whether it should be done away with completely or increased I would leave that up to the government to decide, but I feel that we need legislation at this session on this very matter. I brought this to the attention of the House before, but I make another appeal that the Credit Unions Act be amended in connection with this particular item at this session so that it will enable the credit unions to compete a little better than what they are at the present time.

Another recommendation I have, and I will only limit it to the two because as I already mentioned they're working on a new act and I don't think it advisable to bring in too many amendments at this particular time, but I feel that the one that I just recommended, and another one, that dividends may be declared semi-annually, be another one. As it is now, we can only declare dividends once a year after the year end and the board makes a recommendation to the annual meeting and the annual meeting decides on it and declares the dividend. I would feel that if we could declare dividends twice a year, or semi-annually, that this would also help to retain members' deposits and share accounts. I would hate to see monies that are presently held by the credit union movement to go to other sources and invested in other places. I feel that we

(MR. FROESE cont'd.) should make the credit union movement viable and also be able to compete in this connection.

What the effect would be of declaring a dividend twice a year would mean that your earnings at the year end would not be as large because you would have already declared a dividend, let's say at the end of June, so that your earnings would only be half the amount at the end of the year. This would have one effect, and that is that the amount that you put into your statutory reserve would as a result be reduced, because we're required under the Act to put 20 percent of the net earnings into a statutory reserve. Now because you would have declared a dividend at the end of June, naturally your undivided earnings would only be roughly half as large as they normally would be and that the amount that you would be required to put into reserve would therefore also be cut in half. An argument could be made that because we're going to cut down the reserve that this would weaken the movement. I feel that a number of our organizations, especially the older ones, have comparatively fairly large reserves, and as I mentioned a moment ago, the amount in reserves amounts to over six and a half million - I'm not sure whether this is the current figure, I think the current figure is quite a bit higher - but that the reserves are quite substantial at this particular time, and that this probably would still be satisfactory even with cutting the reserve requirements in half. This would then allow the credit unions or the local organizations to declare a higher dividend as well, because that portion that would normally be allocated to the reserve could also be included in the dividends.

So, Mr. Chairman, these are the two main recommendations that I would like to make at this particular time. The second one is probably not quite as urgent as the first, but I feel that the first one should be taken action on at this particular session.

A little while ago when we discussed the estimates of the education department I put the question to the Minister of Education whether the Teachers Retirement Allowances Fund Board, whether they were able to invest in shares in the credit union. I have not received a reply to date on the matter. I would feel that funds of this type should be made available to the credit union movement, and since the teachers organization have a credit union of their own which is in a borrowing position, why not allow them to invest in shares of the credit union. It's their own organization, it's their own money, why not let them use that money to advantage. I feel that if there are certain prohibitions in the allowances fund, that these should be eliminated so that this could be done.

I would also appeal to the Minister to have the Public Schools Act and the Municipal Act both amended to allow credit unions to act as depositories for these entities. Surely enough we have a lot of money floating in these entities that could be used to advantage by the movement, and why should the banks have an advantage over the people's movement in this respect. I would appeal therefore to the Minister that amendments be brought forth to the Public Schools Act and to The Municipal Act in order to allow for this change.

MR. MCKENZIE: I would like to add something to the remarks of the Honourable Member for Rhineland, in the last aspect of his remarks there in that legislation should be looked at seriously by the Minister, especially villages such as where I reside where there is no bank; in fact, the banks have pulled out of there years ago so they're not interested. In fact a local group has worked quite seriously to try to get the banks to come back in again, and when you try and arrange such a thing you find that deals were made years back where this can't happen. The Bank of Montreal in the village where I reside were interested and would have come in in fact, and with a credit union of the magnitude of this one and others, I think that the Minister should take a serious look and permit these credit unions to do business with the municipalities and the schools.

MR. CHAIRMAN: The Member for Rhineland.

