

THE LEGISLATIVE ASSEMBLY OF MANITOBA
8:00 o'clock, Thursday, April 3rd, 1975

SUPPLY - AGRICULTURE

MR. CHAIRMAN: I refer honourable members to Page 5 of their Estimate Books. Resolution 12. (a) (1). The Minister of Agriculture.

MR. USKIW: Mr. Chairman, before we move on, I would like to correct a statement that I gave to the House earlier this afternoon with respect to the expenditures on CANFARM anticipated. I believe my figure, or the figure that I used, was \$229,000. It should have been \$150,900. The recovery for 1973-74 was about \$9,000 on the old rates. The anticipated recovery for this year would be about \$80,000.

MR. CHAIRMAN: Resolution 12. The Honourable Member for Rock Lake.

MR. EINARSON: Well, Mr. Chairman, I was listening to some of the comments the Minister made before the supper hour in regards to his staff throughout the country and the communications that have gone on between his department and those who are working out in the rural areas. He was talking about his stocker program and I think probably he was relating to the program insofar as the cow-calf operators were concerned, and he made one comment about an outright grant being \$10.00 per cow that probably had some significance, some importance to be worthy of mention. I had stated earlier in the remarks that he made at the beginning of his estimates, that this program has not been acceptable to many many farmers, and I am wondering whether he had any consultation with his regional directors, with his agricultural representatives throughout the rural parts of the province, and others that were probably involved in administering this program. Did he have dialogue with those people before he decided on that policy? Also, did he discuss with the cow-calf operators as to the feasibility and acceptability of that program? And I indicated at the outset of his estimates, in commenting to his reply, that the program was helping those farmers who really didn't need it, and I say that for this reason: that those farmers who were already indebted to the banks and the credit unions had to go to those respective organizations and get a release from the banks and credit unions on loans that they already had, before they could avail themselves to the program that the Minister has been talking about. And those farmers who were mostly in need as a result of this weren't able to get the advantage and the benefit of those loans. So, Mr. Chairman, I feel that the Minister is not really fair in his comments when he says to us that he thought that was a worthwhile project insofar as assisting the livestock industry was concerned.

Also, while I'm standing, Mr. Chairman, I was wondering if the Minister could inform us as to at what stages and what success is the inquiry, or the committee that he has established to look into the meat inquiry in this province. I know one of the areas that I have never heard much discussion or much criticism from his department that I felt was a legitimate one and probably he could stand some ground on in defending his position, and that is the difference in the price of an A grade steer and an A grade heifer. In the United States the variation there has been no more than from one to one and a half cents a pound, and I felt if the packing companies could operate down there on that basis, I've often wondered why they can't do the same in this province, in this country. But that is one area whereby I think that if there was any consultation between the Minister and the packing houses, he could have probably given us that information here in this House as to why that differential of as much as from eight to ten cents a pound. And that is a loss, I think, that the farmers . . . and I don't have figures that could calculate the loss to farmers who marketed heifer beef through the yards or through the packing houses in this province in the past year. I think if it were to be estimated it would be quite substantial. At the same time, Mr. Chairman, I think the consuming public could also benefit if that margin was reduced.

And so, Mr. Chairman, I think if the Minister wouldn't mind answering some of those questions, I would like to hear from him at this time.

MR. CHAIRMAN: The Honourable Minister of Agriculture.

MR. USKIW: Mr. Chairman, the first number of questions that the member put don't require an answer in that he knows the way departments function - at least if he doesn't, he should - having spent so many years in the legislative framework and having been a party to a government in power for a number of years, so when he puts the question as to the kind of discussions that are held departmentally on policy development, then he really has the answer and I don't know why he wants to belabour that point.

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(MR. USKIW cont'd)

The other point as to the way in which the packing industry prices its beef in this province, that, as he should be aware, is a matter that is under consideration of the Inquiry Commission, and I would anticipate that when the report is handed down that there will be some reference to that very specific point. At least it was one of the specific areas that we drew to the attention of the commission for the purposes of inquiry.

Now, I have never been satisfied, as it seems the Honourable Member for Rock Lake would be, with discussions with any particular group which has an interest to protect, because every group wants to protect its image and its financial interests. So, while one can communicate with the industry people, one has to sometimes take with a grain of salt some of the advice that is given so that one doesn't fall into the trap of having the government run by a sector that has a particular interest for its own enhancement. Certainly that is not my mode of operation, nor I would hope that it would never any government's mode of operation. So that's really all I have to say in respect to the consultations with those that have a vested interest.

MR. CHAIRMAN: Resolution 12.(a) The Honourable Member for Morris.

MR. JORGENSEN: Mr. Chairman. What I want to do is to respond to the Minister's invitation a few days ago and deal with the cow-calf situation that currently exists. He challenged members on this side of the House to make some statements in connection with this particular problem, and I indicated at that time that when the appropriate opportunity arose, that he would be hearing from this side of the House and I intend now to deal with that particular situation.

The Minister just said that he was not going to respond to particular interest groups, and he has a convenient way of attempting to create the impression that anybody that is attempting to look after their own interest has an ulterior or a motive that is not in keeping with what he believes should be their intentions. But I do not hesitate to say to the Minister that it is the responsibility of any particular segment of agriculture or any group in society to look after their own particular interests, and it is by looking after their own interests that they look after the industry as a whole, and generally that redounds to the benefit of the whole country. He also stated just now that he was not going to respond to special interest groups, and it's a pity that he wasn't following his own advice because as early as 1969 the cattlemen were warning government not to unduly encourage the production of livestock in this country. That was at the time when there were grain surpluses, and the grain surpluses were creating problems. I have a clipping from the Winnipeg Free Press of October 7, 1969, in which Dr. Gordon Burton of Claresholm, Alberta, president of the Western Stock Growers Association, indicated that it would be a mistake for government to encourage livestock production in order to relieve the problems of the wheat industry, or the grain industry. And they were suffering severe problems at that time.

As a matter of fact, on October 9th of 1969, in Hansard you will find a statement that I made to the effect that the Minister's stated intention of duly encouraging the diversification into livestock could be a serious mistake, and I quote from that particular page of Hansard, Page 1569 of October 9th, and I said this: "The kind of encouragement that I seem to detect the Minister intends to give to the increasing of the cow-calf operators, could be disastrous to the industry. He would be spreading the disaster all through the agricultural industry. Some consideration should be given to how he is going to diversify, because it can create more problems than it can solve." And I went on to point out at that time that the proper course that should be taken was to solve the wheat problem by itself, and I went on to make several recommendations as to how that could be done without attempting to diversify the problem, if I may use that word, into the livestock industry, because if that was done the problems would be that much more difficult to solve. Now the Minister is beginning to realize that, and the whole country is beginning to realize that the problem in the livestock industry is far greater, far more serious, and could be far more disastrous than anything that ever occurred during the so-called grain crisis of a few years ago, and I believe that the Minister has now placed himself in the position where he must accept some of the responsibility for the problem that currently exists.

I don't suggest for a minute that this Minister of Agriculture in this province has created all of the problems. On the contrary, I would like to list a number of things that have been done, not just here in Canada, but throughout the world, that has created the crisis in the

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(MR. JORGENSON cont'd) livestock industry. One of the first things that was done that started this trend towards greater diversification, or the increase in livestock number, was the LIFT program. It was a program that we criticized very severely on this side of the House because we felt it would create distortion in production - which it has done.

Then the American government took the step of imposing price and wage controls, and some of those price controls were imposed on the livestock industry and retained in the livestock industry long after the other controls had been lifted. And I think of all of the things that were done, that perhaps was the worst one. Then, in order to try and correct the problem in this country, and against the advice of the livestock producers themselves, the Canadian Government imposed a price support program which, again, created more problems than they were intended to solve. And all through this period, the livestock people were warning the government of the crisis situation that was developing, and all through this period the Dominion Bureau of Statistics, or Information Canada, were publishing figures that were so misleading as to create the impression that there was no problem, and the livestock men continuously warned the government that those figures were wrong - certainly wrong in the light of their own figures and in their own projections.

And then, as things went from bad to worse, the Canadian Government imposed restrictions on the movement of livestock into Canada, and that was done at the request of the livestock producers at that time because they'd reached a situation where it was now becoming intolerable. And of course, as could be expected, there was a retaliatory action on the part of the United States.

Then, another program that was implemented that had a serious impact on livestock numbers was the banning of DES in this country, an ill-considered move that has created, again, more problems that it was intended to solve.

And last but not least, the decision of the OPEC countries to raise the royalties on oil has had a very significant impact on our exports into Japan and the European Common Market countries, who now found that, because of the increased prices of oil, they had to divert the money that they would be normally using to buy beef into paying for oil. All of these decisions, every single one of them - I've listed nine of them here - every single one of them was a decision that was made by a government, and in many cases against the advice of the livestock producers themselves. Then when livestock numbers have reached the stage where governments suddenly recognize that there are problems, then it's too late. And I might say that there is one other point that I didn't mention, and that was a decision that was taken by most provincial governments, in Western Canada at least, and that was a decision that the Minister himself must share some responsibility, and that was the decision to encourage the undue production of livestock. As I said, governments were warned as early as 1969 that this could pose serious problems in the livestock industry, and indeed it has.

Now we reach the present, and many of the people that the Minister encouraged to go into livestock now find themselves in a situation where they're unable to move that livestock and the Minister's stocker program that he so proudly announced just a short while ago, has not really been of any material assistance to the livestock producers at all because those who need it most are those that are least eligible for that program, and it places a person who has taken advantage of the program in the position where he is unable then to get further financing in order to maintain his livestock herd or to keep it over for a year. So the action that the Minister so proudly announced earlier this afternoon has not really done the job that he intended it to do, in fact it has simply delayed the inevitable which the livestock producer must face, and it is in the light of that situation that the livestock producers now have come to the Minister asking for assistance that could be something a little more tangible than he has offered up to this point.

Now I think it would be a mistake if the Minister responded to that request for assistance simply on its face value, unless accompanied with any program of assistance, is a condition that there would be a reduction in the cow herds in this province, because if it is not accompanied by that provision, then the next year and the following year we're going to have the same problem. And any program of assistance must be accompanied by a provision that seeks to reduce the cow numbers in this province. And coupled with that provision, I think the Minister can then embark on a kind of a program that not only will relieve some of the pressures on the cow-calf operators today, but will also endeavour to bring the whole picture back

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(MR. JORGENSEN cont'd) into balance to provide assistance without any regard to the necessity of reducing cow numbers in this province - and I notice that the Minister is still saying that there isn't a surplus of beef in this province in spite of the fact that every knowledgeable livestock operator knows that there is, and knows what the problem really is. The Minister sloughs off that responsibility by saying, "That is a federal; it's nothing to do with me," and then enters into his usual argument about the price stabilization program and how that was designed to assist the livestock producers. So I think under normal circumstances that argument would apply, but the Minister must accept his share of the responsibility, because time and time again in this House and through the medium of his information service, he has announced program after program and how well that program was working and how they were increasing and diversifying livestock production. Well, if the Minister is going to take credit for that program, then he must also take the responsibility for it if it hasn't turned out the way it was intended - and to say that it hasn't, is really understating it, and I will just refer him to several information bulletins that were released in which he announced further steps and further money being put into this program to encourage farmers to raise more livestock: on December 23, 1969; on August 21, 1970; on February 26, 1971; on October 6, 1972; on July 13, 1973; on October 12, 1973. Then, when the trouble began to manifest itself, suddenly the press releases stopped.

The Minister cannot say that the suggestions made by the cow-calf operators are novel, or that they are establishing precedent, because they're not. The precedents have already been established for that kind of assistance. I always thought that this government took pride in their philosophy that they intend to help people who are in trouble. The Minister certainly wasn't reluctant to offer some assistance to his potato growers in 1969. He wasn't reluctant to offer some assistance in the Fishermen's Income Maintenance program in July, 1971. Nor was he reluctant to provide emergency grants to farmers in April of 1972. So for the Minister to suggest that this may be a precedent is not in accordance with the facts. As a matter of fact, I'd like to read the Minister's statement when he introduced that program of emergency grants to farmers - that's for the grain farmers, and they didn't have near the crisis that the cow-calf operators are faced with today. And here's what the Minister said as recorded in Hansard at that time, Page 482 of April 30, 1971. He said, "I know it tickles honourable friends opposite that the Province of Manitoba dared to break tradition in this area," - that is to set up an emergency program for grain farmers. He said, "that we would assume responsibility that rightfully belongs in Ottawa, and it tickles them a little bit because they have never done it."

Well, we'd like to be tickled again. We would like the Minister now to announce that he is going to provide something tangible in the way of assistance to the cow-calf operators, the people who have a far greater problem than the grain producers ever had. And he will not be breaking tradition because two provincial governments already have announced programs of assistance very much of the nature that was asked for by the cow-calf operators. And I don't suggest for a minute that the Minister has to spend the amount of money that was suggested by the cow-calf operators. They suggested that as a figure that I think the Minister could enter into discussions with the cow-calf operators on, use that as a basis for determining the kind of a policy that would be followed in order - and the criteria should be - to bring production back into balance so that the problem is going to be removed and not just delayed. And I don't think that the Minister should be accompanying any program of assistance on the condition that the producers of livestock place themselves into an economic straitjacket such as the Minister would like him to do for the establishment of a beef marketing board.

Mr. Chairman, surely the kind of experiences that we have been having with marketing boards, surely must indicate to the Minister that it is not the solution to a marketing problem. And in saying that, I don't suggest that there are certain marketing boards under certain circumstances that cannot perform a useful function. I think, for example, of a commodity that comes on to the market in a short period of time and that market then must be extended throughout the entire year - and I'm thinking particularly of grain crops, I'm thinking of turkeys. Here a marketing board can serve a very useful function in taking that product off the market and then feeding the market gradually. And somebody mentioned potatoes. That's another example. That's a field crop that comes on to the market for a very short period of time.

But I have never known that a marketing board serves any useful function on the market

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(MR. JORGENSON cont'd) that is being fed daily, such as eggs, such as beef, such as pork. Milk is in a class by itself, because milk to a large extent is dictated by health standards, for one thing; and secondly, it would not come on to the market on an even supply if it were not for the quota system. And the Minister has already found that out. And that was the purpose of the quota system in the first place, to ensure that there would be an even flow of milk to the market because it is such a highly perishable product.

The Minister must broaden his outlook on the whole question and stop looking with the blinkers on. He looks at marketing boards as applicable in every facet of agriculture, and it does not work. Surely the experience that they've had in eggs is all the demonstration that they require. Here is a product that supply can be cut off quickly, it can be increased quickly, and in spite of the fact that it is a commodity that doesn't perish too quickly and does not have the long term implications that livestock does, it was still not possible for the Egg Marketing Board to achieve for the egg producers that which its proponents indicated it would. It has been, to say the least, somewhat of a disaster in the egg industry.

Now, my only point here is that if it cannot work in a commodity that is as readily adaptable as eggs, then the livestock producers know full well that in a commodity such as livestock, that has so many complexities in the marketplace, that it would be virtually impossible to expect a livestock marketing board or a beef marketing board to have any impact or to serve any useful purpose other than to increase the cost or the spread between the producer and the consumer. And the Minister should abandon, because in the first place the livestock producers don't want it, should abandon the condition that they'll get assistance only if they succumb to his blandishments to have a livestock marketing board, because they don't care for that kind of a program and they will not accept any assistance at all if it has to be accompanied by such a program, because they know in the long run it'll be more disastrous than the situation that they're currently facing.

