

## THE LEGISLATIVE ASSEMBLY OF MANITOBA

2:30 o'clock, Wednesday, April 24, 1968

Opening Prayer by Mr. Speaker.

MR. SPEAKER: Presenting Petitions

Reading and Receiving Petitions

Presenting Reports by Standing and Special Committees

MR. R.O. LISSAMAN (Brandon): Mr. Speaker, I beg to present the First Report of the Standing Committee on Industrial Relations.

MR. CLERK: Your Standing Committee on Industrial Relations begs me to present the following as their First Report.

Your Committee met for organization and appointed Mr. Lissaman as Chairman. Your Committee recommends that for the remainder of the Session the Quorum of this Committee shall consist of Seven (7) members.

Your Committee has considered the following Bill:

No. 31 - An Act to amend The Employment Standards Act, and has agreed to report the same with certain amendments.

All of which is respectfully submitted.

MR. LISSAMAN: Mr. Speaker, I beg to move, seconded by the Honourable Member for St. James, that the Report of the Committee be received.

MR. SPEAKER presented the motion.

MR. GORDON E. JOHNSTON (Portage la Prairie): Mr. Speaker, I beg to move, seconded by the Honourable Member for Emerson, that the Report of the Committee be not now received but that it be referred back to the Committee on Industrial Relations for further consideration of Bill 31, an Act to amend The Employment Standards Act.

MR. SPEAKER presented the motion.

MR. JOHNSTON: Mr. Speaker, I am a member of that committee that met this morning to consider Bill 31. There were a number of submissions made to the committee. I believe one submission was made by a member of the Woods Committee.

Now it was my understanding that Bill 31 was based largely on recommendations of the Woods Committee, and when the bill was given first reading the Honourable the Minister of Labour spoke very briefly in introducing it, and if I may quote a little bit of what he did say - it's on Page 250 of Hansard, and I quote: "And the bill is going to make it mandatory for an employer to give each employee a statement of earnings and deductions at each pay period." Following that statement by the Minister, the Honourable Member for Assiniboia spoke and he congratulated the Minister on including that in this bill, among other matters.

Now it is surprising to a number of us on the committee this morning to find that the Minister of Labour was prepared to move an amendment which he had recommended to the House at first reading, and while he did not mention it specifically on second reading I presume he was still of the same mind because he certainly did not lead the House to believe otherwise. I think that if, because of a little bit of pressure by bodies representing to the Industrial Relations Committee, that the Minister makes changes so suddenly, I think in all fairness that this bill should go back to the Industrial Relations Committee and the Woods Committee should be asked to appear to let the member of the Committee find out what their thinking is on the amendments that were made this morning. I think that it's highly unfair to the members of the Woods Committee who have met since 1964, a voluntary group of people who represent labour and management, to have their few recommendations treated in this manner, and that is the reason that I make the motion.

HON. OBIE BAIZLEY (Minister of Labour) (Osborne): Mr. Speaker, in speaking against the motion I would have to tell honourable members that this particular individual in the government is not unaccustomed to pressure, but I am sure that if you think of the particular portfolio for which I have the responsibility you will realize that there are varying points of view at every turn in the road; in fact there are varying points of view on a straight road. But I must tell members of the House that this appeared to be and I believe it is a reasonable request, and as such I recommended to my colleagues that we introduce this amendment. It was pointed out that a fair employer did in fact, when he had regular pay periods and was paying the same amount a period, at every pay period, and that the deductions were to be the same deductions, that it should not be necessary for him to have the repetitious job of showing on every pay day the same amount of money that the employee was paid and the same deductions.

(MR. BAIZLEY cont'd.)

Now, an example. The Honourable Member for Inkster, who undoubtedly is known as a fair employer, says that he follows this practice because it is efficiency and office procedure. There's nothing wrong with it. People who pay attention to their costs in office procedure realize it would be duplication of time in preparing such a report, and such a statement is added cost that is not necessary. And that is all that this amendment is saying. It has really changed nothing in the Act.

I would like to point out to members of the House that, as the honourable member has stated, the Woods Committee is a voluntary committee, that it has a very arduous task, that it's very frustrating. All members in the House who have taken part in deliberations that have to take into consideration opposing points of view realize the difficulty there is in reaching consensus. We know this and their work is appreciated and the committee has had the full support of this government. And I might say that it will continue to have the full support of this government as long as it's continued and wishes to continue to meet. But it doesn't change the fact that it is the government's responsibility to bring into this House measures which it feels are fair and equitable to the parties concerned. And, Mr. Speaker, I would have to suggest that I'm voting against the motion.