MR. FROESE: On the question of whether the government is going to introduce a bill or not, I would like to know from the Minister whether they are prepared to act on this matter; if not, if they will agree to support it. I would not hesitate to bring in an act on my own, but I would like to hear from the Minister on this matter.

HON. J. DOUGLAS WATT (Minister of Agriculture)(Arthur): Mr. Chairman, I will just make a few comments insofar as credit unions are concerned. I have no intentions of getting into a debate with the Honourable Member for Rhineland or the Member for Roblin here because they'd probably both get me all tied up in knots right now.

The indications that I have, Mr. Chairman, are that by and large that the credit unions over the province - and there are I believe 243 credit unions - and the member is correct in

(MR. WATT cont'd.) . . . his figure of a total of assets of \$157 million. I just want to point out that I have met with Manitoba's Association of Credit Unions and I've had no indication from them that they desire any change or amendments to the present Act at this session. We have discussed a new bill that is being drafted - I think it's in the third draft now - and I have assurances that when the bill is through the third draft form that regional meetings will be held throughout the province where local associations may come and express their views for consideration by the committee that is now working on the draft bill. I have no direction from the association, the Manitoba association that is, that they desire at this time that we bring in amendments to the Act.

While I'm on my feet, Mr. Chairman, I would just like to point out that we have now in the province 23 co-ops serving in Indian and Metis areas and these also are doing well for these people. I just point out a couple of different associations that have been established, one at Grand Rapids, the Fishermen's Co-op Limited, where they have 39 active members. They have total assets there of \$24,294 and their local participation or equity and their assets amounts to \$16,036. Now this probably sounds like small peanuts actually when we talk about the bigger unions with probably three to four or five or more million dollars, but it does mean a lot to these people. In total, these 23 co-ops have \$547,000 and the local participation or equity is \$139,000, and I think it speaks well for the interest in these unions and the service to these people. Insofar as recommending or bringing in amendments this year, it would not be my intention, and I am going pretty well by the direction of the organization itself.

MR. CHAIRMAN: 4(a)--passed (b)--passed; (c)--

MR. SAMUEL USKIW (Brokenhead): Mr. Chairman, we're on Manitoba Marketing Board are we?

MR. CHAIRMAN: Yes, 4(c).

MR. USKIW: 4(c). Mr. Chairman, I noticed that there's a reduction in that particular area of expenditure, and I'm trying to establish, Mr. Chairman, in looking at these estimates just where in the estimates I will find something which will indicate what the Minister called was the great need, and that was the need to push ourselves into the area of research into marketing in that we have gone as far as we should and perhaps further than we should have in the research for production. As I recall his original statements, or his early statements when he presented his estimates before us, he suggested that perhaps we have pushed the one a little farther than we should have and that we should have put some more emphasis on the area of marketing, and I can't quite find where that area is in the estimates, Mr. Chairman. I see that last year we spent \$23,500 in this particular item and this year it is going to be cut down to \$20,900, and in no other area can I see some expenditures that indicate there is going to be some real activity in the field of marketing research or development. It seems to me, Mr. Chairman, that if we're consistent with what we are saying, that there ought to have been a substantial appropriation for that particular area of research.

Over the past number of years, Mr. Chairman, we have had a great deal of controversy with respect to improving our marketing arrangements for agricultural products, and I'm sure I don't have to remind members of this Chamber as to some of the deliberations that were held in this House with respect to the development of those marketing services. Now it would seem to me that the Minister ought to indicate to the House, to the committee, just where he is going to increase his research dollars in that particular field and what he has in mind, how he is going to approach the problem of marketing of agricultural products.

With those few remarks, Mr. Chairman, I will yield the floor to the Minister. Perhaps he has an explanation.