The Minister should, in good faith, talk to the livestock people in attempting to work out a program that will provide them with tangible assistance over this difficult period, and it should be conditioned, not upon their acceptance or rejection of a marketing board, but upon their acceptance of a culling of the herds to reduce them to manageable levels so that production is more nearly in supply with demand. And that should be the only criteria. And if he can work out that kind of a solution with the livestock producers, then he should, instead of coming into this House and saying that it is the responsibility of the Federal Government, and the Federal Government alone, he should take the initiative in attempting to solve this problem nationwide because it requires the co-operation, not only just of the Minister of Agriculture in Manitoba, but the Federal Government as well, and the livestock producers.

To my knowledge nothing of that nature has taken place. There have been no meaningful efforts on the part of any government to accept the responsibility in the light of their contribution to the problem that is rightfully theirs. And the Minister can show some leadership, like he did in 1971, when he so proudly announced that he dared to break tradition, and he should stop suggesting that because the livestock producers are asking for assistance, and that essentially they are a group of people who like to run their own business without government interference . . . had it not been for the government interference in the first place they would not be on the Minister's doorstep right now. But since the Minister and other ministers in this country have placed the livestock producers in this position against their better advice and against the suggestions of the livestock industry as early as 1969, I feel that he has an obligation to say, "Yes, we made a mistake and we're prepared to accept our share of the responsibility - not all of it, but our share of the responsibility." And there's no question in my mind and there's no question in the mind of the livestock producers that the Minister does have a responsibility in this area.

MR. CHAIRMAN: The Honourable Minister of Agriculture.

MR. USKIW: Mr. Chairman, it's always most interesting for me to listen to the comments of my friend from Morris because he always has a hang-up about how things should be done in the area of marketing. He's still on his same philosophical note that he was when I first met him, and that indicates that nothing will change his mind in that respect, Mr. Chairman.

But I should like to address myself to some of the other points that he makes, mainly one of them being that it's governments that have made certain decisions that have created the

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(MR. USKIW cont'd) problems for the livestock industry, the cattlemen of this country. And he said, "You know, the livestock people warned governments against making those decisions," and he listed several decisions that were made that have a direct bearing on the plight of the cattle industry in this country and in the world. And, you know, I would like to believe him but I can't believe him, Mr. Chairman, because I know that the cattlemen of this country never had the foresight to forewarn the oil men of the world that they should increase the price of oil in 1974 and 1975, which he says, the Honourable Member for Morris says, made a substantial contribution into the area of difficulty that we find ourselves in with respect to cattle marketing and cattle prices. I don't believe for one moment that the Cattle Association of Canada, or for that matter the world over, could have influenced that decision even if they had the foresight. --(Interjection)--Well, but Mr. Chairman, just a moment ago the Member for Morris said there were some nine decisions that governments made which had an impact on the conditions of our agricultural industry, namely the cattle industry. One of them he listed was the price of oil and where people in Europe had to shift their priorities from the purchasing of meat to the purchasing of oil. Now I don't know how any cattlemen's association could have had the foresight some years ago to prevent that decision and, if they did, how they could have prevented it.

MR. JORGENSON: . . . what kind of an argument the Minister is attempting to present. Nobody even suggested that. What I am saying, that it was one of the decisions by government that created the problem. Now whether or not the cattlemen could influence, the Minister is the one that is making that point, not me, and he shouldn't set up straw men and then attempt to knock them over.

MR. CHAIRMAN: The Honourable Minister of Agriculture.

MR. USKIW: The other decision that was made was the decision on the part of many countries in the world to cut imports of beef. Again that is something that is far beyond the control of this country and beyond the control of the cattlemen themselves, and we recognize that these are valid observations but certainly observations that we have very little scope of involvement with as a provincial administration.

But I should like to draw to the attention of the Member for Morris that all of those are nonsensical arguments. They're all red herrings in the context of Manitoba's position, and I want to draw his attention to the 1973 year book of Manitoba Agriculture wherein there's some interesting statistics, and I want to draw to his attention that in 1965 we had commercial marketings from Manitoba of some 528,000 animals, and in 1973, Mr. Chairman, 429,000. We sure increased those cattle numbers. We sure increased those marketings, Mr. Chairman, from 528,000 in 1965 to 429,000 in 1973, and you can add a few percentage points to that to bring us up to our current position. And my honourable friend stands there, Mr. Chairman, and suggests that it's the undue increase in cattle sales and cattle numbers that has been our problem, but virtually we stood still for ten years in production and in marketing. That's nonsense, Mr. Chairman, and it's obvious that it's nonsense.

Now, livestock numbers on farms: 1965 - 1,184,000 in total; in 1973 - 1,196,000, just a mere shade of difference in total cattle numbers from 1965 to 1973. And my honourable friend said, you know, it's those incentive grants, it's the encouragement to get into livestock that's the problem, and really we poured a lot of money into the industry to virtually stand still in production - to virtually stand still in production - without which we would be far below our production of ten years ago. So all we had was a holding exercise in the course of the last several years. In the course of the last nine years, Mr. Chairman, we had a holding exercise to hold on to our livestock numbers in this province. And my honourable friend says that the government should assume some responsibility for the worldwide price crash in meat.

You know, in talking to the President of the Farm Bureau last week, who had just flown in from New Zealand and Australia, he indicated to me that the price of beef there was 12-1/2 cents a pound for choice beef; 12-1/2 cents a pound. My honourable friend wants to tell me that Manitoba's production had a fantastic impact on the supply situation which has brought the whole world crashing down and therefore we must assume the responsibility to try to bring forward some meaningful assistance to the industry in this dark hour as far as the cattlemen are concerned in this province.

Then he goes on to say that we were more than generous, we broke tradition. And he cited a number of instances where this province decided to come to the aid of our agricultural

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(MR. USKIW cont'd) community, and he mentioned 50; he mentioned - I'm sorry, the assistance to potato growers dating back to 1969. But then he doesn't tell us, Mr. Chairman, that that is not analogous to our situation here, that that assistance was for a crop disaster, not for a price disaster. That was a crop disaster, where there was no crop insurance provisions for the production of potatoes at that time. He doesn't tell us also, Mr. Chairman, that the total amount of money that we spent on that program was \$50,000; not 40 million, Mr. Chairman, but \$50,000.

Then he refers to the dollar per acre that was provided to the grain industry, and I want to tell my honourable friend that that dollar per acre went into many many thousands of farmers that were cattlemen at that time as well, it went out to 35,000 farm families in 1970 or 1971, which is virtually every farm in Manitoba. Most cattlemen received that same assistance as did the grain men. There was no difference between the farmer that produced live-stock as well as grain and the farmer that was just a grain farmer. Everybody got it. So let not the Member for Morris try to indicate that there's some discrepancy in policy here.

--(Interjection)--Well I think my honourable friend should know why. We were then involved - not only us, there were other provinces involved - in some very dramatic negotiations with the Government of Canada to try to come to the rescue of the grain industry which, contrary to the opinions of the Member for Morris, was in very dire straits at that time. At that time they were in their third year of poverty, 1968, 1969 and 1970, three years of absolute price disaster in the world markets where grain wasn't selling, and if it was selling, it was selling at give-away prices.

Now let's talk about the cattlemen. It seems to me that, if not every year, almost every year we have provided for meaningful assistance to those cattlemen who have had problems in hay production, and last year's emergency measures I think cost the province almost a half a million dollars. The emergency program this year is going to cost us some hundreds of thousands of dollars. The stocker program is not a non-program. It's going to cost this province at least a million dollars, I would think, in interest subsidy; \$20 million in capital was provided. So let not the Member for Morris suggest that something hasn't been done or attempted to try to alleviate some of the problems that the cattlemen face in this province today.

But then, Mr. Chairman, what really is most interesting is that the Member for Morris says that Manitoba should cut its cattle production in order to solve our problems. And, you know, I don't have to look it up in Hansard, but I am sure that I would be correct in stating here, Mr. Chairman, right now, that if the Member for Morris went back and read his own statements to this House on more than one occasion, wherein he always took the position that Manitoba's production is inconsequential vis-a-vis the international market, vis-a-vis the North American market, whether we have any production or no production will not change one iota the price of our production, the value of our production. Today he said, you know, if we would only trim our herds in Manitoba we are going to solve the cattle prices all over the world. You know, it's a most interesting reversal of his position from what it was only a few months ago or only a year ago, Mr. Chairman. I find it most entertaining that the Member for Morris can forget so soon what he had said only a few months ago, or only a year ago; and didn't say it only once but said it many times, Mr. Chairman, that really there was no point in talking about organized marketing because we really don't set the prices in Canada, they are set beyond our borders. That's been the theme song from over there, Mr. Chairman, and now the Member for Morris says if we would only trim our production, if the province would assist our producers to cut back the herds, let's get down to where we were 40 years ago in production. I mean, why trim back? We stood still for nine or ten years, so if he says let's trim back, what he's really saying is that we shouldn't be involved in the cattle industry whatever. Why are we in it? Let's get out of it, is what he's really saying.

You know, despite all of the government programs to assist people to get involved in diversification programs, as I said earlier today, we still have not managed to move our production in the same way, in the same magnitude, as the Canadian average has moved in the last few years, or the Province of Alberta where they didn't have these programs, who increased their cattle numbers more than any other area of Canada. So, you know, Mr. Chairman, you do have to take with a grain of salt the contributions of the Member for Morris on this particular question.

And then of course he gets into the egg marketing question, and he cites that as proof

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(MR. USKIW cont'd) that there's no way in which any marketing organization would solve the problem. You know, this is really most interesting because we have not had, we have not had yet, Mr. Chairman, an egg marketing agency that did a job in marketing in this country. The way it is put together so far, it is incapable of doing that kind of a job, and we said this on Day One when we reluctantly put our signature to that agreement: that it is not structured to work efficiently, that we will have eggs moving from the west to the east and from the east to the west and the consumers will pay for transportation both ways, and you can only avoid that through a more centralized approach to marketing. You have to control the flow of the product. You have to interfere with the trade sector in the egg business. You will not make it work if you are simply going to interfere or control the eggs at the farm gate. That's not going to work. And of course we know that, and of course we have had numerous meetings with the Government of Canada and, at their call, to help rescue the Egg Agency of Canada. And every time we meet with them we say, "But we told you so." But they are so reluctant to interfere with the trade mechanisms in the marketplace in order to come to grips with the real problem. They are prepared to sacrifice the producer and the consumer, but they will not interfere in the area of the trade, the commercial side of it. That's the nub of the problem. And we are going to Ottawa next week to discuss eggs again - next Tuesday. I don't know where we're going to be. I suspect we're either going to make the thing go or we're going to wind it up. --(Interjection)--Well, I don't mind a couple of good ones. Now, Mr. Chairman, it's obvious that the system was not geared to make it work, and until it is geared to make it work, it can't work.

Now I want to deal with the true, the real reason why the Member for Morris now wants to focus attention on the Government of Manitoba and its policies as being the culprit in the area of cattle prices in this country. The true reason, Mr. Chairman, is that the member does have a memory. He doesn't remember something that he said a year ago but he remembers what he did when he was a member of the Diefenbaker administration in the passing of the Agricultural Products Stabilization Act, which at that time was introduced as the salvation to agriculture. That's what he remembers, Mr. Chairman, and which hasn't worked . . .

A MEMBER: No, it hasn't.

MR. USKIW: Which hasn't worked - he now admits it hasn't. It hasn't done a thing, Mr. Chairman. We have the Act, we now have amendments to the Act before the House of Commons, neither of which are going to solve the problem that these cattlemen are facing, completely incapable of solving it unless the one weakness in the legislation was plugged, and that's a weakness - and I want to now make reference to the Member for Springfield at that time, who said that that legislation was impossible of insuring a fair return to the farmers of Canada on any of the commodities covered by that legislation, and that was the former President of the Farmers Union of this province who said that the major weakness in that Act was the discretionary power that it placed in the hands of the Governor-in-Council, the Cabinet of the Federal Government. And that was its weakness, the fact that we would have to depend on the charity of the politicians as to whether there will be stabilized agriculture in this country or not. And, you know, they have had all those powers since 1959 or 1960 . . . No, 1959 was when that Act was put on the books. They had had the powers to do anything they wanted with respect to price guarantees or stabilization guarantees, and not once had they moved to make it work. And the legislation they are now amending makes it look better, but again, it doesn't give them any more power than what they'd had before, and the only way that they would convince me that they are serious about price stabilization is if they put it right into the legislation, not to leave it at the discretion of the Federal Cabinet or the Minister of Agriculture of Canada. If they were serious about price stabilization. But they refused to do it.

You know, it's obvious, Mr. Chairman, why they refused to do it - the Member for Morris wouldn't be able to do it - because the moment you provide a price guarantee that is meaningful, you will end up with beef coming out of your ears in no time, Mr. Chairman. We wouldn't know what to do with the production. And since they don't want to have marketing and production control, therefore we must have an Act that says something will happen but out of which nothing ever happens but simply gives false security to the producers of any of those commodities. False security, Mr. Chairman, is the net result. People build on expectations that the discretion of parliament will be in their favour. People develop cattle herds on the basis that there's an Act that says "if things get rough parliament will bail us out." Not

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(MR. USKIW cont'd) parliament, the federal cabinet will do it. They don't even have to go to parliament, according to that Act. But never once had they done it with respect to any commodity. And the Member for Morris was party to that legislation. He now admits he isn't proud of it because it hasn't worked, but that is a source of his embarrassment, Mr. Chairman, and therefore he would like to divert the attention from Ottawa to Winnipeg. Now Winnipeg is the culprit. The Province of Manitoba should solve the problems of the cattle industry of the world. And, you know, he is very uncomfortable for that reason, Mr. Chairman. Very uncomfortable. Having been in the federal system of government having governed Canada for several years, and having the largest majority in Canadian history for any political party, and having failed to deal with the problem, now he would like to divert the attention.

MR. CHAIRMAN: The Honourable Member for Morris.

MR. JORGENSEN: Mr. Chairman, you know, the Minister is providing a great deal of entertainment for himself and some of his backbenchers by setting up, which is his custom of course, and everybody knows the habit of the Minister, setting up straw men and then proceeding to knock them down with regularity.

I want to deal with one thing that he said in particular, just to give you an indication of the kind of a deceitful way in which the Minister uses figures, when he quoted livestock, commercial livestock marketing figures in the Province of Manitoba from the year 1965 till now. On the surface of it those figures looked as though the point that the Minister was intending to make was a valid one, but in the light of reality, which has escaped the Minister, bear no relationship to the true situation whatsoever, because what happened when the diversification program or the encouragement took place to diversify, was that instead of those heifers going to market as they would have normally gone to market, they were kept for reproduction purposes. The cows that would normally have been culled and shipped to market were sold to those poor, unfortunate young people that the Minister encouraged to go into livestock.

A MEMBER: At inflated prices.