MR. SIDNEY GREEN (Inkster): Mr. Speaker, I find myself in some part - a very small part and even as a surprise to myself - in agreement with the Minister of Labour when he says that his department is subjected to pressures. After all, last year this side of the House on many occasions spoke and voted upon resolutions which we felt should be considered by his department and enacted into the laws of Manitoba and, Mr. Speaker, I think that that is a considerable amount of pressure. What the Minister has revealed today and what he revealed in Industrial Committee this morning is when he yields to pressure, not when the entire opposition, not when the labour movement as such asks for changes, but when submissions are made on behalf of the Canadian Manufacturers Association and the Chamber of Commerce, because these are the two organizations who made submissions which caused him to yield on a bill which was agreed to unanimously by 24 representatives of labour and management. And in this, Mr. Speaker, I think the Minister is ignoring what the purport of this motion is.

The Member for Portage who made the motion didn't mention the specific parts of the bill that he was talking about. He didn't mention the specific amendment. What he said was that we have a Woods Committee which the Minister has consistently used, Mr. Speaker, which he has consistently used as an excuse for not bringing in legislation, and if I had the time or the inclination - and I have neither - I could go back to the records of Hansard and show you that we have asked questions about legislation with regard to injunctions, about legislation with regard to other matters affecting labour unions, affecting industrial relations, and the Minister has said that "the Woods Committee is meeting on it." But on this particular reference the Woods Committee is not meeting any more. The Woods Committee has met and has unanimously agreed to a proposal which we on this side suggest the Minister has emasculated by taking out anything of meaning in the proposal.

Now, Mr. Speaker, that being the case, I think that the Minister has demonstrably exposed this entire sham of a Woods Committee. Where in effect, where the Woods Committee is considering basic matters which are of vital importance both to the rights of management and labour alike, they are not going to come to any unanimous decision; they are not going to come even to a majority with the decision; they are not going to come to any decision at all. In that respect, Mr. Speaker, and I repeat, the Woods Committee is a petrified forest. It's not going to get anywhere. But the Minister has said that he will not legislate - although today he bravely says that it's our responsibility, the government's responsibility, to legislate - on those matters he has consistently said he will not legislate until he receives the report from the Woods Committee. We get two rather relatively less important matters, and I admit that they are important but they are certainly relatively less important, a mere implementation of programs which the government says it believes in, the Woods Committee meets for a period of two years, comes in with a recommendation unanimous, based on 12 representatives of employer groups and 12 representatives of employee groups, they come to a unanimous decision and all of a sudden the Minister gets brave and he starts initiating government legislation.

Well, Mr. Speaker, I admire some bravado on the part of this government but I don't admire what he calls "yielding to pressure" when that pressure is sufficient to overcome all of these groups, all of the unanimity of these groups, not on a basic matter of principle but

(MR. GREEN cont'd.) . . . . merely on a matter of implementing the administration of the Labour Relations Act, and I submit that that's the only thing that they could come to unanimous agreement on. And why did he bow? Mr. Speaker, we had two appearances this morning. One was the representative from the Canadian Manufacturers Association, one was the representative from the Chamber of Commerce. I wish he'd pay as much attention to the arguments that have been made from this side of the House as he has to those two pressure groups.

MR. GILDAS MOLGAT (Leader of the Opposition) (Ste. Rose): Mr. Speaker, the reply given by the Minister is the best explanation, it seems to me, for sending the report of this committee back to the committee, for, as the Minister said, these are difficult matters to handle, that he has faith in the Woods Committee. But surely if he does recognize this that they're difficult to handle and he has faith in the committee, they've been working on this for some two years; they came out with a unanimous recommendation; the Minister recommends it to the House on the 18th of March when he introduced the Bill; it passes second reading in this House on the 20th of March; the Minister recommends this as proper legislation to the House based on what the Woods Committee has said; now suddenly, on the 24th of April, the Minister brings out in Committee some amendments changing completely what the Woods Committee has recommended to him. This is the man who tells us that he has faith in the Committee.