MR. WATT: Mr. Chairman, I think I should point out to the Member for Brokenhead that actually I did not indicate that we had pushed research in production too far; I said that it was off balance with research insofar as marketing is concerned. The particular item that we're talking about here now is an appropriation asking a sum of money for the mechanical operation of the Manitoba Marketing Board. It is reduced in amount of I think around \$2,000 this year because of the fact that we foresee no referendums being held. The cost of referendums are the responsibility of the government to the Manitoba Marketing Board and this is the reason for the reduction.

Insofar as marketing research is concerned, I think probably we should go back to the national congress again, and as I have pointed out, the first meeting was held and subsequent meetings will be held where we will be taking positions with the other provinces, and marketing research of course here will be involved.

MR. USKIW: Mr. Chairman, it seems another case of the government not assuming its responsibility in that there is no provision for expenditures of money in the area of market research as far as the provincial picture is concerned. Surely the Minister doesn't suggest to me that all our marketing problems are at the national level. Mr. Chairman, we have serious marketing problems at the provincial level in the marketing of commodities which we consume in Manitoba, and I fail to see the Minister adopting an attitude whereby he doesn't concern himself at all with his particular sphere of marketing legislation. I just can't understand that kind of approach, Mr. Chairman.

As you recall, only a year or two ago we had the turkey and the broiler people wanting some new legislation to support them in their request for some form of orderly marketing and that there were some referendums held with respect to those commodities, and that subsequent to those referendums the government was, I would say, indecisive in the sense that they backtracked on some of their legislation, if you like, or at least recommendations, the original recommendations, and that we didn't have any direction from the Minister of Agriculture. I think our direction came from the Minister of Industry and Commerce, Mr. Chairman, because it seems that the government is top-heavy in that area. They are on a drunk, if you like, Mr. Chairman, with respect to the idea that if the Department of Industry and Commerce is doing well that all other things will be well as well, and I don't think that that is the case, Mr. Chairman, because I think that the Department of Industry and Commerce have a way of compromising my Honourable Minister, the Minister of Agriculture, in his particular program and what his approach ought to be with the marketing of agricultural products.

Mr. Chairman, I want to point out that I don't like that kind of compromising, because I think it's compromising the primary producers in favour of the protesting industry, if you like, giving concessions to people that have no right to receive those concessions, and that the Minister ought to have some policy with this respect that we can rely on, which can be defined and that the producers of the primary products of this province can be satisfied will be in their best interest, Mr. Chairman. To date we have not had this; to date we have had a fight on our hands every time we had some group of producers wanting to develop some system of orderly marketing. It is time we quit scrapping, Mr. Chairman, because the industry demands that we have some sense of direction. We can't afford to continue the type of quarrelsome attitude, if you like, that we have had within the whole Province of Manitoba as between the producers of primary products and those that would like to come into the province to do the processing of those commodities.

Mr. Chairman, I think the Minister has to and should give the House an explanation as to what his policies are with respect to the development of further processing industries in Manitoba and how that will affect the primary producers and what the relationship ought to be. I am thinking in terms, Mr. Chairman, of a bit of bargaining power that ought to be placed in the hands of the producers. I don't think that the sun should rise and set on industry and commerce at the expense of the primary producer. I would hope that the Minister might indicate to the committee just what his intention is in this respect.

MR. CAMPBELL: Mr. Chairman, perhaps before the Minister speaks I might mention an area that I am interested in. I would think that this is a question that could have been brought up on the estimates of the Honourable the Minister of Mines and Natural Resources; I believe it also belongs properly here; and from the point of view that I'm discussing it, I believe it could also be raised on Item 7 of these Estimates because the Agricultural Credit and Development Corporation is, I think, to some extent concerned. What I would like to ask the Honourable the Minister, Mr. Chairman, is what is the present status with regard to the Fish Marketing Board. Now likely it's the Honourable Minister of Mines and Natural Resources who is more familiar with that, but my concern in this area is with the credit that I believe can be extended to fishermen under the Agricultural Credit and Development Corporation.