MR. JORGENSEN: That would naturally decrease the commercial marketings. And so the Minister tries to suggest that there has not been an increase, and in the sense that there has been no increase in commercial marketings he's right, but what has been happening is to build up those herds which are not related to the figures that he quoted in the case of commercial marketings. Those cattle were there and they have been reproducing and creating the numbers that now are an embarrassment to the Minister and to whatever country the surpluses have taken place. And the Minister, you know, says that I am embarrassed. I'm not a bit embarrassed. I'm not a bit embarrassed over the fact that when the Price Stabilization Act was introduced it was introduced as a program that had the best of intentions, and I freely admit it didn't work out. There was one alternative to getting it to work and that was by closing the borders, and no one can suggest, particularly livestock producers themselves, would suggest that that sort of action take place. If the Minister wants to live within this country, isolated from the world, with no exports or no imports, fine. Then he could do what he suggests. But the livestock producers certainly don't want to do that because the bulk of their markets are in the United States and they want to trade with the United States. They want to trade with the world. And so the rather trickily ridiculous suggestions that the Minister is making may satisfy his own backbenchers and may satisfy himself, but they certainly are not going to satisfy anybody on this side of the House or the livestock producers themselves, because they're fallacious arguments.

Now, Mr. Chairman, he kept on suggesting that I had, in my initial remark, made the statement that he had to solve the problems of all the livestock producers. I made no such suggestion. What I did suggest is that the Ministers of Agriculture, which includes Alberta, which includes Saskatchewan, which includes Ontario and all the other provinces that were involved in this undue encouragement of livestock, get together with the Federal Government and attempt to work out a program that can bring this whole situation back into line. The fact is that in the United States there has been a reduction because of the action that belatedly has been taken in that country, to reduce livestock numbers by about 7 percent, which is pretty significant. And that in itself is the only bright spot in the livestock picture today, the fact that the Americans have reduced livestock production and reduced their herds by 7 percent.

Well, Mr. Chairman, --(Interjection)--I wonder, Mr. Chairman, if you could prevail upon the Minister of Labour to observe the privileges of this House, to observe the dignity of

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(MR. JORGENSEN cont'd) this place, by refraining from yapping from his seat, which is his habit. It would contribute quite a bit to the debate if he would do that.

MR. PAULLEY: Would the Honourable Member for Morris accept a question?

MR. CHAIRMAN: The Honourable Minister of Labour.

MR. PAULLEY: Does he recall the statements made by the Conservative Minister of Agriculture in this House when he was advocating what the Honourable Member for Morris is saying should not have been done?

MR. JORGENSEN: You see again, my honourable friends opposite are so misinformed on this whole situation--(Interjection)--I know, I know you were here, and I know what he was advocating at that time. But he was advocating that at a time when the encouragement of live-stock numbers in this province would not have created a problem, when it was necessary. But everybody knew, the livestock producers knew in 1969, gosh I even knew, because I made a statement in this House in 1969 telling the Minister that he was going to create a problem. And, you know, if the livestock producers knew that and warned the government against it, then why, why would they take such strong measures to create the problem that now we have in this country? And I don't suggest for a minute, I haven't suggested and the Minister, you know, does himself a disservice when he takes statements out of context and tries to create the impression that I said things that I did not say. I said it was a responsibility of those people who contributed to that problem, and that does not just single out the Minister of Agriculture here - he's far too sensitive on that point - because it was done right across this country. It was done in the United States, it was done in New Zealand, and the situation that developed in New Zealand was for a different reason than what happened here.

MR. PAULLEY: The Honourable the Minister of Agriculture under the Conservative regime that I referred to, George Hutton . . .

MR. ENNS: A fine man.

MR. PAULLEY: A very fine man, that's right. He advocated, through the COMEF Report and the TED Report, the very situation that the Honourable Member from Morris is now rejecting. I'm suggesting that because the present Minister of Agriculture is not following the line that the Honourable the Member for Morris rejects, I ask him whether or not he would agree that the propositions that were made in this Assembly by the then Minister of Agriculture insofar as COMEF and TED was concerned, was an accurate assessment of the proposition at that particular time by a Conservative government.

MR. JORGENSEN: I don't know, Mr. Chairman, whether or not that was a question or whether it was just another effort on the part of the Minister to hear himself. In any case, if it was a question it wasn't any more intelligent than the first one, which was not intelligent at all, because at that time - and I'd like to answer the Minister because he's in need of some education in this subject and I see that he is an apt student, that he's willing to learn - the situation that existed at that time, and I think the program that was advocated by the former Minister of Agriculture, the Honourable George Hutton, was a planned program of gradual expansion, of gradual expansion in accordance with the demand that existed at that time. What happened after 1969 was a crash program designed to relieve the pressures on the wheat industry. In other words, they were transferring the problems of the wheat farmer onto the backs of the livestock producer, and what I suggested in 1969, what I say again, it was wrong. It was the wrong program.--(Interjection)--

Well, you know, if I had the foresight, and I don't credit myself with a great deal of that, if I had the foresight to see it in 1969, then a lot of other people must have seen it as well, including the people in the livestock industry themselves, because the pressures to diversify were there without any encouragement from government, any encouragement whatsoever. Government could have allowed this increase to take place naturally, without any encouragement, and there still would have been a problem but at least the Minister could have been able to say now, "Well, at least we recognized that the problem might occur and we did nothing to try and aggravate it." He would have been then on pretty solid ground. But he didn't. Against all the advice that he could get, he continued to advocate something that he was told was going to be disastrous, and now that the disaster is here he absolves himself, he washes his hands of it, and says triumphantly that it is the Federal Government's responsibility, and the Federal Government's responsibility alone. Well, you know, I'm not going to deny that they do have a very heavy responsibility here, a very heavy one, and it is up to the Minister to - well, it's

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(MR. JORGENSON cont'd) not up to him but at least he could show some leadership, if he would take the lead, in trying to work out a program nationwide that would relieve the situation and would reduce cattle numbers to the point where they are more in balance with demand. If the Minister even accedes to that modest request, then it would be an indication that he has at least finally recognized the problem, which apparently he hasn't done up to this point.

MR. CHAIRMAN: Resolution 12 (a) (1). The Honourable Member for Lakeside.

MR. ENNS: I have a small contribution to make at this particular time, Mr. Chairman. I don't know whether I should take a moment or not to further enlighten that honourable member opposite who obviously is beginning to show considerable interest in the affairs of agriculture, more so, I think, than the Honourable Minister, namely the Minister of Labour. If he continues this demonstration of interest, Mr. Chairman, then sooner or later I'll feel honour-bound to maintain a promise that I made to him some time ago about delivering him a suckling pig with an apple in its mouth from this side of the House. But just for the record, because there is, you know, having raised the question of who was encouraging livestock production and at which particular time, it's one thing to acknowledge and encourage a natural growth in the industry and it's another thing to promote it in a highly irresponsible manner, in a manner that was deemed to hurt the very people that needed the help and benefit the very people that possibly didn't need the help. And I'm referring specifically to the program whereby the well-established ranchers, who normally would sell their aging cows after their eighth or ninth or tenth year in production, would sell them as canners and boners to the marketing industry, now all of a sudden found a bonanza given to them by this government, by this Minister. With the specific program of offering a pretty substantial 20 percent grant in the purchase of breeding stock, most of the smart old ranchers got rid of their cows, their ten-year-olds, that really had no more business, that had run through their cycle. But you had a whole group of the young farmers, and a lot of them were in this Legislature here demonstrating because of the problems that they were in, they had hot government money burning in their pocket, \$15,000 worth of it, which said that it didn't matter as long as they bought anything with an udder on it and it could be safely said 'in calf'. You know, with the government backing it, they forced, they inflated those prices up to \$400, \$450, \$500 for these cows, cows that normally would have gotten out of the market by now.

MR. G. JOHNSTON: . . . of the old age pension.

MR. ENNS: Under old age pension, as my honourable friend from Portage suggests. But it's that kind of an ill-thought-out program, Mr. Chairman, as compared to the kind of general statements and policy decisions made by, say, the previous administration, the previous Minister of Agriculture George Hutton, when it was suggested that the Province could and should encourage a healthy growth in the livestock industry. We're talking about a specific program, Mr. Minister, that did a great deal to, on the one hand, withhold from the normal flow of cattle to market, put an inflated price value on these aged cattle, and now in view of what has happened marketwise, has saddled in so many instances these young farmers - and the Minister knows this - with massive debts and with a great deal of difficulty of repaying it.

I think, Mr. Chairman, that that's a program that the Minister has withdrawn since, I believe, and correctly; has recognized that that program couldn't continue and shouldn't continue. But, you know, I just want to point out, Mr. Chairman, that there's a world of difference in a government or a Minister in a Department of Agriculture recognizing the desirability of industry growing in a particular way and then artificially feeding it, you know, with dollars and cents that made it grow by leaps and bounds. And the Minister very correctly shows as his cut-off date the year 1973.

One of the biggest problems, one of the biggest fiascos in this whole question, is the total collapse, the total unreliability of the statistics involved. I think the statistics primarily are those that we gather from Ottawa that are involved here. We were led to believe up until just a relatively short time ago, 12, 14 months ago, that our growth in the industry was acceptable, was growing at the rate of four to six percent, when in fact it was far in excess of that. There was a massive failure involved in the proper collection of statistics which recorded the actual growth in the industry, and the Minister astutely chose not to talk about the figures that he is aware of as they now stand in '73 and in '74 and in '75 across Western Canada. You know, we talked from '65 to '73. We didn't want to talk about 1974 and '75

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(MR. ENNS cont'd) because those figures, you know, they show a different story, and I will tell you something. I'm not, you know, with the kind of mistakes that have been made up to now and the kind of admissions of mistakes and errors that have been made by federal statisticians, you know, I have little confidence in the figures that even now can be presented to me, because I believe and in fact I think I was at a meeting with the Honourable Minister earlier on in the year, it seems to me, at Poplarfield or somewhere in that area, where that subject matter came up and it was agreed to that there had been a pretty serious breakdown in communications and in the accuracy of the figures that both the industry and governments were relying on in formulating policy.

MR. USKIW: I wonder if the honourable member would permit a question at this point.

MR. CHAIRMAN: The Honourable Minister of Agriculture.

MR. USKIW: . . . but no longer relying. Since he would not rely on statistical data, then I'm sure he would admit to the House that he doesn't know whether there is a surplus or a shortage of beef in Canada today.

MR. CHAIRMAN: The Honourable Member for Lakeside.

MR. ENNS: We can make some very reasonably good deductions, and one of those deductions comes from the very figures that the Minister read into the House, the noticeable, no lack, indeed the decline in cattle going to marketing in the year 1973 when all around us the evidence of cattle build-up was there. Now that indicated that an awful lot of cattle were being kept home, an awful lot of old cows that should have been coming into the canneries, you know, as boners were being kept back on the farm.

MR. USKIW: Wrong.

MR. ENNS: Well, Mr. Chairman, the Minister says wrong, but I'm just saying that our figures are in a mess. I would have to say this much, that the present concern that is being expressed by all cattlemen and organizations across the western provinces about whether or not Canada will have available pasture to pasture this massive amount of cattle that now shortly will be seeking grass, that . . . You know, we can fight that out in this House and we can fight that out in Ottawa, but for the poor critters that are going to be fighting out for grass this summer, particularly if it's going to be a dry summer, they won't have to rely on whether I'm accurate or you're accurate, I'm just going to tell you, Mr. Minister, there's an awful lot more cattle going to be looking for whatever grass they can get on the same acreage. And that is a fact. So at least we agree on that, Mr. Chairman.

Now, Mr. Chairman, the other matter that I wanted to raise and ask, raise with the Minister at this particular time, and I really know that he would not want me to allow him to get through his estimates without at least a brief discussion on the subject matter, and that is the status of the A.I. industry here in the province, or have we dealt with that to some extent? Next item? Maybe I'm ahead of myself, but I'm sure - maybe under the general discussion of the Animal Industries Branch. I think, Mr. Chairman, if for no other reason than for the personal edification and education of the Honourable Member for St. Johns, and the Minister of Labour if he's also interested, we should hear how the Minister's plans are proceeding with respect to the A.I. business. What is happening to the centre; the distribution system that has been put into effect, I gather, at least to some extent; what is happening with the technicians involved; are some of the problems that have been festering for a number of years in this area, have they been resolved and to what extent are solutions being found? I think the Honourable Minister should indicate what his future plans are in this particular area and what the livestock growers can hope to expect in terms of service, in terms of regulation or non-regulation in this particular field. Thank you, Mr. Chairman.

MR. CHAIRMAN: The Honourable Member for Rock Lake.

MR. EINARSON: Well, Mr. Chairman, I would like to add a few more comments to the debate that has been conducted in the last while. I was interested in hearing the comments from my colleague from Morris, and also the comments and reply from the Minister whereby the Minister was suggesting that we go to the Federal Government because it's at that doorstep that we have to solve the problem of the cattle producers. I want to bring up one other subject, Mr. Chairman, that I think does lie squarely at the doorstep of this Minister of Agriculture, and I'm going to ask both questions to him as to what happened to the Coarse Grains Commission that he brought into being here, I think it was back in 1971, and I stand to be corrected if I'm wrong on that.

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MR. CHAIRMAN: The Honourable Minister of Agriculture.

MR. USKIW: I'd like to advise the honourable member that that item can be discussed under Manitoba Marketing Board.

MR. EINARSON: Mr. Chairman, I merely mention it, the fact that I want to pose questions and I will do it under the proper item, but I merely wanted to state to the Minister while we're discussing livestock, and it does have a very significant relationship as to the debate that is going on right now, because if we go back a few years approximately in the summer of 1973, when grain prices were low, and finally through the Wheat Board prices were uplifted, our cattle industry and the hog industry and others were relatively good. Do you know, Mr. Chairman, I believe it was about the 1st of August in 1973, or shortly thereafter when the Wheat Board increased their prices, the famous Coarse Grains Commission of this Minister increased the feed grain prices still higher. And I want to say to him, the very people that he was trying to help in 1970-71, namely to assist farmers to get into the hog business, to get into the cattle business, were the very farmers in 1973 with his increased prices under his Coarse Grains Commission he helped to defeat. That is an area, Mr. Chairman, I think, that this Minister must and cannot renege or deny responsibility, because it is in this area, that is the total responsibility, legislation that was brought in this House or that was inaugurated by this government. And, Mr. Chairman, it was from that day on that the meat industry started to have its troubles, plus the fact of all the comments that my colleague from Morris made, which were relevant to both United States and in Canada, and I want to say to him that I don't see how, and he can't renege on that responsibility.

Mr. Chairman, when the proper time comes I have a number of questions I want to ask of him of the Coarse Grains Commission and I will do it at that time. But I, Mr. Chairman, wanted to make that comment and say to him that if he had never established his Coarse Grains Commission, things wouldn't have been quite so bad for the cattle industry today.

And the other thing, while he is mentioning the figures of the slaughter of cattle in 1965 up to '73, he can use those figures all he likes, but I want to say to him, I have travelled the province; I've been amongst farmers in recent years and I know what's been going on, and I'd like to ask him if he can tell us how many female heifers, that is, heifers and cows, were slaughtered in 1972, how many female heifers and cows were slaughtered in '73 and in '74, because I would suggest to the Minister, Mr. Chairman, that the grants to get into the cattle business certainly kept a good number of female stock off the market, and I think he can travel around the province and find that if those grants had not been available there would not have been nearly as many kept on the farms. They'd have gone to market.