Mr. Speaker, unless the Minister is prepared to let this bill go back to committee, what he is telling the Woods Committee in fact is that he has no faith in them. He is doing exactly the same as the Provincial Secretary who tells us that the Boundaries Commission is a fine institution but we're not going to pay any attention to them. We can have them working for two years on boundaries but the Cabinet's going to decide what's going to be done. The obvious question is: what's the point of a Boundaries Commission? And if the Minister now is going to tell this House that he has faith in the Woods Commission, that he wants them to continue their work but when they make a recommendation to him and he introduces it in this House, then he changes his mind in the course of the next two or three weeks, and recommends something different once we reach the committee stage, the Minister is completely emasculating the Woods Committee. He may as well fold it up, because at the first attempt, the first time that something has come forward of a unanimous nature, he backs down.

Mr. Speaker, the Minister has, it seems to me, no alternative at this point. Let him support the amendment that has been proposed by my colleague the Member for Portage la Prairie. This doesn't amount to a defeat of the government. All it asks is that this be referred back to the committee and that the committee be empowered to hear the Woods Committee, the people who have been doing the study on this, the people who should have the detailed background knowledge, a committee representative of both labour and management. Now if that committee can come to a unanimous conclusion and if the Minister has faith in them and if he wants them to continue working in this field, then there is no alternative, Mr. Speaker, but to support the amendment proposed, let this go back to the committee, let us hear from the Woods Commission, let's have a complete discussion there at the committee stage, and decide at that time what needs to be done. Any other action by the Minister, Mr. Speaker, is simply a statement to the Woods Committee: You're not worth having.

MR. SPEAKER: Are you ready for the question? The Honourable Member for Assiniboia.

MR. STEVE PATRICK (Assiniboia) Mr. Speaker, I rise to support the motion of the Honourable Member for Portage. I feel that the Minister should have not proposed amendments in committee today; he should have given it an opportunity to see how the legislation is going to work, and I'm sure it would have worked quite well, because the Minister seems to have a great amount of respect and faith in the Woods Committee and according to the report, the Annual Report of the Department of Labour for this year, he says, "It's been gratifying to note that the changes affecting labour and management in the province recommended by the committee and put into effect by the government in 1966, have worked out very well." And if this is the case in some other areas, legislation that has been recommended by the Woods Committee has worked so well, I see no reason, Mr. Speaker, for change in the recommendation that was proposed by the Woods Committee in respect of this legislation, because the Woods Committee is made up of labour and management people.

I would also like to say at this time, I am quite happy to say at this time, Mr. Speaker, that the Minister of Labour in his report mentions the changes were the elimination of

(MR. PATRICK cont'd.) . . . . government-supervised strike votes and the adoption of streamlined conciliation procedures, and establishment of a new procedure dealing with charges of unfair labour practices. I would like to report to the House that these recommendations came from this side of the House before the Woods Committee reported to the House. It was our party that proposed that the government-supervised strike vote be repealed and we did have a resolution to that effect, the Honourable Member for Selkirk and myself. He had the resolution; we spoke on it; and as well I had a resolution on certification problems and on Page 259 in Journal, it was proposed to the House in 1965. So I'm happy to say that the Woods Committee more or less brought down the report almost in line with what we had said in this House and almost in line with the resolution that we proposed on this side of the House.

So, Mr. Speaker, I also see no reason why the Honourable Minister, when proposing the Bill, was quite in favour for it, and just this morning in Labour Relations decided to bring in amendments. So I do support the amendment of the Honourable Member for Portage.

MR. SPEAKER: The Honourable Member for Kildonan.

MR. PETER FOX (Kildonan): Thank you, Mr. Speaker. I too would like to support the amendment. As a member of the Industrial Relations Committee, I also was disappointed in the fact that this amendment was brought forward by the Minister of Labour, and in fact I think he should have been forewarned that the Woods Committee would be disappointed in this kind of an amendment.

To begin with, Mr. Chairman, when the original Bill 31 was brought forward, in an Order for Return I had asked for all the correspondence between the Minister of Labour and the Woods Committee and its chairman, and the last letter of March 22nd informed the Minister of Labour that they were disappointed that he had altered their recommendation already, which was only one point. Now here, further to that, he comes in with a whole sheet of complete new amendments which, as my colleague from Inkster has stated, emasculates the whole intent of what was in the Bill to begin with.