Now if I'm correct in those assumptions, I would ask the Minister, Mr. Chairman, first of all to give us a report, or his colleague do so, on the present status of the Fish Marketing Board; and then give us some advice in connection with this problem because I have information that three good fishermen who have been operating regularly, and have been doing as well at least as the average fisherman, have recently approached one of the companies here with whom they did business through the years and from whom, as so many fishermen do, they got some credit extended at the beginning of the year. They have been, I would think properly under the circumstances, told by the company that inasmuch as they will not be now handling the fish

(MR. CAMPBELL Cont'd.)... directly as they did before that they don't feel that it's up to them to extend this credit as they have been doing on other occasions.

The fishermen concerned then approached the Fish Marketing Board only to be told that the Board as such does not loan money, but that the Agricultural Credit and Development Corporation is empowered to do so. Then they have made the approach to that organization who informed them, if I correctly interpreted their statement, that they haven't yet received their authorization. Their understanding was, from the Agricultural Credit Corporation, that it would take about six months to get a loan after the necessary legislation was put through. I was under the impression that we already had the necessary legislation. I thought my honourable friend the Minister of Mines and Natural Resources, when he was occupying the position of Minister of Agriculture, elaborated at some length to the committee, Mr. Chairman, or to the House, on the fact that credit would be available from this source.

I am told that these particular three fishermen, good fishermen I am informed, have found nowhere to turn and said that they would be forced to go back to their area. They couldn't get the assistance that they usually got to put them in a position to go to work and that they would be unable to do so. Apparently we would face the situation - and if it applies to these three I suppose it does to a good many others who have been active fishermen in the past when credit has been extended to them by some of the companies - now apparently find that the arrangement made vis-a-vis the Board and the Credit Corporation simply do not meet their needs. So if either Minister under either item would give me some information on this matter, I would appreciate it.

MR. CHAIRMAN: The Honourable Member for Rhineland.

MR. FROESE: Mr. Chairman, I wonder if I could just add one or two things. We note that there is a new Potato Board established. I'm not sure of the exact name of the new - I think it's a commission if I'm right - and I would like the Honourable Minister to explain the difference between the former setup and the new setup. What is the actual difference of the former Board and the new Commission.

Then, too, I am still concerned about the other matter that I raised earlier - we are still under the same motion - having regard to the Credit Unions Act. As I mentioned, this puts the credit unions in a strait jacket and I still feel that something must be done. A year ago we amended the Companies Act allowing other financial institutions to borrow 15 times their capital. Credit unions, under their Act, are allowed to borrow a maximum of one-half of their assets of share capital and reserves, one-thirtieth of what the other financial institutions are allowed. We are already confining their activities in this respect. We are holding the movement down, and if we are not going to amend the Act to allow them to pay larger dividends, this will have serious consequences and you will see withdrawals from these credit unions in the future. I appeal to the Minister to kindly bring in an amendment to the Act so that this need not happen.

MR. ENNS: Mr. Chairman, I know that the Honourable Member for Lakeside would not want me to transgress a rule that he has often reminded the committee of, namely to debate those items that are before us, and for this reason he will agree with me, or appreciate that now possibly is not the time to debate the Fresh Water Fish Marketing Act which has received first reading in the House and which I agree with him has some urgency. I just consulted with the printers and I understand the Bill is to be here at any time.

He is of course quite correct in tying the credit regulations to the current estimates under discussion. I would have to say that the provision was made, is part of the Act that I will be bringing in that will authorize, or will enable us to designate an agency, whether it is the Manitoba Agricultural Credit Corporation or indeed perhaps the Crown Corporation, that is the Marketing Corporation itself which has assumed some credit obligations. I believe I indicated to the House earlier that the Marketing Corporation itself will assume the short-term credit needs, that is the traditional grubstake credit that the fisherman has so traditionally depended upon from the fish companies. This is available to them through the agency that just got born a few weeks ago. They had their first Directors meeting and it will be in operation.