MR. CHAIRMAN: The Honourable Minister of Agriculture.

MR. USKIW: Mr. Chairman, I'm not going to belabor this particular point too much longer. I simply want to point out to the Member for Lakeside one obvious fact which has been totally ignored in the debate, and that is that the price of cattle right now is not bad relative to the price of cattle only a couple of years ago. The problem in the cattle industry has to do with the price of imports and the fact that grain prices have simply sky-rocketed in the last two or three years. You know, one has to realize that if the cattlemen were able to do the very same thing in the price of beef, that everything would be relative and everything would be fine. But we find that cattlemen are not able to do that. They are not organized to do that. One cannot blame the grain producer, as my honourable friend the Member for Rock Lake would try to do, for the fact that the market is good for grain and that the grain producer should realize the best market that there is for him. That's not something one should condemn anyone for. That is simply good business.

Now I want to take you back to 1968, '69 '70 and part of '71, when grain was sold at such ridiculously low prices - you know, three bushels of barley for a buck, 65 cents a bushel, 55 cents a bushel - for a couple of years in a row. The cattlemen didn't say, "Well gee, we want to do justice for the grain man, we should really double our price for grain." The beef market was good for quite a number of years. Now I'm speaking in favour of the Member for Morris who's acknowledging the points I'm making. I realize we have a cattleman on that side of the House, Mr. Chairman, and a grain man on this side of the House, and that's part of their dilemma, by the way. That's part of their dilemma. The Member for Morris is agreeing with me. You know, it just depends where you sit in this whole business, doesn't it?

A MEMBER: And never the twain shall meet.

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MR. EINARSON: That's right. So it's obvious, you know. The grain men were subsidizing the cattlemen for a number of years, and when the tide turned, the grain man had to catch up. I can tell you if we didn't have a turn in the price of grain in 1972 and '73 and so on, that we would have had prairie bankruptcy, if the position of the grain man would have been unchanged in those years from what it was from '68 through to '71. And then everyone would have had complete disaster, including the cattlemen, who would have to go out and grow his own grain. And many do, by the way. Many do. Those cattlemen that grow their own grain aren't in the financial pinch as are the cattlemen that depend totally, totally, on bought inputs of feed. So it depends on the individual operation, and to the extent that farmers are in both areas of production, they can survive a downturn in the market longer than those that are depending totally on someone else's production - and I'm sure that gentlemen opposite know that, as a matter of fact. So really, the price of grain has more to do with respect to the returns to the cow-calf people than any other single item, and it happens to be a good thing for the grain producer at the same time.

Now with respect to the cattle sales in 1965, I simply want to remind my friends opposite who were the government then, and whose Minister just before then pleaded with Manitoba farmers not to go on to a stampede into grain production; he wanted to retain the cattle industry. And I recall some of the statements that he was making. He said, "Don't get excited about high prices of grain." In 1966, '65, '66 and '67, we had what was considered at that time good grain years, and people were getting out of cattle because grain production was the thing. And so you had an unloading of cattle, which represents the high sales figures of 1965. That's what you had. In 1973 you had a more normal situation, and therefore it represents a lower number of marketing. So one has to analyze and understand why these movements take place, and there's no doubt in my mind that grain, looking as good as it does last year and this year - you know, it's becoming more precarious but still relatively good - that many people will say, you know, "This cattle industry, let's get out of it. Let's get into grain." In fact, I know that that's happening. A very good friend of mine who was a dairy farmer for 25 years got out of a very modern dairy enterprise and went straight into grain, because he said, "Why bother with seven days a week? I've had enough of it. We can make our money growing grain." It's the way things happen when the markets shift in that way. Now that doesn't mean that two or three years down the road he might not regret that decision. I don't know. That'll be up to him. But certainly there are no guarantees in that switch, I can assure you. So we are really in the position of having to deal with the shifts in production and the effects that those shifts have on prices and so on.

With respect to A.I., the Member for Lakeside would like to know where we are. I should like to tell him that we have had a lot of discussions over the last year with the A.I. technicians and with the Animal Industry people, farm groups, and we have, I believe, resolved our differences of opinion. We have indicated to the technicians that they have an option as to how they want to operate. They can either deal through the centre or outside the centre - that is really up to them. The licences are issued as they were, and we are intending to have a program that would encourage greater use of A.I. in particular in favour of those farmers who have not had access to it, and I think that has to be part of a development aspect of our department. You know, when you analyze the amount of public money that's been poured into A.I. all the way back to the, I believe, Campbell years of government here, we just come to a complete standstill on utilization, and it seems to me it's tragic, and tragic in particular to the smaller operators who could have the benefit of better sire selection, of better breeding practices, if we had some way in which we could program it. And everyone agrees on these basic objectives, you know, but whenever you try to unscramble what is already there and a long-standing practice, you know, and you want to change it, it's always very difficult because someone has a vested interest to protect, which is a personal interest and has nothing to do with the objectives of a provincial program and the desires of the province as a whole and the people as a whole. So it's that kind of conflict within the industry that we've attempted to sort out in the last year, and I think we've come to the point where I believe everyone will be relatively satisfied - maybe not completely, but certainly I think it's an accommodation that we can live with so that those technicians that want to operate through the centre will participate in that program and those that don't want to won't have to, and we will let the people and the technicians decide just how far we proceed with the program on the basis of utilization.

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MR. CHAIRMAN: The Honourable Member for Gladstone.

MR. FERGUSON: Mr. Chairman, I just have one short question to ask the Minister, and you may have answered it the other day, I'm not just too sure, but how much money was left in the Horned Fund? What was the disposition of it? Have you paid it all out or have you still got some left, or what goes on with it?

MR. USKIW: Well I believe that we . . . I'm not sure that we have had a response from the cattle industry. We did write a letter or two inquiring from the people that have an interest as to how we might launch a promotional program to spend the residual funds. The funds are in the amount of \$21,608.92. Now an Order-in-Council provided the authority for the expenditure of that money but we have not yet, as I am aware, decided on . . . Oh yes. The message I get here is that there has been a meeting with the Marketing Branch on that particular question. There has been at least one meeting between the Beef Growers Association and the Marketing Branch, so where it's at at the moment I don't know, but we are involved in discussions I do know.

MR. CHAIRMAN: The Honourable Member for Minnedosa.

MR. BLAKE: Mr. Chairman, I wanted to ask some questions on the A. I. program. I was waiting for the next item but the Minister has answered quite a number of them now, because we were wondering what the situation was in regard to the A. I. technicians and, as a matter of fact, the whole A. I. program in the province, because it's been pretty obvious the past year that it's been in a real state of turmoil, and while I'm reluctant to ask questions and have the Minister give half hour answers, I have one or two questions that possibly if I could ask them and get an answer. I would like to know what --(Interjection)-- That's what I'm afraid of. I mentioned last night with the Minister, you know, when you ask him what time it is, he describes the clock but he never tells you the time. I'm going to try it once more. I'm going to ask him the time. I would like him to tell me briefly what the situation is with the Manitoba Animal Breeders Co-op.

MR. USKIW: Well, Mr. Chairman, on that score there is no such agency. the whole program reverted as a program, part of the Department of Agriculture service. So the co-op concept is redundant at this point.

MR. BLAKE: . . . some idea of what it cost to set it up. Was there costs involved to the government in setting up the Manitoba Animal Breeders Co-op? It's disbanded now, I assume.

MR. USKIW: Well incorporation is the change or the thing that has been disbanded. The costs would have been there whether it would have been in-house or outside of the department. So it's a matter of transferring the control of it from the co-op into the department proper.

MR. BLAKE: Now, if he could tell me, I understand that the technicians have been licensed or are being licensed, The ones that are operating outside of the program, will they be allowed to use the program as well as operating outside independently?

MR. USKIW: I didn't get that last point, I wonder if the member would repeat it.

MR. BLAKE: I just wondered if the technicians, the ones that weren't operating in the framework of the setup what you mention, if they would be free to buy semen from the central distribution agency as well as from the individual private suppliers?

MR. USKIW: Yes. On the licensing part, Mr. Chairman, I believe all but seven have returned their applications for a license. I expect that the remaining few will do so in the next few days. I have written to them asking that they do so by the 11th, so that we know whether we have technicians there or not or whether we have to advertise for new ones. But I would presume the remaining few will likely respond by that date which should complete the renewals. And the program, as I said a moment ago, is optional. Those that want to operate through the centre will be able to do so and those that choose not to that will be their privilege, and if they want to buy from both the centre or outside the centre that will be their privilege as well. But I'm not sure as to any particular assistance that would be available to those that are not inside the program, if there is a special program to assist the use of A.I., especially for developing areas. That part of it may not be available for people that are not in the program.

MR. BLAKE: I wonder if the Minister could tell me what form the application for a license takes and who judges the qualifications of the various technicians, whether they get a license or whether they be refused a license.

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MR. USKIW: Mr. Chairman, that remains unchanged from what it was historically, the same as the old system.

MR. BLAKE: I wonder now, Mr. Chairman, if the Minister could give me an idea of what it costs the department for the court case they were involved with with American breeders?

MR. USKIW: Mr. Chairman, I'd have to take that question as notice, it's not something that's in my notes here.

MR. BLAKE: . . . the Minister, I wonder if he might tell us also how many farmers have taken the course in A.I. that was offered by the government?

MR. USKIW: I can't give him that figure, Mr. Chairman, I'd have to get it from the Norquay Building.

MR. BLAKE: All right. We would assume then from the Minister's remarks that the A.I. policy as it has been formed now by the government has overcome most of the difficulties that were being experienced with them and the technicians and hopefully the program will run smoothly without any undue pressure being put on technicians that are operating outside of the central agency framework. Thank you, Mr. Chairman.

MR. CHAIRMAN: The Honourable Member for Pembina.

MR. GEORGE HENDERSON (Pembina): Well, Mr. Chairman, I have about four questions and I'll put them one at a time. When people are using this cow-calf loan where they borrow money when they're feeding calves, when they're completing their income tax, is that considered as a debt or is it considered as income?

MR. USKIW: My impression would be that the advances under the Stocker Program would be income, that would be my impression, the same as cash advances would be under the Wheat Board System. Now I haven't talked to the income tax people but that would be my assumption.

MR. HENDERSON: People who have purchased herds under the Farm Diversification Program where there's a 20 percent forgiveness if they're in it at the end of five years, and are these herds being checked periodically in between or has that been left to the end of five years?

MR. USKIW: We have had some spot checking, we've used summer students for that purpose last year. I don't know whether we did the entire number of people that are involved in the program, but we did have a fairly extensive program last year.

MR. HENDERSON: I'd like to say here that where there is a temporary surplus of beef, and I hope it's only temporary and I hope it will change, I'd hate to see these people penalized if they had their proper number of animals around at the end of the five years, because we realize that at the present time that many of them really have to go out of them so as to get rid of the surplus.

And on this licensing of the technicians, where you have your training program, is this paid for by the government or do the technicians that are taking it pay for the course?

MR. USKIW: I believe there was a fee but I don't recall the amount of the fee, per person, that attends those courses.

MR. HENDERSON: Now the animals that were used in the teaching of the technicians' course, were they purchased by the government and then resold and the government absorbed the loss or not?

MR. USKIW: That's my understanding of it, Mr. Chairman.

MR. HENDERSON: Would you know what it costs you to put on a course in a case like that for we'll say 30 or 40 technicians?

MR. USKIW: My departmental advisers tell me that they think it's just about a break even position, that there isn't much cost if any to the province, that the fees cover the program.

MR. HENDERSON: Well I would be surprised if this is the case because I know the American Breeders' Association, they have these here . . . courses too for people who want to learn and do their own livestock, and they purchase the livestock and then at the end of the week, they put them on market and take whatever they get, and in many cases there's a great loss on these cattle and they have to have many of them come in and I've heard that in the teaching of the course for a week, the loss has been as much as \$5,000.

MR. USKIW: Well, you know, Mr. Chairman, unfortunately it's difficult to have that kind of detail handy in anticipation of that kind of a question. I can get it for my honourable friend at the right time but we just don't have that kind of detail spelled out in the estimates' notes that

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(MR. USKIW cont't). . . are provided. So I'll have to give it to him at another time.

MR. HENDERSON: I wish the Minister when he's doing some research on these things would make some inquiries, because I sort of had a few people asking me in connection with this \$100 loan, because there are some people that have bought calves and they've got a 100-dollar loan to buy them, they actually haven't got income, and they're wondering is this an expense or is it an asset. So I think they should be checked out so as they know which way it is.

MR. USKIW: Well, Mr. Chairman, if they have bought the cattle pursuant to a loan arrangement when obviously that's not an income, but if people have retained cattle on their farm but sold them to the MACC under the program then I would think that would be an income. So that if I sold cattle to the Member for Pembina obviously he had an expenditure, not an income; but if I retained the cattle and took an advance against those cattle of \$100 a head, that to me would be income.

MR. CHAIRMAN: The Honourable Member for La Verendrye.

MR. BOB BANMAN (La Verendrye): Thank you, Mr. Chairman. Mr. Chairman, for clarification in my own mind with regards to the A.I. situation, am I to understand the Minister correctly when he says that the application forms which are now being signed by the technicians in order to receive their licenses - in that application form prior to the change that I am aware of right now, when he did sign the application form he was required to buy all his semen from the Minister in order to license it. Now is the Minister saying that he will now receive a license and that he can either buy the semen then from the central distribution centre and also from ABS or BC breeders or anybody?

MR. USKIW: Yes, I indicated a few moments ago that he is free to do so, that the licensing requirements are the same as they were prior to a year ago. So we're reverting back to the old license, but to the extent that any technician doesn't participate in the centre program, he wouldn't be able to qualify for any benefits of the program. So it's a choice that he makes himself.

MR. BANMAN: So basically what the Minister is telling us here is that they have significantly changed the program or the direction of the program that the government was embarked on a year ago?

MR. USKIW: No, the only difference is in the licensing provisions. The program of the distribution and the central buying is still intact only it's voluntary as far as the technician is concerned. In that it's voluntary if there is any extraordinary provisions made to assist the use of that program, the person opting out would not be privy to that assistance.

MR. BANMAN: So to nail it down, the government is not taking a monopoly position that they were taking before, they've altered that position?

MR. USKIW: Well if one is working in the program, then one agrees to buy the product through the centre. If one is not working through the program, one can buy from the centre or elsewhere but gets no direct benefits, financial or otherwise, from the centre.

MR. CHAIRMAN: The Honourable Member for Rock Lake.

MR. EINARSON: Mr. Chairman, I just want to pursue the other matter that my colleague from Pembina was talking about and to make certain that I understood you clearly. That if you make an advance of \$5,000 to a farmer who makes application for that stocker program, it's classified as income; then at the end of the 12-month period, that has to be paid back. Now whether it's taken, I understand, by MACC, in other words if the farmer sells those calves, the MACC collect their \$5,000 and whatever's left over is payable to the farmer. Am I correct on that? So therefore it's an expense on the other side of the ledger.

MR. USKIW: I would think that would be the way it's defined, Mr. Chairman. I think you have to appreciate that what is really taking place legally is that the cattle are under agreement of sale. The MACC actually takes ownership of the cattle right now and all that takes place is that the farmer feeds those cattle through to a period in time when he thinks that he would like to have them sold; he or she may benefit from any increased value if he's fortunate enough to have an increase in value.