Mr. Speaker, I really cannot see the logic of the government in this, when first of all they keep continually saying that "we are going to produce legislation when the Woods Committee reports because it is a tripartite committee," and then when they do produce it, they produce legislation in line with what has been recommended but they add to it, which the Woods Committee objects to, and that isn't sufficient for the Minister of Labour. Even though he does get notice from them he goes ahead and at a later date, before the Committee, makes further amendments which emasculates the Bill to a greater extent.

In my opinion, Mr. Speaker, I'm afraid that the Minister of Labour is working towards disintegrating the Woods Committee. If he knows that they are objecting already and then he further goes ahead and makes further amendments, he is telling them, "We couldn't care less about your comments because we don't pay any attention to them, so you can just do as you please," which in essence is telling them, "We don't care if you disintegrate because we're not going to listen to your recommendations anyway. Any suggestions you make, even if they are unanimous, even if you take a lot of time, two or three years to debate and discuss them, and come up with a unanimous decision, and the only ones you can come up with as a unanimous decision are on the ones that have not too much meaning, then we will go ahead and take them under advisement and amend them any way we like so that they will have no meaning anyways."

MR. JACOB M. FROESE (Rhineland): Mr. Speaker, I was called out of the House momentarily so I didn't get the full remarks made by the Honourable the Minister of Labour in connection with the resolution before us, but for an outsider in the gallery watching the proceedings here, I would say that they might be wondering who is the government, the Woods Committee or our present government here to my left. It seems that this Committee must be an all-wise committee. However, at the same time, I have no objection of having the report go back to Committee, because I am always open to hearing comments, or if objections are raised let us hear them. Certainly we are in no rush to pass legislation that we cannot hear representations from these people. I'm not sure - I didn't hear the last remarks of the Minister - whether any consultations have been held with the Woods Committee on this particular matter and the amendments that have been brought in in connection with this Bill, and if he's already stated so I'll check up in Hansard. On the other hand, if no comment has been made on this matter, if we could hear from him whether any consultations have been held, I think it would be appreciated.

MR. LEMUEL HARRIS (Logan): Mr. Chairman, I'd like to get up and make a few

(MR. HARRIS cont'd.) . . . . . remarks too. I was a member of that Committee and when I got there today and listened to the report that was made by the various people speaking against this Bill, I was under the impression that the Woods Committee had brought in a report, and we brought it into the House here and it was going to go through under various recommendations in that Bill. But when we get there, what do we find? The whole thing is turned like a cat in a bag, a very scurrilous trick, as far as I'm concerned, and I feel that this should go back to committee again and have that Woods Committee there and see what can be done for the Bill. Thank you very much.

MR. SPEAKER: Are you ready for the question? The Honourable Member for Portage la Prairie.

MR. JOHNSTON: Mr. Speaker, if no one else would wish to speak, I would close the debate.

HON. STERLING R. LYON, Q. C. (Attorney-General) (Fort Garry): There's no debate to close, Mr. Speaker.

MR. JOHNSTON: . . . close the debate?

MR. SPEAKER: Are you ready for the question?

MR. JOHNSTON: Mr. Speaker, are you not going to recognize me?

MR. SPEAKER: What was your question?

MR. JOHNSTON: I wish to close the debate.

MR. SPEAKER: You wish to close the debate?

MR. JOHNSTON: Yes.

MR. LYON: The debate's closed . . . amendment - you moved an amendment.

MR. SPEAKER: One moment, please. It is my understanding that the honourable gentleman wishes to close the debate now. He may proceed.

MR. JOHNSTON: Thank you, Mr. Speaker.

MR. LYON: Hold it.

MR. JOHNSTON: I shall be quite brief. As long . . .

MR. LYON: If the honourable member would just sit down, we'd get on with the vote. There's no debate to close.

MR. JOHNSTON: Mr. Speaker, you just gave me permission to proceed and I certainly shall.

MR. SPEAKER: Order please. I regret having delayed the House and any confusion that may have been created, but it is my understanding that there is no question of closing the debate on an amendment but rather it should be voted on now if there are no other members in the House wishing to speak to it.

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

MR. JOHNSTON: Ayes and Nays, Mr. Speaker.

MR. SPEAKER: Call in the members.