We are very much concerned that there is a matter of urgency to being in a position to cope with precisely the problem that he outlines, that is the fish companies quite rightfully cannot be expected to, in some instances, continue operation of some of their facilities or some of their boats, and that there is going to be a need to allow our better fishermen particularly to purchase, and they will require some long-term credit to do this. Hopefully, next

(MR. ENNS cont'd.)... week this will become apparent and our intentions will become apparent to the House. We have a few problems to sort out; namely, that we have monies being offered to us from different sources, from the Federal Government for instance through the Department of Indian Affairs, who has agreed to some responsibility here because of the large number of Indian fishermen involved. They would be prepared to subscribe to a capital fund that would make this credit available and the province would add to this.

I don't mind indicating to the House that my current thinking certainly is that we should not duplicate any organization staff that we already have, and it would be my hope that we would designate the Manitoba Agricultural Credit Development Corporation to do this without any increase in personnel and so forth necessary, but it does require the - I'm not quite familiar with the Act - as it stands now it's permissive, credit can be extended to fishermen, but the Credit Corporation itself not being in the direct lending field any more in the sense that you can make your application there for an outright loan, we would have to designate this authority by means of the Fresh Water Fish Marketing Act.

So with those few remarks, I would suggest to the Honourable Member for Lakeside that in very short order, and there is urgency attached to it - the fishermen are making their plans to get on the lakes; we appreciate this and the department has concern for it - I would hope the Bill will be before us in very short order.

MR. CAMPBELL: Could I ask the Honourable Minister of Mines and Natural Resources if he can give the committee an idea of the time schedule that's involved here? When will the fishermen be expecting to get on the Lakes? How much time does that give us to operate? And then the other particular recommendation that I would make, Mr. Chairman, would be that if this Bill is now ready, could we not expedite its passage through the House as has been done with some other bills? Couldn't we get that much cleared away and couldn't we, at the same time, get the arrangements made re financing so that people who have been in this business shall not be losing a season? Is the alternative a good suggestion, that if it can't be done, as my information has suggested for a matter of months - and I know how slowly governments move in these matters, I know the difficulty of getting programs laid out and I know that it sometimes takes much longer than is expected when you look at it in advance - but if this simply can't be done before a matter of months, is it better to keep the industry in at least its present position by allowing the traditional, the present market situation to continue until the arrangements have been made.

MR. ENNS: Yes, Mr. Chairman, the Honourable Member for Lakeside is again pointing out precisely the transition difficulties that we are confronted with. I'm hopeful that current negotiations that are being carried on by the Manager and Managing Director of the Fish Marketing Corporation with companies will in most instances enable this kind of a carry-on operation to continue. On the matter of the legislation, I certainly receive with welcome his consideration that this matter be expedited and it would be my hope to have leave of the House to do precisely that. Not in the way of an excuse, but there was difficulty in doing this much earlier than we had because it was of course necessary to wait for the federal piece of legislation to be finalized. Some of the early discussions, even with the provisional board of directors, were helpful in tidying up the details of our Bill. In all, quite a bit in this instance is being done in a reasonably short time. I think the federal Minister undertook a considerable task in seeing that his Bill got through the House in reasonable short order; I would hope to do the same here.

MR. CHAIRMAN: The Honourable Minister of Agriculture.

MR. WATT: Mr. Chairman, I'll just make a few remarks in reply to the Member for Brokenhead who has brought up the subject of research again, and I would like to point out to him that our department are presently searching for knowledgeable people that know something about international trade and the establishing of markets. It's not that easy to find this type of specialized people. I point out to members of the committee that in talking with Mr. Runciman, the Chairman of the Grains Council, that Council are presently searching for the same type of people. They are not that easy to find, but I am sure that we will and that we will be working in the direction of increased research insofar as marketing is concerned.