MR. CHAIRMAN: The Honourable Member for Minnedosa.

MR. BLAKE: Thank you, Mr. Chairman. Getting back to one more question on the A.I. problems. It would seem now that the board is somewhat redundant and I wonder if the Minister has disbanded the A.I. board or if it . . . ?

MR. USKIW: Mr. Chairman, no, that is not true at all. There is no redundancy whatever.

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(MR. USKIW cont'd) . . . There is a program, only that not all the technicians will be participating in the program. So to the extent that we want advice, we would want to retain the services of the board.

MR. BLAKE: I wonder if the Minister is considering putting technicians on the board to gain some technical advice as well as the practical experience that the board members might have?

MR. USKIW: Mr. Chairman, the member obviously doesn't understand the mechanism. We have an advisory board to the Minister which is a technical advisory board which has the technical input. The other board is the user board, the farmers who use the program who want to advise the Minister on their side of the program. So we have two advisory groups that we're talking about. One is technical which involves the technicians side, and the other is the farmers that use the program.

MR. CHAIRMAN: The Honourable Member for Souris-Killarney.

MR. EARL McKELLAR (Souris-Killarney): You know, I'm really interested in A.I. because I followed this very closely over the years, but I'd like to know --my friends are laughing at me -- I mean I'm referring to livestock. I want to follow this closely. At least stay 12 inches away, a plastic tube. --(Interjection)-- No, I won't sit down, I got a question here to ask.

I was wondering, these A.I. technicians this past year didn't receive a license to operate within their given area and many of them when they want to register purebred cattle like - I don't know much about others - but they tell me that unless you have a license that you can't register the cattle. Now how did you in your department handle that situation. Did the technicians get permission to register the cattle . . . because of the fact that they didn't have their license. I know the problems you had. They sent their money in, they never got their license, the cheque was cancelled, so I just wonder what was the outcome of this particular problem.

MR. USKIW: Mr. Chairman, I think that one could simply say that the mail was rather slow and they got their licenses late.

MR. McKELLAR: No, that's not right, they never did get their license, never did get their license in this past year. I don't know whether you're to blame, I don't know if the Deputy Minister's to blame, but who's to blame. Dr. Robson's no longer with you so I don't know who's to blame.

MR. USKIW: I'm sure the member wouldn't want to carry on in that vein. The licenses have been issued for the last year, for his benefit.

MR. McKELLAR: When were they issued and how far . . . like you can't issue a license 12 months after it's run out, like you've got to issue it at the time previous to . . .

A MEMBER: Even when you're buying your automobile license you can't do that.

MR. McKELLAR: Yes. Autopac they say you've got to buy it, you get it paid, and you're always paying in advance. Did these men pay in advance and not get their license, or when did they get their license. They tell me they never did get their license.

MR. USKIW: No, in a sense that, (a) they haven't, that the department retained their advance for the license, the \$5.00 fee, they eventually also sent out the licenses for that \$5.00 fee. So really the position should have been if we didn't want to issue the license we should have refunded that money at the time that it came in otherwise we shouldn't be denying the license.

MR. McKELLAR: Mr. Chairman, I'd like to ask who has taken over from Dr. Robson, who have you replaced him with?

MR. USKIW: I was kind of hoping, Mr. Chairman, that the Member for Souris-Killarney would get tired of this game and maybe submit an application.

MR. CHAIRMAN: Resolution 12. The Honourable Member for Souris-Killarney.

MR. McKELLAR: Mr. Chairman, there's a lot of people out in my area asking who's taking his place and I want to know. Have you replaced him with anybody? Who's in charge of the department right today?

MR. USKIW: Mr. Chairman, that position has not been filled and we don't know at this time who it is that will fill that position.

MR. McKELLAR: But, who is acting in his place right at the present time? What particular head man.

MR. USKIW: On the A.I. side of it Dr. McPhedran is involved at the moment.

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MR. McKELLAR: Well who is acting as Chairman of the Animal Industry Branch?

MR. USKIW: Well of course the Animal Industry Branch Director relates to the ADM who sits right here, so the ADM has to assume the responsibilities in the absence of a Director.

MR. CHAIRMAN: The Honourable Member for Minnedosa.

MR. BLAKE: I wonder will the Minister select the replacement or the person to fill this vacancy along the prescribed lines or will he be picking one personally like he did the last time?

MR. CHAIRMAN: The Honourable Minister of Agriculture.

MR. USKIW: Mr. Chairman, I think that kind of question would depend on the circumstances of the time. You know one never knows the circumstances under which one has to make a decision, so when the time arises it will happen, whatever it is it will be.

MR. BLAKE: For clarification, Mr. Chairman, I just wanted to ask that question, because the last method that he used proved to be so disastrous that I thought he might use the prescribed method this time.

MR. CHAIRMAN: The Honourable Member for Souris-Killarney.

MR. McKELLAR: Mr. Chairman, I have one other question. Was it because of the court case that you lost like stealing a monopoly in A '1' that changed your position on the issuing of license to the technicians. And also the redistribution of the product within the province that made it possible that American breeders and BC breeders could come into the province with their trucks. Was that the reason, because of the court case?

MR. CHAIRMAN: The Honourable Minister of Agriculture.

MR. USKIW: No, Mr. Chairman, we had the authority to proceed in any way we wanted with respect to the licensing of technicians and so on. But we didn't deem it advisable to be in confrontation with the technicians if they didn't want to participate, and to the extent that it was possible to devise a program that could accommodate, on a voluntary basis and still have a program, we thought that would be the most positive route to take, and we'll leave it up to the technicians to decide as to which program they want to participate in. I think that will speak for itself eventually.

MR. CHAIRMAN: Resolution 12 (a) The Honourable Member for Virden.

MR. MORRIS McGREGOR (Virden): Mr. Chairman, I would also have three or four questions and a few comments prior to it. In as much as I represent an area of Manitoba with a lot of produce or a lot of exhibitors and whether one goes to the Toronto Royal, Regina Agribition, Denver, and all these other high classed Agribitions, you see certainly a lot of exhibitors from my area. And the number one thing - Will it be the intent of the department to contribute to Regina Agribition as you have in the past and where would one find that? You might find it under 16, but I see it hasn't increased, so I have to think it comes possibly within this area.

And also there is some concern of the promotion of the exotic breeds. Are they a short-term thing or . . . and there's some concern by many of the standard bred people that we aren't maybe concentrating enough on the recognized breeds of years gone by and they may think that they're being slighted a little bit. And also in thinking further from the Regina Exhibition there's a motion in Brandon for a miniature Agribition this fall and if there is a provincial grant for that, would this come in this field or and maybe I'll just . . .

And also a further concern on the Livestock Branch, and indeed there is some concern if this is being separated or being disbanded, broken up and is there consideration for forming of a dairy branch. And some again have fear of part of the animal branch being broken down to sort of a dairy branch. And possibly the Minister clarify that.

And another question that's already been asked, is the replacement for Dr. Robson as the Director of the Animal Industry Branch. And also I understand today you've only one Brand Inspector and is this really enough to cover the province. Again will this be cancelled out or will there be more inspectors selected.

And a very minor point and it may not be right. I understood, or I know you had a live-stock information booth at Brandon Fair last year and I'm told there won't be one this year. Is there a reason for it? I think it was well appreciated last year and maybe with a change of personnel something has been slipped up. And likewise at Regina, inasmuch as you are putting money into Regina Agribition. I wasn't there this past year. I do believe you had a booth there, it maybe wasn't accepted as well as it could be and are there improvements coming to that promotion because I have attended that and I'm proud to be there knowing some

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(MR. MCGREGOR cont'd) . . . Manitoba money is in there. And what about this coming year on both of those areas, the Brandon booth, the Regina booth, and I'll maybe stop there.

MR. CHAIRMAN: The Honourable Minister of Agriculture.

MR. USKIW: Well, Mr. Chairman, we scrapped the position of Brand Inspector, the reference that the member makes to the brand inspection. Really it was not a meaningful program. We don't have compulsory branding in this province and we just couldn't justify maintaining that position. We reallocated that position into other activities so that it doesn't exist anymore.

With respect to the possibility of breaking the Animal Industry Branch into two sectors that is not anticipated. We intend to keep it intact as it is as far as I'm aware, and there's been no agitation for splitting it into two parts. We have the Assistant Director in the name of Chuck McNaughton who happens to specialize on the dairy side, and if we fill the position of Director I think we will have a pretty good team going.

On the Agribition question, I think that we are still pondering just how we will participate. The Marketing Branch is involved with discussions on that one, --(Interjection)-- No, the Agribition in Regina. And there may be developments that have yet to come to light on that one which I'm not in a position to say anything about at the present time.

On the Fall show in Brandon, I was able to already authorize I believe some \$10,000 in extra grant to the Brandon people out of last year's budget, or the residual funds that we still had, so that they would get some support for the fall program.

MR. CHAIRMAN: The Honourable Member for Birtle-Russell.

MR. GRAHAM: Thank you, Mr. Chairman. While we're dealing with the Animal Industry Branch I'd like to ask the Minister about a particular problem that has been kicked around for quite a few years. It's bounced around in his department, it's been talked about in the Attorney-General's department. That's the problem of branding cattle as a deterrent to the rustling problem that has been prevalent in the province for quite some time. And I wonder if the Minister can give us any indication of what stage his department is at in tossing around some ideas on a branding program for the province of Manitoba?

MR. USKIW: Mr. Chairman, I don't read at the present time any consensus of opinion on the question of compulsory branding. I have very mixed feelings of it personally and in talking to various livestock people, some are for it, others don't like it on humane grounds and whatever, so there is quite a mixed view on that question and we really aren't pursuing it aggressively.

MR. CHAIRMAN: Resolution 12 (a) (1)--passed; (2) --passed (b) (1)--passed; (2) . . . The Honourable Member for Rock Lake.

MR. EINHARSON: Mr. Chairman, this is a question that can be posed to just about every item but under Other Expenditures we have almost \$600,000, and I would wonder if the Minister could break that down for us on this particular item? I could ask it on everyone of them, but you know when you total them all up I think there's over \$3 million, almost \$4 million in the total Other Expenditures in the estimates. So I just thought I'd like to ask him on this particular one here where we involve almost \$600,000 under Other Expenditures.

MR. CHAIRMAN: The Minister of Agriculture.

MR. USKIW: Well I think I should list the activities first, Mr. Chairman, so the members would know what it is we are doing. We have Livestock Management and Technical Services, that includes the regional extension activity, dairy, beef, hog, sheep, poultry management, inspection of hatchery, supply, flocks, disease control monitoring, grassland societies in the regions and Animal Industry Branch support to Livestock Management and Nutrition. That is sort of the overview program.

We have Product Inspection and Quality Control in the Dairy side. There are a whole host of dairy inspectors as members opposite would be aware, that maintain quality control in the standards in the dairy industry. That's plant inspection and farm inspections. Livestock Development and Promotion, Support of Livestock and Livestock Products exhibited in exhibitions is in this total package, Animal Health Services - that's scholarship funds and so on. That's into the Veterinary Services end. That pretty well is the overview of the program.

MR. CHAIRMAN: Resolution 12 (b) (2) --passed; (c) (1) . . . The Honourable Member for La Verendrye.

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MR. BANMAN: Mr. Chairman, I'd like to ask the Minister if under this section part of the moneys allotted here go through the Veterinary School in Saskatoon, I believe. I wonder if the Minister could inform us as to the amount of money we are granting to that school at present from the province.

MR. CHAIRMAN: The Honourable Minister of Agriculture.

MR. USKIW: The grant per student, Mr. Chairman, was \$3,765 in the '74-75 program and it'll be \$4,035 in the current year's program, that is this program. Oh, how many students? I'll have that for you in a minute. Thirty-five students, Mr. Chairman. The total grant is \$131,775.

Now I should make a point that if they don't practice in the Province of Manitoba they have to repay that grant. The grants are paid through the Department of Colleges and University Affairs, but the condition is that they must come back to practice in the province.

MR. BANMAN: So the moneys as far as those grants are concerned come out of Colleges and Universities funds and not from the Veterinary Services Branch? Could the Minister just briefly indicate why the decrease . . . about \$200,000 in expenditures from last year to this?

MR. USKIW: That's a transfer into the GDA Agreement and at the end of the estimates you will see a reference to GDA which is not yet signed with the Government of Canada. Last year we paid it out of our own current funds and it's now being transferred into the . . . Yes it's resolution 18, Mr. Chairman.

MR. CHAIRMAN: The Honourable Member for Minnedosa.

MR. BLAKE: Thank you, Mr. Chairman. I wonder if the Minister could indicate if they are securing the services of veterinary people now somewhat easier than was the case a couple of years ago. Are they able to fill the clinics and that without any difficulty?

MR. CHAIRMAN: The Honourable Minister of Agriculture.

MR. USKIW: Well I think we should simply state, Mr. Chairman, that we have moved from about 20 some odd veterinarians to 46 since the program was launched. So it has had a very positive effect in attracting veterinarians to the province, yes.

MR. CHAIRMAN: The Honourable Member for Brandon West.

MR. EDWARD MCGILL (Brandon West): Mr. Chairman, I wanted to question the Minister a little further on this subject of the participation of the Province of Manitoba in the cost of the Veterinary School at Saskatoon. I believe this came up during the discussion of the Estimates of the Department of Colleges and Universities last year and we had some exchanges on that, and I believe that since 1963 Manitoba has been able to obtain a quota at the schools for students even though they didn't participate on the same basis as the Provinces of British Columbia, Alberta and Saskatchewan. Mr. Chairman, I believe that our quota has been up to this time 10 students per year. I would like to know if, now that we are participating in the cost of the school whether the quota for Manitoba has been increased for the school session '75-76?

MR. CHAIRMAN: The Honourable Minister of Agriculture.

MR. USKIW: Mr. Chairman, the quota that we had was 11 students and we will be sharing one-sixth of the additional capacity that will be provided through construction.

MR. MCGILL: Mr. Chairman, I understand that the school will gradually increase its capacity from 60 at present to 90. What will be the capacity in the year to come, that is '75-76, are you able to tell me that at this time?

MR. USKIW: No, I'm sorry I can't give him that figure, Mr. Chairman. My notes here tell me that our share of the additional facilities will represent one-sixth of the additional student enrollment.

MR. MCGILL: Mr. Chairman, the Minister mentioned that he was able to obtain more veterinarians in recent years than had previously been the case, but I understand that we are still on the basis of veterinarians per livestock unit the lowest of the prairie provinces. Is that correct? I believe that Manitoba is at the bottom end of the pole. That in British Columbia for instance, they have one veterinarian per 11,000 livestock units and in Manitoba we have only one per 35,000 livestock units. That seems to be quite a spread.

MR. USKIW: I think though there's quite a difference. I don't believe that is an analogous comparison to make, because B. C. is largely dairy and where you have concentration of dairy you have a greater concentration of Vet services, so that that may be quite in order. But with

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(MR. USKIW cont'd) . . . ,respect to Manitoba's total cattle population you have to appreciate that most of the provinces, five years ago, didn't have vet services whatever. That's one of the reasons why we entered into such an aggressive program. We were down to, I believe it was 26 veterinarians in 1969 and 70 and we're up to 46, so we've made considerable progress. And as we add districts and facilities we will be adding more to that number and we likely will level off in the next two or three years.