A STANDING VOTE was taken, the result being as follows:

YEAS: Messrs. Barkman, Campbell, Cherniack, Clement, Dow, Doern, Fox, Froese, Green, Guttormson, Hanuschak, Harris, Hillhouse, Johnston, Kawchuk, Miller, Molgat, Patrick, Paulley, Petursson, Shoemaker, Tanchak, Uskiw, Vielfaure.

NAYS: Messrs. Baizley, Beard, Bjornson, Carroll, Cowan, Craik, Einarson, Enns, Evans, Hamilton, Jeannotte, Johnson, Klym, Lissaman, Lyon, McGregor, McKellar, McKenzie, McLean, Masniuk, Shewman, Spivak, Stanes, Steen, Watt, Weir, Witney, and Mesdames Forbes and Morrison.

MR. CLERK: Yeas, 24; Nays, 29.

MR. SPEAKER: I declare the amendment lost. Are you ready for the question on the main motion?

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

MR. SPEAKER: Notices of Motion

Introduction of Bills

HON. STEWART E. McLEAN, Q. C. introduced Bill No. 68, an Act to amend The Companies Act.

MR. LYON introduced Bill No. 81, an Act to amend The Real Property Act.

MR. GORDON W. BEARD (Churchill) introduced Bill No. 84, an Act to amend an Act respecting the Incorporation of The Town of Thompson.

MR. RODNEY S. CLEMENT (Birtle-Russell) introduced Bill No. 85, an Act respecting The Town of Russell.

MR. JAMES COWAN, Q. C. (Winnipeg Centre) introduced Bill No. 80, an Act to amend The Winnipeg Charter, 1956 (2).

MR. SPEAKER: Before the Orders of the Day - we had two groups of school children with us and still there is one remaining: 30 students of Grade 11 standing - is that correct? - of Garden City School. These students are under the direction of Mr. Kirbyson and Mr. Froese. This school is located in the constituency of the Honourable Member for Seven Oaks. On behalf of all the honourable members of the Legislative Assembly I welcome you all here today.

MR. BEN HANUSCHAK (Burrows): Mr. Speaker, I wish to direct a question to the Honourable Minister of Municipal Affairs. Has she received a communication from the Town Council or the Town of Carberry containing a photostat of a cancelled cheque?

HON. THELMA FORBES (Minister of Urban Development and Municipal Affairs) (Cypress): Yes, Mr. Speaker.

MR. HANUSCHAK: A supplementary question, Mr. Speaker. Is it the intention of the Honourable Minister to proceed with this matter in a direction of a prosecution under the Municipal Act, or taking whatever action the Act provides for?

MRS. FORBES: Yes, Mr. Speaker. I have sent the document to the Attorney-General's office and asked for a legal opinion.

MR. RUSSELL DOERN (Elmwood): Mr. Speaker, in the absence of the First Minister I'd like to direct a question to the Minister of Industry and Commerce concerning the Manitoba Economic Consultative Board. Could you tell me what the staff consists of at the present time; how many people there are and what their duties are?

HON. SIDNEY SPIVAK, Q. C. (Minister of Industry and Commerce) (River Heights): Mr. Speaker, I'll take the question as notice.

MR. FOX: Mr. Speaker, I'd like to direct a question to the Minister of Industry and Commerce since the First Minister isn't here. In yesterday's newspaper there was an article about discussions with the Minister of Industry and Commerce and the First Minister in regards to starting a \$4 million convention centre. Can the Minister of Industry and Commerce inform us to what extent these discussions have taken place and when the House will receive information as to what commitment has been made by the government?

MR. SPIVAK: Mr. Speaker, this matter is one of the matters that will be discussed by the Co-ordinating Committee of the Government and Metro Council and the City of Winnipeg.

MR. ELMAN GUTTORMSON (St. George): Mr. Speaker, I'd like to direct a question to the House Leader. On April 8th, the First Minister introduced Bill No. 60, an Act to amend The Electoral Divisions Act. Could he indicate when that Bill will be tabled?

MR. LYON: Soon. As a matter of fact it's on its way back from the printer right now.