The honourable member brings up the broiler and the turkey people and apparently their lack of support from the department. I just want to point out to the Member for Brokenhead that I am on fairly happy relations with the two marketing boards at the moment that he refers to and they have not indicated to me any lack of support as far as the Department of Agriculture

(MR. WATT cont'd.)... or the government is concerned. He mentions the fact that probably the government are on a drunk, Mr. Chairman. I am not quite agreed with this; in fact there is a pretty wide opinion here exactly where the confusion lies, whether it's with the government or that particular group over there.

Now the Member for Rhineland is not in his seat and he asked me to make a few remarks on the status of the Vegetable Marketing Commission. There is no change in the status of that Commission, Mr. Chairman, any more than we have added two more members, increased the membership to the Commission itself. There are two additional producer membership on the Commission, and also we have now an advisory board setup appointed by the producers that work in conjunction with the Vegetable Marketing Commission. I have reason to believe that the marketing commission will settle down and be in a position to offer a good service to the vegetable -- or particularly the potato growers.

MR. CHAIRMAN: (c)--passed. Co-operative and Credit Union Services - \$159,106. Resolution 9--passed. No. 5 - Research. (a)--. The Honourable Member for Burrows.

MR. BEN HANUSCHAK (Burrows): Mr. Chairman, I would like the Honourable Minister to comment on the research carried on in Manitoba as it compares with research in other parts of Canada. And the reason why I raise that point, Mr. Chairman, is because the Economic Council of Canada in its fifth annual review is critical of the agricultural research in Canada as a whole, and I would just like to read into Hansard what the Economic Council of Canada has to say about agricultural research. And on Page 95 of its fifth report: "Canada's wheat acreage is about one-half the size of U.S. wheat acreage but the size of the wheat research staff is only one-third as large. In rough terms, the U.S. government allocates two research workers while Canada allocates only one research worker per million acres of wheat.

"Now although it does not follow that allocation of more research funds leads to a proportionately greater rate of advance in yield technology, a closer examination of priorities in allocation of research funds in Canada appears to be warranted. For example, in 1966 the research resources in the field of cereal crops appeared to have been unduly small in relation to those in horticultural crops, that is fruits and vegetables. Federal and provincial governments and universities invested 219 professional man years in horticultural crops but only 113 professional man years to all cereal crops combined - wheat, oats, corn and rye. Considering that over the past decade cash income derived from the production and sale of fruits and vegetables in Canada accounted for less than 10 percent while cash income derived from sale of cereal crops accounted for more than 25 percent of Canada's total farm cash income, there appears to be some potential for adjustment. In particular, we suggest that there is need to examine whether the amount of resources currently allocated to research in cereal crops is adequate. More generally, there is need to examine whether priorities currently being given implicitly or explicitly to various areas of research in agriculture are appropriate."

And commenting on another area of research within the realm of agriculture on Page 98: "It would appear that, as in crop production, yields in livestock production are below U.S. levels, that in some areas, for example dairy and cattle production, the gap is widening. These diverging trends probably reflect many factors, including lags in the adoption of efficient farm practices and gaps in research and development in the livestock sector. Animal research effort in Canadian universities and in federal and provincial research institutions are proportionately smaller than in the United States. Also, a relatively much smaller volume of research in Canada is conducted by private industry than in the United States, and it is not known to what extent this lack of private research puts Canadian yield technology at a disadvantage. Now if this gap in yield technology is to be reduced, its causes must be more carefully identified."

Now what I'm saying, Mr. Chairman, is that according to the Economic Council of Canada, agricultural research is lagging behind that being done in the United States, and I would like the Honourable Minister's comment on this as it applies to Manitoba. I would like to know where does Manitoba stand in the field of research in relation to Canada. Obviously in preparing this report the economists, the research men, did accumulate certain data, certain figures, and on the basis of that they made their comparison. Now where does Manitoba stand? Are we below the average considered for the Dominion of Canada or are we above it? And even if we are above it, are we exerting ourselves sufficiently in the field of research or should we be doing more. And if we should be doing more, in what particular areas?