MR. CHAIRMAN: The Honourable Member for Brandon West.

MR. MCGILL: Mr. Chairman, I would like to ask the Minister, he mentioned that there would be a requirement of graduates from Manitoba who graduate from Saskatchewan to repay the cost to Manitoba of their enrolment. Now, is this for four years, at roughly \$4,000 a year, would this be \$16,000 that a student who graduates, as an input from Manitoba, and decides to practice in say Alberta or Saskatchewan.

MR. CHAIRMAN: The Honourable Minister of Agriculture.

MR. USKIW: No, Mr. Chairman, the funds are for the Government of Saskatchewan to offset the cost of training Manitoba students. What the student forfeits if he doesn't practice in Manitoba is the scholarship grants that we also provide for the student. It has nothing to do with this item that was just quoted, the \$130,000. This is an expenditure to meet our obligations with the College in Saskatoon.

MR. CHAIRMAN: The Honourable Member for Brandon West.

MR. MCGILL: Well, Mr. Chairman, I believe last year of six graduates from Manitoba, four came back here. Did the other two pay back scholarship amounts to the Province?

MR. CHAIRMAN: The Honourable Minister of Agriculture.

MR. USKIW: Whether they did or not I couldn't tell you, I know they are required by law to do so. So that if they didn't, then I would presume there is a collection procedure under way or they have. I'm not in a position to know that.

MR. CHAIRMAN: The Honourable Member for Brandon West.

MR. MCGILL: Mr. Chairman, was there a standard amount available to these students? How much was it per student, scholarship from Manitoba?

MR. CHAIRMAN: The Minister of Agriculture.

MR. USKIW: Mr. Chairman, I believe that figure is spelled out in the legislation and I just can't recall the figure.

MR. CHAIRMAN: The Honourable Member for Souris-Killarney.

MR. MCKELLAR: Mr. Chairman, I just have a couple of questions I'd like to ask here. Everytime I go by Killarney I see the Veterinary Clinic sitting there and I'm just wondering what month of the year in '75 you're going to open this; and also have you got any veterinarian lined up to replace Dr. Warren who joined the Federal Government at Boissevain?

MR. CHAIRMAN: The Minister of Agriculture.

MR. USKIW: Well, I'm not sure just where we're at with the specific ones under way, Mr. Chairman. I know we are working on about six or seven for '75, or that we'll be opening in '75. Just which ones are going to open when, I couldn't tell you. We have several on the list that will be opening this year.

MR. CHAIRMAN: The Honourable Member for Rock Lake.

MR. EINARSON: Well, Mr. Chairman, I don't think the question was totally answered, from the Member from Souris-Killarney. You say possibly seven will be opening, seven clinics will be opening in '75? Can the Minister indicate whether there's going to be a veterinarian to provide services through those clinics that will be opened in '75?

Also I would like to ask him how many areas or districts were formed in the province in the past few years that met with all qualifications such as land assessment, cattle population, and all other requirements that were necessary to form a veterinary district. Could he indicate to me how many, if any, areas were formed as such, met all qualifications and were turned down in the Province of Manitoba?

MR. CHAIRMAN: The Honourable Minister of Agriculture.

MR. USKIW: Mr. Chairman, I don't believe there is such a thing as a "turned down" situation. Usually the negotiations proceed until an amicable arrangement is arrived at as between a number of communities and the Vet Services Commission. It's not a question of turning anyone down flat. So that if the first or second proposal doesn't work out, they usually go back to the drawing boards and try another approach. So it's sort of an ongoing process.

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(MR. USKIW cont'd)

The ones that we have in mind for '75, Mr. Chairman, are St. Claude, Vita, Grandview, Ethelbert, Swan River, Russell, Glenboro and Portage. Now I know that all of those will not proceed. Some will be held back for reasons of negotiations and lack of agreement, but that's sort of the list in any event for this year's program.

MR. CHAIRMAN: The Honourable Member for Rock Lake.

MR. EINARSON: Mr. Chairman, then the Minister lists the names of those various places in the province. Do I understand him to say that veterinary clinics will be established in those seven areas?

MR. USKIW: No, Mr. Chairman, I have listed Veterinary Districts, some of which will have the facilities and others which will not in the early stage. When we're setting up some new districts which haven't had any service we feel it's premature on year one to provide the physical facilities until we know what the rating of that district will be in terms of services required, etc. So it's usually a two stage approach and I would think that Vita might be one such example, or Ethelbert may be another example where we probably won't go all the way with a complete facility in the first year or two.

MR. EINARSON: Yes, Mr. Chairman, I would like to then pursue with the Minister when I asked him how many areas after having met all the requirements of forming a veterinary district, they were turned down, and he indicated that this is not the case, the department has never turned any area down as such. Then I would like to ask him if this being the case, for an area that felt they were turned down, can they come back to the Minister and reassess the whole thing and probably the Minister will give reconsideration to their proposal that they at one time done?

MR. CHAIRMAN: The Honourable Minister of Agriculture.

MR. USKIW: Mr. Chairman, I hate to get too directly involved at my office with respect to people that want to pursue a certain position. That is what we have set up the Vet Services Commission for and they are the body that has to approve and recommend to me just where we proceed with the establishment of new districts and facilities that relate to them. And it doesn't mean that representation cannot be brought to my office, but I simply don't like to be put in a position of having to overrule the Commission on their recommendation. I can ask them to review another time or take a look at a concept that they haven't considered, but I don't like to get into the position of having to overrule the Commission.

MR. CHAIRMAN: The Honourable Member for Rock Lake.

MR. EINARSON: In other words, Mr. Chairman, the Minister is saying that his position has not changed in any respect now as to what it was over a year ago then?

MR. CHAIRMAN: The Honourable Member for Morris.

MR. JORGENSEN: Mr. Chairman, the Minister indicated that St. Claude was one of those areas where, I'm not sure what the proper term is, a partial district or a district was going to be set up. Does that mean that he is now going to separate that veterinary district from the one that is currently located at Notre Dame des Lourdes?

MR. USKIW: Well the position of the Commission is that we would provide a limited facility for the St. Claude community, namely the McDonald Building, they are not prepared to go all the way at the moment, and that is based on a commitment to the community from the Commission that if they could recruit a veterinarian, we would then follow through with limited support initially and let it develop from there on. They have apparently recruited a veterinarian and we are now in a position of following up with our commitment to them.

MR. JORGENSEN: I thank the Minister for that information, because if I understand correctly, that is precisely what the area in St. Claude were asking for, was to have their own Veterinary located right in the village of St. Claude. I might now ask the Minister a further question. In the event that there are certain cases that require something more than what can be dealt with on the local level, is a clinic at Notre Dame available in co-operation with the Vet at St. Claude so that the more severe cases can be treated at the clinic, so there is co-operation between the two areas now that will enable that facility to be used to a larger extent, at the same time providing St. Claude with what they have asked for over the years, that is a Veterinary of their own.

MR. CHAIRMAN: The Honourable Minister of Agriculture.

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MR. USKIW: Mr. Chairman, our policy is that we do encourage the districts to co-operate in that way and that's been one of the reasons why we have been able to get people from time to time to compromise on their steadfast positions in the determination of the size of a district or the participants of a district, and I would hope that that is the case in St. Claude. And if it isn't I think it's worthwhile to pursue the matter on my part to make sure that clinical facilities are available to outside areas who don't have them, even if it's on a fee for service basis, but they should be available.

MR. CHAIRMAN: The Honourable Member for Rock Lake.

MR. EINARSON: Yes, Mr. Chairman, I would now like to ask the Minister a direct question then. Can he tell me what is going to take place in the town of Glenboro?

MR. USKIW: The information I have is that we are proceeding to establish the facility at Glenboro in 1975. That's my understanding of it, yes. It doesn't spell it out in my notes; all it says is Glenboro recommendation is "Go 1975".

MR. CHAIRMAN: The Honourable Member for Rock Lake.

MR. EINARSON: Yes, Mr. Chairman, if the Minister now tells us that the recommendation for Glenboro was to go, who requested it?

MR. USKIW: Well again, this is a report that I have from the Provincial Veterinarian and indeed from the Commission, so I suspect that the consultations have taken place at the local level.

MR. CHAIRMAN: The Honourable Member for Rock Lake.

MR. EINARSON: Well, Mr. Chairman, apparently it seems now that I have to make a comment that doesn't please me very much, insofar as the way the Veterinary Service is being handled by this department. You know it amazes me when the department says it has to justify an expenditure in one area when another area that has full qualifications, are turned down. Mr. Chairman, I proceeded, and thought that I would pose the kind of questions that would narrow down the position which I am now taking. An area at Cypress River that the Director of Veterinary Services held a meeting, and met with people in the municipalities that were required to form an area in which an assessment would be satisfactory to meet the requirements of forming a veterinary district. Also the cattle population was there, and it had full approval of all the municipalities that were involved in this thing.

And I want to say, Mr. Chairman, while the Minister passes the buck to the Commission, and I have very grave doubts as to whether the Commission really, totally, turned down the town of Cypress River when they requested a veterinary clinic. I'm very suspicious, Mr. Chairman, of it, I regret very much to say this. And I have no qualms with areas that now have them, but for the Minister to say that I have to justify an expenditure of money in one area is the reason why he can't justify it in another area, when that area has fulfilled all the obligations necessary to form a veterinary district and qualify for a veterinary clinic.

Mr. Chairman, I am making a very legitimate and registering my protest to the Minister in the way that he handled this, and I am talking about the situation, he knows it full well, as of a year ago, on behalf of the people of Cypress River and the entire community and the municipalities that's involved there too.

MR. USKIW: Mr. Chairman, I think it's fortunate that I don't happen to represent an area wherein two communities are vying for the same facility as the Member for Rock Lake finds himself in at this point in time. But from my point of view there is no way in which I want to get directly involved as between a district or people that want to form a district and the Commission. Otherwise I should have not established the Commission, I should have made all of those decisions myself.

The purposes of a Commission is to provide for some means outside of the political arena to look at these things rationally and to recommend on the basis of the services that are needed and to make sure that we don't over-facilitate where the cattle population doesn't warrant or where the distances are too close. Even notwithstanding those comments, Mr. Chairman, I am nervous about some of those areas that have been approved by the Commission. I know that there are clinics that are 20 miles apart, I think Gladstone, Minnedosa and Neepawa, and that makes me a bit nervous. I wondered often whether two shouldn't have been enough in that area. But you know, I didn't want to overrule the Commission's opinion in that respect. They sized up the situation, they thought there was enough livestock to warrant it and we're going along with it. Now we may run into the odd one that isn't going to pay for that

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(MR. USKIW cont'd) . . . region if we're not careful, so we do have to watch this. The area that my friend refers to happens to be very close, again I believe, to Notre Dame and I believe it's the - if my memory serves me correctly from the discussions we had a year ago - it seems to me the Commission's opinion is that it would be too close to Notre Dame and that they would prefer that it would be at Glenboro for that reason, and they would want the activities to expand away from Notre Dame as opposed to towards Notre Dame from the operations of that district - from the centre of that district.

MR. CHAIRMAN: The Honourable Member for Rock Lake.

MR. EINARSON: I just want to make one further comment in reply to the Minister and it does . . . I think it's proving my point, the comments that I did make. That if the Minister is nervous about some of the areas that have been established, I think if those areas were established they had a certain criteria to fulfil; they had to have an assessment, they had to have the cattle population, and they had to have the areas and they had to have the co-operation by the municipalities that were going to be involved in this area.

Now, all those requirements having been fulfilled, I fail to understand the reaction of the Commission that he's established to make a decision on his behalf. This is what I don't understand. If he says that he's concerned about some that have already been formed and I'm talking about an area now that's fulfilled all the requirements. But when his department tells me that they've got to justify a certain amount of money in another area, and I have no quarrel with the areas that have been established, I hope they're running well and they're providing a service. I want to make that abundantly clear. I'm not opposed to that at all. But I'm talking about an area that has met all qualifications, and after having listened to the remarks from the Minister then I don't think that he's justified in making the decision he did at Cypress River.

MR. PAULLEY: They have gone a heck of a long way from your government.

MR. CHAIRMAN: Order. The Honourable Minister of Agriculture.

MR. USKIW: Mr. Chairman, again I want to impress on the Member for Rock Lake that he doesn't truly believe what he is saying. I'm sure that he doesn't believe that there has been any intervention on my part, that I haven't prevailed on the Commission to decide in favour of Glenboro. I'm sure he doesn't believe that. I know he wants to represent his community as they wish him to represent them, and that's fair enough. I don't object to that, but he shouldn't insinuate that there is something wrong with the decision-making process when it is not favourable to him. He shouldn't suggest that. I think we have gone through what I call the wringer on that one: we've had an awful lot of discussion; I've had representation; I've had the Commission reconsider it and reconfirm their decision, and I think it has to remain that way. I don't want to be in a position of dictating to the Commission; they have very strong views.

Now one of the provisions - and the Member for Rock Lake recited a number of eligibility criteria that have to be adhered to - there is one more that he didn't recite, and that is that they must have the approval of the Commission. Not only must they have the cattle numbers and the viability within the district, but they must have the approval of the Commission and the Commission must approve on the basis that they make some sense out of the allocation of provincial funds across the province; that they try to set up the facilities in such a way that they service the community best, not based on some parochial idea of the community but based on the livestock needs of the community of the area in question. So that, you know, there is a much larger overview taken than the fact that the Community of Cypress would like to establish a small industry in the Community of Cypress; that is a very narrow criteria which may be taken into account, Mr. Chairman, but given that much consideration what has to be taken into account is the disposition of provincial funds, and the setting up of facilities that make some sense geographically across the province.

MR. CHAIRMAN: The Member for Rock Lake.

MR. EINARSON: Mr. Chairman, this debate could go on all night but I just want to make one further comment. When he mentions Glenboro, and the Town of Glenboro were in full support with the area and they were involved in the Cypress River, and so I don't understand. So I ask the Minister, was a request made from the Glenboro area? Can he describe the area that is involved, because I live in that area and I'm wondering if I'm going to be involved in this.

MR. USKIW: Mr. Chairman, I just finished telling the honourable member that this is not a political decision. The fact that the Town of Glenboro and the Town of Cypress have an agreement, and my understanding is that they sort of made deals, we'll go for this town to get

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(MR. USKIW cont'd) . . . a certain thing and we'll support the other town's request to get something else, and that's a political deal between themselves. We are not involved in political deals, we are involved in providing a service to the cattle industry of this province, which is far more important from my point of view than the aspirations of the Town of Glenboro or the Town of Cypress in locating the facility that will create some jobs in their community.

MR. EINARSON: Mr. Chairman, I just want to get the record straight on this. When I talk about the areas that were involved and agreed to an area it is not a political decision by those local people. Mr. Chairman, I disagree with the Minister, and I resent the fact that he's accusing those local people of being political. To me this is wrong, Mr. Chairman, and I resent it.

MR. USKIW: Mr. Chairman, the Member for Rock Lake had better grow up. There is nothing wrong with being political. If I was the Mayor of Glenboro I would want to do things for the people of Glenboro. That is a political action that I would think my ratepayers would want me to undertake. There's nothing to be ashamed of, they should be proud that they have people that are pushing their cause.