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MR. WATT: I'll just make a brief comment, Mr. Chairman, on the remarks of the Member from Burrows. I believe, and I think justifiably so, that as far as our research at the University of Manitoba, the Department of Agriculture area out there, that we are outstanding in the Dominion of Canada, and I believe that the provinces across Canada look for the development of research in all areas of agriculture from the University of Manitoba. I must say that I'm quite satisfied that we are not taking a back seat here from any other province; in fact in most areas I think we're leading. I did announce some time ago in the House a new variety of rapeseed that had been developed at the University of Manitoba and I want to report to members of the committee that this morning we have the official announcement that "Triticale" has been licensed in Canada and will be known as the variety "Rosner". -- (Interjection) -- Yes, that's right - Rosner. I don't think that I need to elaborate, Mr. Chairman, on the work out at the university insofar as agriculture is concerned, but I just point out the dairy quality testing, pesticide residue studies, farm management research, irrigation study, special policies study and so forth that are going on out at the University of Manitoba, and I think that I can assure the Honourable Member from Burrows that research insofar as agriculture is concerned is a leading project in the Province of Manitoba.

MR. CHAIRMAN: (a)--passed; (b)--passed. Research - \$613,148. Resolution No. 10--passed. No. 6 - Manitoba Crop Insurance Corporation. The Honourable Member for Brokenhead.

MR. USKIW: I'm not going to give you a lengthy speech on this particular one as I covered most of the subject matter in my opening remarks. I just want to find out from the Minister on this particular item why it was that the Minister did not see fit to provide hail insurance on an individual field basis. What is the rationale of that decision? Why cannot we change the crop insurance program to accommodate that particular problem? I'm sure being a farmer himself he recognizes that there is a problem that we do have to go outside of the crop insurance program to give us adequate protection when we insure our crops, and I simply want to ask the Minister why it is that he believes, or insists that we continue to do so. Isn't it in fact in the interests of the producers to be able to buy their insurance protection from one agency, namely the crop insurance agency, without having to go to the private insurance deal.

MR. FROESE: Mr. Chairman, before the Minister gets up to reply, I'll be very brief on this item as well. I would just like to ask him whether consideration is being given to the matter of insuring buckwheat. I feel that this is a crop that is very vulnerable. It's susceptible to frost if you have an early frost, and also to shattering because of windstorms, and I feel this is one crop where we really need the insurance. I'm sure that in a year like last year you wouldn't have claims, hardly any claims, because we didn't have the frost hazard, and therefore I think in the long run it would be a paying proposition. But it can happen that in a given year that your crop, almost all of it, is lost because of an early frost. It might be a very light frost but the crop is completely lost because of this frost. Is consideration being given to insuring buckwheat under this plan?

MR. WATT: Mr. Chairman, I think I pointed out already in committee that I would be having something to say on hail insurance insofar as crop insurance is concerned when the resolution comes up in the House, or when I get an opportunity to speak on the resolution that is on the Order Paper now. So I will be making comments then.

I can't give an answer to the Member for Rhineland on the reason that buckwheat is not included in crop insurance, but I think he has a valid point and I'll take this up with the crop insurance people.

MR. USKIW: Mr. Chairman, what resolution is the Honourable Minister referring to? We are on crop insurance in the estimates, Mr. Chairman, and I'm just trying to get the gist of his remarks.

MR. WATT: Well again I've indicated to the Committee, Mr. Chairman, I will be speaking on the hail insurance resolution that is on the Order Paper.

MR. CHAIRMAN: The Honourable Member for Ethelbert Plains.

MR. MICHAEL KAWCHUK (Ethelbert Plains): Mr. Chairman, I was more than mildly perturbed the other day when the Minister saw fit to dismiss the comments made by my honourable friend the Member for Brokenhead and myself, and I believe the Honourable Member for Gladstone had raised this same issue. I think that the Minister should be prepared at this time to inform the people of this province what the particular position of this government is to this very urgent matter. As my honourable friend well knows, all the agents who are selling

(MR. KAWCHUK cont'd.)... the Manitoba crop insurance at this time have requests from about 95 percent of the farmers to have the hail clause under a separate phase of this program whereby they would be able to insure from the peril of hail separately on an individual field basis. I have talked on numerous occasions to agents, as well as to area supervisors who previously were agents, and they all are of the same opinion, that this should be instituted immediately into this program. And for the Honourable Minister of Agriculture to take this lackadaisical approach, to dismiss this responsibility by saying that he will make a statement or participate in a debate that will be forthcoming on a private member's bill, is completely unacceptable by myself as perhaps maybe by other members of this committee. We have spoken on this issue for the last two years to my knowledge since I've been in this House, and I think it is high time that the Minister take a position.

Mr. Chairman, you know as well as I know that the private members' resolutions that are on the Order Paper might not come up for discussion until the very last day of this session. It has been the case in the past few years, especially last year, and furthermore the record of my honourable friend the Minister of Agriculture is such that leaves a lot to be desired as far as participation in individual member's resolutions are concerned. I can recall a situation very recently where the Minister of Agriculture should have participated in a feed mill issue, which is a burning issue in this province, and he saw fit to remain stone silent. I take great exception to him remaining stone silent on this issue at this time, and I would request the Minister get up on his feet and not only inform the members of this committee but inform the people of this province as to the position the government has on this particular issue.

MR. WATT: Mr. Chairman, I would just point out to the honourable members that hail insurance is not included in the estimates that we are considering now and I am not prepared to declare government policy at this time insofar as hail insurance is concerned. I've assured members of the committee, Mr. Chairman, that I will be when the proper time arises.

MR. KAWCHUK: Mr. Chairman, in view of what the Minister has just finished saying, is the government actively considering this particular issue at this particular time?

MR. WATT: There's no decision of policy at this time.

MR. CHAIRMAN: The Member for Brokenhead.

MR. USKIW: Mr. Chairman, I find that I can't accept the Minister's remarks that this isn't the area in which we ought to discuss the question of extended hail insurance coverage. Mr. Chairman, this is the item of crop insurance, or the Crop Insurance Corporation in the estimates. Where else can one discuss this matter, Mr. Chairman? The Minister says this isn't the time and the place. These are his estimates, Mr. Chairman. He wants us to approve an expenditure of \$638,900 dealing with this particular item - have I got the right item here - yes, and he says we can't discuss some aspects of crop insurance. It just doesn't make any sense. I think the Minister owes it to the House to be a little more responsible.

MR. WATT: Mr. Chairman, I'm quite happy to listen to the recommendations from members opposite, but I simply say that I am not prepared at this time to declare policy for the government.

MR. CHAIRMAN: The Honourable Member for Gladstone.

MR. SHOEMAKER: Mr. Chairman, I wonder if my honourable friend the Minister could advise the House of the number of claims that are yet to be settled for 1968. The annual report was for the year ending March, 1968, and it strikes me that the cost per claim for the adjusting of the losses is fairly high - and maybe it has come down a lot last year like a lot of other expenses have come down - but according to the annual report on Page 10, it looks as if...

MR. CHAIRMAN: I'm sorry to interrupt the honourable member but it's 12:30. You can continue speaking Monday. Committee rise and report. Call in the Speaker.

Mr. Speaker, the Committee of Supply has adopted certain resolutions and asks leave to sit again.

IN SESSION

MR. SPEAKER: Order please. I see smoking in the House.

MR. M. E. McKELLAR (Souris-Lansdowne): Mr. Speaker, I beg to move, seconded by the Honourable Member for Winnipeg Centre, that the report of the Committee be received.

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

MR. SPEAKER: It is now 12:30; I am leaving the Chair to return again at 2:30 this afternoon.