A MEMBER: Of course, that's why you're here.

MR. CHAIRMAN: The Honourable Member for Souris-Killarney.

MR. McKELLAR: Mr. Chairman, I think I should get into this argument because I represent Glenboro, I'm the man that represents Glenboro. And one of the problems, as I see it, is that the machinery is set up, that the municipalities have to pass a resolution in support of one given area or another, and they also have to go to the vote of the people. Now the people in that whole area, and I don't think the Minister realizes that, once you get five miles north of Glenboro, there's not a cow to be seen, all there is is army. You can't just look at a given map and say, well we've got so many cows spread over a certain area. In order to have to --(Interjection)-- If the Minister of Health would keep quiet, I'd try to . . . I'm the one that's got the floor here.

And another thing, Mr. Chairman, another thing, that the Minister doesn't know that Oakland Municipality, in which I live in, doesn't want any part of any veterinary clinic, and they're only 15 miles west of Glenboro. They didn't join Souris, they wouldn't join Souris, which is just as close to anybody, they live within 10, 15 miles of Brandon and they can call Dr. Martin any time they want, and they're free enterprisers, they haven't wanted to go along with it, they want to go in the direction they want and pay their own bills.

Now you get down in Strathcona municipality, which I represent, and you're getting within Killarney range. Now they haven't decided where they're going. They don't even belong to a hospital district, Mr. Minister; so they're one of the municipalities that isn't in a hospital district let alone in a veterinary clinic. --(Interjection)-- That's another problem I'll deal with. That's another fact.

But, Mr. Chairman, I don't know why you made the municipalities even go to a public meeting in Cypress or Glenboro; I don't know why you made the municipalities pass resolutions; I don't know why you made the people have a vote to decide whether they wanted it, when in the final result the commission makes the decision. Now Dr. McPhedran might as well come out and say to them, this veterinary clinic's going to be there, take it or leave it, take it or leave it. But does the government pay the full shot of this veterinary clinic? That's one other thing I want to know. They built a building but the municipalities had to contribute so much money, I understand, on a --(Interjection)-- Not on the building, no - but on an annual basis they had to contribute to the cost of the upkeep and the maintenance and everything of that veterinary clinic.

Now I represent within 100, well right to the west side of Cypress River, and the Member for Rock Lake takes the town. I go right to the edge of town, right to the edge of Cypress River. The Town of Glenboro supported the Town of Cypress River in the promotion for the veterinary clinic. Now I know that the Cypress River is as close to the centre of this given area, and is close to the centre of the cow population, as you could possibly have. And for the life of me, I know that he said well we're close to - what's that town, Notre Dame de Lourdes? - that's where the veterinary clinic is. Well, yes, I know you're 40 miles or more from Cypress River to Notre Dame, a good 40 miles as the crow flies; well you're 50 miles from Souris, and you're 50 miles from Brandon, and you're another 50 miles from Killarney. But there's a large cattle population down there in Argyle municipality, and also in Victoria

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(MR. McKELLAR cont'd) municipality and in South Cypress, but as I said that river, there's no cows north of the river, the Assiniboine River, and you've got to look at your maps to find out. All there is is an army camp.

I don't know, maybe your arguments hold, but I'd like the opportunity to meet with the Commission - I don't know who the Commission are - because I think they should take a second look at this. I'm not looking at it like I'm trying to chase somebody out of my constituency, but my God, the way the one is working at Souris, it's got a lot of improvements yet before. . . they can't even heat the thing. Somebody installed the furnace up in the ceiling and they forgot to figure how to get the oil up to the furnace, and about every other day they've got to hire a furnaceman or somebody to fix it to keep the furnace going again; and in the meantime they freeze up. Now if you take a cow with pneumonia there to that veterinary clinic, that clinic will freeze that cow and it will be in worse shape when it gets there than it was when it left the farm. And this is the problem, that the people that are designing these veterinary clinics have got a lot to learn, they've got a lot to learn. Put the furnace in the floor, the heat will go up anyway. Did they not think about that? But they've got the furnace up there 15 feet in the air, and of all the crazy things I ever saw in my life. . . But that's one of the problems I guess with designing these veterinary clinics. Now that's all I'm going to say about Cypress. All I want is the privilege to meet, with the Member from Rock Lake, to meet with the Commission, and I hope the Minister is in the same office at the same time too.

MR. USKIW: Mr. Chairman, I'm not going to spend much more time on it, I just wanted to make the observation that we now have a socialist and a free enterpriser: the socialist is the Member for Rock Lake who wants all kind of government services for Cypress, and then we have the Member for Souris-Killarney who says his people don't believe in it because they believe in free enterprise, and therefore he would prefer that we give the Member for Rock Lake all of our money. Now we're trying to accommodate both, Mr. Chairman, but I can see that there's a philosophical division, and maybe that's the problem of locating the facility, it's a problem of philosophy, and that, Mr. Chairman, I'm not sure that I can bridge, if that's the problem. I leave my friends to stew in their own problems.

MR. McKELLAR: Mr. Chairman, I tell you the Minister when he hasn't got an answer to a problem, he makes a sermon, preaches a sermon. He just did now trying to . . . well I tell you, we're all free enterprisers out in our part of the country and we're trying to do what's right for the people. I was referring to my own municipality, Oakland, and I don't suppose you know where that is because when election comes, I tell you, the Minister is never around my part of the country. He hops from Arthur to Rock Lake, and he bounces here and there and everywhere and he doesn't give me one little bit of trouble because he knows that the people around Wawanesa have got a mind of their own. They've got a mind of their own and they don't love socialism.

MR. CHAIRMAN: (The remainder of Resolution 12 was read and passed.)

Resolution 13(a). The Honourable Member for Gladstone.

MR. FERGUSON: I think this is the place to ask this question, Mr. Chairman. Has the seed requirements for the ag rep officers have they been put out for tender, or what has been the program this year?

MR. USKIW: Sorry, the seed requirements for what program?

MR. FERGUSON: The seed distribution to the ag rep officers, grass seed, etc. Has this been put out for tender, or how is it arrived at?

MR. USKIW: No, Mr. Chairman, all that is is that the companies who have seed to sell give an offer to the department, which then places the information within the ag rep's office, which is then available as information, as I understand it, and the farmers can place their orders, base that offer through the ag rep's office. The department isn't buying the seed per se. I believe it's just a facility to provide information.

MR. CHAIRMAN: The Honourable Member for Rock Lake.

MR. EINARSON: Mr. Chairman, if I recall, when the Minister last made that announcement, I stand to be corrected if I'm wrong, or the directive went through the ag reps that farmers could get the benefit of purchasing grass seeds through the ag rep areas, and that seed would be purchased from McKenzie Seed. Is that correct?

MR. USKIW: Mr. Chairman, they could order the grass seed through the ag rep offices wherein the information was provided for them, but we are not involved in purchasing and selling of grass seed.

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MR. EINARSON: No. But my question, Mr. Chairman, is I would like to ask the Minister when farmers were getting that grass seed through the ag reps, were they told that that seed would be bought from McKenzie Seeds, or could they be bought from any seed company?

MR. USKIW: No. Any company that wanted to place their information before the department, that information was relayed to the ag rep offices as information for the farmers in that area. So to the extent that if McKenzie Seeds was the only company that was prepared to do that, and to list a firm price on which orders could be received, that's fine, but it was open to any company.

MR. CHAIRMAN: The Honourable Member for Minnedosa.

MR. BLAKE: The Minister's confirming then that McKenzie Seeds were the only company that offered this service.

MR. USKIW: I'm not sure if that's correct, but I believe for a period of time they were the only ones. Now I don't know if others came in or not.

MR. CHAIRMAN: (Resolution 13(a) to (c) were read and passed.)

Resolution (d)-- The Honourable Member for Rock Lake.

MR. EINARSON: Yes, Mr. Chairman, I wonder if the Minister could explain Canada-Manitoba Rural Areas Agreement. Would he explain just what that is about?

MR. USKIW: This is the agreement that I had made some reference to earlier in the consideration of the estimates. It has to do with an agreement not yet signed with the Government of Canada, known as GDA, General Development Agreement subsidiary agreement to the present ARDA program. That we hope to sign soon, but it initially, if we do get it signed, will involve livestock commodity groups on a pilot project basis, forage studies for livestock, and additional funds for the completion of veterinary clinics. That is the sum total of agriculture component of the GDA if and when it is signed.

MR. CHAIRMAN: (The remainder of Resolution 13 was read and passed.)

(Resolution 14(a) and (b) were read and passed.) (c)-- The Honourable Member for Morris.

MR. JORGENSON: Mr. Chairman, I wonder if the Minister could advise the House when it is the intention to hold the election for the election of officers for the Producers Milk Marketing Board?

MR. USKIW: I believe that there is statutory provision for the passing of a by-law but I don't believe there is a provision on the time frame for the carrying out of the vote itself. So I'm not sure just when that will take place at the present time.

MR. CHAIRMAN: Resolution 14. The Honourable Member for Rock Lake.

MR. EINARSON: Mr. Chairman, I think that the Minister indicated that under the Manitoba Marketing Board we could question on the Coarse Grains Commission that I now understand is defunct. I would like to know under the Coarse Grains Commission, how much money was collected in the way of fees, assessment to farmers, and how many farmers used that program since its inception, and my understanding is that it is defunct, and if it's not, is Mr. Chase still the chairman of that board, and are all other members still operating? Are they still being paid?

MR. USKIW: Mr. Chairman, the Commission is not completely out of business; they have been suspended, other than the secretary and the chairman. They are not having meetings but we are providing informational services on grain pricing, and so on. We're keeping a monitor on the grain market. That is the extent of their activities at the present time. So it's scaled down but not completely withdrawn.

Now on the data that my honourable friend wanted, you know, that again is something that's in the nature of an Order for Return, but I could try and get it for him if he wants. There's no way I would have that kind of information here.

MR. EINARSON: Mr. Chairman, the Minister mentions that the Coarse Grains Commission is still active, providing information. I don't follow when he says the kind of information that it's providing, or the service it is providing. Could he elaborate a little more on that?

MR. USKIW: Well they're kept intact just for the purpose of monitoring the grains industry and giving information on prices of grains in Manitoba and throughout Canada. They issue bulletins now and then. It's an informational type of activity. They collect data and put

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(MR. USKIW cont'd)out circulars or advertisements sort of telling us what the state of the grains industry is from time to time.

MR. EINARSON: Well, Mr. Chairman, when we still have the Wheat Board and we still have the Commodity Exchanges who provide that service, I'd like to know why does he still feel the Coarse Grains Commission that he has inaugurated can be of benefit to the farmers.

MR. USKIW: Well again, Mr. Chairman, this is a very small activity. It doesn't represent any amount of expenditures the way it is operating so that it's a very - it's next to being closed up, let's put it that way, but it's maintaining very limited services to myself and to whoever has an interest.

MR. CHAIRMAN: (Resolution 14 passed.) Resolution 15(a)(1). The Honourable Member for Roblin.

MR. McKENZIE: Yes, Mr. Speaker, I have a few questions to the Honourable Minister. There was a sort of a technical services branch set up with Saskatchewan and Alberta for the testing of farm machinery. That program is I'm sure still operating, and I'm wondering can the Minister advise the House what has been the result coming out of that. Can you advise now that certain farm machinery lines are standing up better than others or give me some idea of what the program has done for them.

MR. CHAIRMAN: The Honourable Minister of Agriculture.

MR. USKIW: Mr. Chairman, I think that the member should be aware that we are not at that stage yet. That what has been done is mainly the setting up of the Farm Machinery Institute with federal and inter-provincial financing, and inter-provincial in the prairie sense. That's just the basics of it. I believe the building was either built or is being built in Humboldt, Saskatchewan, to house the operation. There will be a satellite facility in Manitoba and in Alberta and those sites and the nature of activities have not been decided to date other than it's anticipated that we will be looking at the forage side of machinery development and machinery testing. So that our program will relate to the livestock industry rather than to the grains industry, but Saskatchewan is going to try to relate, or their centre will try to relate to the grains industry.

MR. McKENZIE: I have another question. Regarding the licensing of the dealers in Manitoba, I believe the last time we looked at it 300 and some odd were licensed and there were still another 100 or so. Are they all licensed now, Mr. Chairman?

MR. USKIW: That information I don't have, Mr. Chairman, I couldn't tell you. Whatever the status of that is we would have to get a report from the Farm Machinery Board as to whether everyone has complied with the licensing provision or not. I would presume so since we haven't had any particular correspondence from any dealers or whatever for quite a long time.

MR. McKENZIE: Do we as Members of the Legislature get a copy of the Farm Machinery Board Report, or it just goes straight to your office?

MR. USKIW: No, I don't believe we have a requirement that that be tabled in the House, but I can supply information for my honourable friend if he wishes. Oh, I've just got the figure. It's 800 dealers that have been licensed.

MR. CHAIRMAN: Resolution 15(a)(1). The Honourable Member for Riel.

MR. CRAIK: Mr. Chairman, earlier on in the Minister's Estimates I directed a question to him with regards to work that might be done on future irrigation potential in Manitoba, and I think he said at the time that the right place to raise it would be at this point. And I wonder if the Minister could advise what plans for future irrigation in Manitoba are being examined by his department, and in particular whether the potential of the Souris River and the Assiniboine River are being followed and examined, being as how they are particularly critical at this time when the Garrison Diversion has a potential impact on both the Souris and on the Assiniboine as a result of what might happen in the United States. We've had a lot of discussion in past years about the potential of the Pembina River and the Pembilijer Dam and so on, but looking a little further down the line there are many lands which are bordered on both the Souris and the Assiniboine that could very directly be affected, particularly important because I think the Assiniboine has potentially a lot more water supply and probably a higher quality water supply for the purposes of irrigation, and I think that at the present time there's a concentration on the environmental effect from the point of view strictly of the biological impact of the work going on in the United States. I wonder if the Minister can advise whether his

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(MR. CRAIK cont'd) department is involved in looking at what this impact might be on the future irrigation potential of those waterways in Manitoba.

MR. USKIW: Well, Mr. Chairman, on that larger question, we have one man that's on a committee that is dealing with that problem, but largely that relates to the Department of Mines, Resources, Environmental Management, so that we don't have a specific aggressive involvement from our department's point of view other than participating in the discussions that are taking place in the other department or on a committee. Our technical services input here is mainly related to advice and assistance to farmers who are involved in irrigating vegetable crops and things of that nature, but certainly is not involved and we have no funding to be involved in a massive study of any river system or whatever, whether it be the Pembina or whether it be the Souris or the Assiniboine. That would usually come under a much broader approach which would involve community water needs as well as agricultural, and which would likely come under Mines and Resources if it were to be undertaken in that magnitude. So our program relates more to the direct involvement of farmers that are now using irrigation systems.

MR. CRAIK: Well I would have to question, Mr. Chairman, whether or not the emphasis in Mines and Resources would be directed towards the potential for irrigation purposes. But looking at this project over the time that it has been a matter of public issue, after a certain period of time I think it must become evident that some of the biological concerns, you know, strictly just straight water concerns and the water alone, are probably secondary, very secondary, to what the impact would be for future irrigation. And I wonder, since the Minister has indicated that the only input so far is supposedly a monitoring input by his department into negotiations that are going on, whether or not he couldn't undertake to examine more seriously what the impact will be from the point of view of irrigation. I think really what's at stake here is the potential of future irrigation has not been examined nearly extensively enough to determine whether or not future options are cut off. I think it's fairly well known that one of the options is to bring water out of the Assiniboine system and down into the area further south in Manitoba, and provide a much better water supply and a much greater volume of water supply than what can be provided out of the Pembina system. All the concentration to date has been on the Pembina and this has been overlooked, and I think that if your Minister's going to do justice to, you know, this important area, that it should be done before the negotiations with the impact of the Garrison get too far along.

MR. USKIW: Well, Mr. Chairman, I can appreciate the point the member makes, but I do want to reiterate that the Department of Mines and Environmental Management has the resources and is committed to the negotiations that are in question, and has the overview of the water situation province-wide and to which we have to relate as a department. And we have an input in that review and I think that has to suffice.

MR. CHAIRMAN: The Honourable Member for Rhineland.

MR. ARNOLD BROWN (Rhineland): Thank you, Mr. Chairman. To my knowledge the Government of Manitoba has never carried out a study on treating sewage. Now it seems to me that all the studies, or all the recommendations that we are following as far as sewage and lagoons are concerned, all these studies have been done in the southern states and we have applied them to Manitoba. Now, every town of considerable size in Manitoba has lagoon problems and serious lagoon problems. As towns grow larger, considerable land is needed for storage and an awful lot of our good land is being used up for lagoon space. Lagoons, first of all they're frozen for many months during the winter, a very short period of time in the year where the temperature is warm enough to get the algae to work. The bacteriological count will not allow lagoons to be drained until the latter part of May or the beginning of June. Surrounding residents of lagoons object to the stench and the general nuisances that are created by lagoons. A number of towns have faced lawsuits through operation of lagoons, due to seepage and drainage problems and matters of that nature, and I think it's about time that we tried to have some kind of a study in Manitoba that's going to pertain to our own particular situation so that municipalities can be advised of the best possible way, and treat the sewage effluent.

--(Interjection)-- Well if there is such a program under way then I'd sure like to hear about it.

MR. CHAIRMAN: (Resolution 15 was read and passed.)

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Resolution 16(a)(1)--passed. (2)--passed; (b)(1). The Honourable Member for Rock Lake.

MR. EINARSON: Mr. Chairman, I wonder if the Minister could give us some detail as to the Community and Family Programs. Could he enlighten us on the type of family programs he's talking about, and the expenditures under this item, as to how they relate to those Community Family Programs.

MR. CHAIRMAN: The Honourable Minister of Agriculture.

MR. USKIW: Mr. Chairman, that relates to the administrative part of the branch, that particular item. The Community and Family Programs are - yes, I've given the answer. I think that's it.

What item are you talking about, Mr. Chairman?

MR. CHAIRMAN: 9. (b)(1) or (2).

MR. USKIW: (b)(1) 116,000?

MR. EINARSON: No, Mr. Chairman. Well . . . that one, then we can come to the next one as well.

MR. USKIW: Mr. Chairman, that involves the Agricultural Centre at Brandon. I think I've got the wrong page here. I have a page missing, Mr. Chairman, that's my problem.

Yes, the Brandon Centre is involved in this area, Mr. Chairman, grants to associations; grant to Centre for Community Studies at Brandon; Community Affairs; Internship Program; Women's Institute grants; and Manitoba Metis Federation. That pretty well sums it up, Mr. Chairman.

MR. EINARSON: Mr. Chairman, does that take in just \$116,000 or is that the total of 423,000?

MR. USKIW: That's the total of \$423,000, Mr. Chairman.

MR. CHAIRMAN: (The remainder of Resolution 16 was read and passed.)

Resolution 16. Resolved that there be granted to Her Majesty a sum not exceeding \$2,143,600 for Agriculture. (Passed)

Resolution 17. (a)(1)--passed. (2)--passed; (b)(1)--passed; (2)--pass? The Honourable Member for Rock Lake.

MR. EINARSON: Mr. Chairman, here I don't know whether this is a duplication but it sounds that way in the Estimates, and I'm wondering is this another different type of family programs or - an expenditure of \$119,800?

MR. CHAIRMAN: The Minister of Agriculture.

MR. USKIW: Yes, this involves the Home Management Specialist, the 4-H Program, 4-H aides, 4-H Leadership and 4-H Camps.

MR. CHAIRMAN: The Honourable Member for Minnedosa.

MR. BLAKE: Thank you, Mr. Chairman. I wonder if the Minister might spend just a moment there in connection with the 4-H Program, and give us some indication of how many people are involved in instructional work under the 4-H Program and bring us up-to-date on the Home Economist situation in rural Manitoba. Have the Home Economists been relieved of their work with 4-H and is that now being handled by 4-H specialists, or just where does that program stand now?

MR. CHAIRMAN: The Minister of Agriculture.

MR. USKIW: Yes, Mr. Chairman. It's not completely divorced from the Home Ecs. However, we have 16, a little over 16 staff-man years allotted to the 4-H and Youth program, so that's a fairly substantive number in 4-H. Now there are . . . --(Interjection)-- Pardon? Yes, within that group there are five home ecs that still relate.

MR. CHAIRMAN: The Honourable Member for Minnedosa.

MR. BLAKE: This program is still carrying on here, you're not planning any further cutbacks in the home economists in rural Manitoba?

MR. USKIW: We have them all in the regional system, Mr. Chairman.

MR. CHAIRMAN: The Honourable Member for Rock Lake.

MR. EINARSON: Mr. Chairman, speaking of the home economists in the various regions: now they have been cut down as of last year, I believe, and I would like to ask him about what they term the program assistant, one who is entitled Program Assistant. What is the responsibilities of that individual insofar as the home economics area is concerned in providing services in those various communities?

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MR. USKIW: Those are home ec and 4-H aides that are hired, Mr. Chairman, to assist and to some extent offset the transfer of the - I forget - five home ecs that went into the Department of Health a year ago, so that we have put money in for 4-H aides and assistants in this area, and home ec aides.

MR. CHAIRMAN: The Honourable Member for Roblin.

MR. McKENZIE: Mr. Chairman, I refer to the, I believe it was under Community Affairs, whereby staff in the Community Affairs development were doing a study a year ago, I believe, regarding the development of libraries in rural Manitoba, and I believe that some of the staff members were in a supervisory capacity of the Parkland Regional Development Corporation. I wonder if the Honourable Minister can give me some indication of what those studies revealed, and what the Minister is prepared to offer for . . .

MR. USKIW: Well, Mr. Chairman, that comes under the purview of the Minister for Tourism, although we had one member of our department on an inter-departmental committee assisting, but we are not directly involved in as a department as such.

MR. McKENZIE: Mr. Chairman, my concern in it was that they were doing some studies. I wonder if that's public information about library development, or has that turned over to the Minister of Tourism as well?

MR. USKIW: Mr. Chairman, when Tourism presents its estimates, I think that will be the right time to deal with that question.

MR. CHAIRMAN: (The remainder of Resolution 17 was read and passed.)

Resolution 18. The Honourable Member for Gladstone.

MR. FERGUSON: Thank you, Mr. Chairman. Mr. Chairman, is this to do with the Farm Labour Training in . . . with this heading here? If it is, would the Minister supply us with what the success has been? How many people have enrolled and what is going on?

MR. USKIW: That's not in this item, Mr. Chairman. --(Interjection)-- That item is not in this resolution.

MR. CHAIRMAN: Resolution 18.

MR. USKIW: This resolution deals with Manpower programs.

MR. CHAIRMAN: Resolution 18(a)(1)--passed; (2)--passed; (a)--passed. (b)(1)--passed. (2)--passed; (b)--

MR. USKIW: Mr. Chairman, that's the item.

MR. CHAIRMAN: The Honourable Minister of Agriculture.

MR. USKIW: (b)(2) is where we deal with the Manpower Pool program. I believe that's the question that the Member for Gladstone had. And that is largely taken over by the Government of Canada. We have one office operating in Eastern Manitoba only. All of the other ones have been taken over by Canada Manpower Agencies, and hopefully the Eastern one will as well. So our program is substantially reduced in that area.

MR. CHAIRMAN: (The remainder of Resolution 18, and Resolution 19, were read and passed.)

On Page 4, Resolution 8(a). The Honourable Member for St. James.

MR. MINAKER: Thank you, Mr. Chairman, I'd like to make a few comments at this point. First I would like to thank the Honourable Minister for giving the answers to the amount of milk dumped last year on TV so we would find out what the quantities were and so on. I had expected that the answers would probably be forthcoming in the House but I guess with this particular Minister we have to watch TV to get answers from time to time, but . . .

MR. CHAIRMAN: Order please.

MR. MINAKER: Mr. Chairman, it was interesting to note the answers that the Minister did give on TV about the quantities of milk that were dumped last year. It is my understanding the milk producers work in weights of pounds, but the Minister found it more suitable to answer in terms of quarts. I guess that's more appealing to the public when you talk about quarts. We all don't like to see milk wasted, or any product wasted, but when one starts to calculate out the value of that milk that was dumped, Mr. Chairman, it turns out that we're looking probably at a value of milk somewhere in the order of \$18,000. \$18,000. And yet we look at the particular industry, a \$50 million industry, and that amounts to less than .04 percent of the total dollar value of milk that the producers received last year. \$50 million in the order of that figure, \$18,000, Mr. Chairman, that was skim milk so that the producer did get a payment for the butterfat that was skimmed off, I believe somewhere in the order of \$3.50,

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(MR. MINAKER cont'd) so that the actual value of the milk, as we indicated, was somewhere in the order of \$18,000.

And then we look at what kind of powdered milk could we produce from that milk that was dumped on those two occasions. It turns out that 49,000 pounds of powdered milk could be produced from the possibility of . . . if we had the facilities at that time, or presumably the government had it, and at the present rate of 64 cents a pound, we're looking at some \$31,000 of powdered milk.

I think the important thing, Mr. Chairman, is that if the government has been looking at, or Crocus Food has been looking at a machine somewhere in the order of 4,000 pounds per hour or 5,000 per hour, that 49,000 pounds of powdered milk would represent about 10 to 12 hours of operating time in that plant. Yet the Minister has indicated in his argument that there's milk being wasted, it's being poured down the drain - which we don't like to see, nobody likes to see that - but it represents \$18,000. I would suggest, Mr. Chairman, that to put an investment of 8, 9 million dollars to try and conserve \$18,000 out of an industry that we're looking at, \$50 million, that represents about .04 percent of the over-all figure. That's what they had to waste.

So, Mr. Chairman, we start to wonder why the Minister wouldn't give the answers in the House so readily when they were raised, because it now bears out that maybe there's no economics to his argument that they can look after this. Because if we are looking at an increased production of milk, so that we can take full advantage of the quota system, the federal subsidy, if it's a 10 percent increase, and if we go proportionate that presumably there's going to be 10 percent more waste next year, then we go to 11 hours instead of 10 hours of operation of the plants, or do we go to 14 hours instead of 12 hours? It doesn't really make a great deal of sense that we would construct a \$9 million plant to try to look after \$18,000 worth of milk, because we also know that we're dealing with a commodity that's highly perishable. It will perish easily. We also have the problem, the biological nature of the industry when we're dealing with animals, that we get peak production. So regardless we always know that at some time there will be the possibility of having to dump milk.

Now I would suggest, has the Minister approached the private sector, the processors, who exist today and asked them if they could look after this, or handle it? No. He's done the reverse. He's actually come out with agreements that he's requesting the processors to sign so that they have to turn over their whey. He has refused them the right to . . . or they have been refused or discouraged to get a licence for drying whey. And we start to wonder. For \$18,000 worth of milk? That's what it's amounting to, based on last year's figures that were dumped, if the Minister is correct when he gave the figure of 230,000 quarts.

And, Mr. Speaker, we know that if we look at other commodities, like vegetables, we have them perishing from day to day, and we know that they are thrown out. Does that mean that if there's \$20,000 worth of vegetables that are rotting and have to be thrown out, does that mean that we're going to build a soup factory? Maybe, Mr. Chairman, that's why the MDC got involved with King Choy, maybe they were looking at turning the vegetables into Chinese food, or something, and we knew what happened with King Choy. So, Mr. Chairman, why hasn't the Minister taken a look at the private sector and said, you know, here's a problem that there is at times, the milk being dumped, why hasn't he gone to the private sector to see if they're interested in trying to correct the situation; instead, he's done the reverse. He's scared them off by saying we're going to build this plant, and in order for it to be feasible, we'll have to also dry milk because we've got this surplus, this surplus, \$18,000 worth of skim milk that was dumped. And that justifies a \$9 million plant at Crocus . . . or Crocus plant at Selkirk.

And, Mr. Speaker, the government has tried to control the waterways with their Manitoba tours. They are now attempting to control the airways with their Saunders aircrafts. And now, I suggest, with Crocus Foods they are now attempting to control the Milky Way. And yet -- (Interjection)-- The Milky Way.

So, Mr. Chairman, with those few comments I would hope that the Minister would take a different approach to the problem of pollution and the problem of the surplus milk which, to my thinking, isn't a major problem when you consider the over-all value of the industry, \$50 million a year, that they are wasting, or had to waste last year, less than .04 percent of the product, the value of the product, and that there is obviously no need to build a plant if you find

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(MR. MINAKER cont'd) that you can only operate 10 hours out of the year, or 12 hours out of the year, on the amount of milk that was dumped last year, if you do put in a skim milk powder set-up.

And with those few words, Mr. Chairman, I would hope that the Minister would reconsider their present plans with regards to Crocus Foods because I would think that it can only lead to their next step of diverting more and more milk to that plant because there obviously won't be enough from the surplus that they presently have, and even with a 10 percent increase in production there still isn't enough, and it can only lead to direct competition with the present processors and unfair competition.

MR. CHAIRMAN: (Resolution 8(a) was read and passed.)

That concludes the Department of Agriculture, Committee rise. Call in the Speaker.

Mr. Speaker, your Committee of Supply has considered certain resolutions and recommends them to the House without amendments, and asks leave to sit again.

IN SESSION

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

MR. D. JAMES WALDING (St. Vital): Mr. Speaker, I move, seconded by the Honourable Member for Point Douglas, that the report of the committee be received.

MOTION presented and carried.

MR. SPEAKER: The Honourable House Leader.

MR. PAULLEY: I believe, Mr. Speaker, that it would be quite appropriate if the House adjourned but I want to remind honourable members, seeing as we have now completed the Departmental Estimates of the Department of Agriculture, remind honourable friends that there is an Agricultural Fair tomorrow. I understand a number of members will be going there to learn more of agriculture than they ever exhibited in these discussions on the estimates of my colleague.

MR. SPEAKER: The hour of adjournment having arrived, the House is adjourned and accordingly will stand adjourned until 2:30 p. m. Monday. The honourable . . .

MR. PAULLEY: Excuse me, if I may be given permission. I believe it's still normal for the House Leader to give to the House an indication of what is going to happen next week. Now this really is Friday even though it's Thursday. I think that the House Leader of the Official Opposition has been informed as to the proceedings for next week, and I see no change in what was decided upon previously. That's fine. Thanks, Mr. Speaker.

MR. SPEAKER: House adjourned, stands adjourned until 2:30 p. m. Monday afternoon.