MR. MOLGAT: Mr. Speaker, before the Orders of the Day - mine isn't exactly a question, it's a proposal I would like to present to the House with regard to private members' business on Friday. I understand that the Provincial Secretary has spoken to my colleague the member for Assiniboia who has a resolution on the Order Paper with regard to breathalizers, and the Minister indicated that the government would be anxious to proceed with the legislation. I'm anxious to see it proceed as well. The suggestion was that my colleague withdraw the resolution. I'd like to suggest, rather, that we would be prepared from our side to have this resolution, which now stands eleventh on the Order Paper, moved up to first item on the Order Paper and to agree, from our standpoint at least, not to seek any further adjournments and let it come to a vote on Friday, if that meets the wishes of the House.

MR. RUSSELL PAULLEY (Leader of the New Democratic Party) (Radisson): Well I think, Mr. Speaker, that on the point raised by the Honourable Leader of the Opposition, it's an interesting point. However, I don't think that I could be any party to any agreement that's reached between the Honourable the Provincial Secretary, the Member for Gladstone, or the Leader of the Opposition outside of this Chamber. I would suggest, I would suggest that if there are any deals to be made or any rearranging of the Order Paper it be done at the proper time in the proper place, namely in this House.

MR. MOLGAT: Mr. Speaker, that's exactly what I'm doing, I'm making a proposition here in the House. There's been no deal made outside the House and I made it very clear that I was proposing this as a method of conducting the business. I don't know how else I can make it public any more than standing here in my seat or in my place and making the proposal.

MR. PAULLEY: My honourable friend said that there was consultations between the Provincial Secretary and the Member for Gladstone on a particular resolution as to how that resolution should be proceeded with. "I'll do this if you do that." I suggest that the proper place for that to be done, when the matter arises in this Assembly.

MR. NELSON SHOEMAKER (Gladstone): Mr. Speaker, I want to advise the House that I made no horse deals in the House or out of the House. I just moved the motion the other day, so my honourable friend the Leader of the NDP Party suggests that I and the Minister of Public Utilities may have made a horse deal -- (Interjection) -- not me.

MR. PAULLEY: Mr. Speaker, on a point of privilege, may I apologize to the Honourable Member for Gladstone. It's the Honourable Member for Assiniboia. I'm prepared to recognize my own mistakes, Mr. Speaker.

MR. McLEAN: Mr. Speaker, in view of the sinister connotations suggested by the Honourable the Leader of the New Democratic Party, perhaps I should just say that the only conversation that took place between the Honourable Member for Assiniboia and myself was my question to him whether he would be prepared to withdraw his resolution in order to allow the Bill, Highway Traffic Act No. 2, to be introduced and proceeded with, which Bill I believed would give him ample opportunity for debating the subject of breathalizers. No deals were suggested; no deals were made. It was suggested because we're in a little technical problem, that because I -- answered a question the other day I now find that until that resolution is disposed of that I cannot introduce Highway Traffic Act Bill No. 2, and I was anxious to get it on the Order Paper. I'm sure that the suggestion made by the Honourable Leader of the Opposition can be considered, but really it's quite immaterial. I was only making the suggestion to the honourable member in the interests of getting what I am sure he wants, discussion of the subject of this tantalizing issue of breathalizers.

MR. HANUSCHAK: Mr. Speaker, in connection with the matter that I previously inquired about, I wish to direct my question to the Honourable the Attorney-General. Is the Attorney-General in a position to advise this House as to whether action will be taken against the municipal official of the Town of Carberry?

MR. SPEAKER: Order, please. We're still on the subject brought forward by the Honourable the Leader of the Opposition. I wonder, in the interest of obtaining consent of the House, in view of everything that's been said, I wonder if the Leader of the New Democratic Party had reconsidered the matter with a view to proceeding along the lines of the Leader of the Opposition.

MR. PAULLEY: Mr. Speaker, on . . .

MR. LYON: . . . point of order, though, there is no consent requested of the House. The Minister said that he would give consideration to the matter that was suggested by the Leader of the Opposition and that's where it dies, that the . . .

MR. PAULLEY: And I would suggest, Mr. Speaker, we're prepared at the proper time to give consideration to the request, but not on Orders of the Day when we're not dealing with the procedure of business of the Order Paper. If a request is made at the proper time to allow the Honourable the Provincial Secretary to introduce his resolution, we'll consider it at that time but we won't at this particular time.

MR. SPEAKER: In trying to pour a little oil on troubled waters, it went to the bottom of the ocean, so I'll call on the Honourable Member for Burrows.

MR. HANUSCHAK: I will repeat my question, Mr. Speaker. Could the Honourable the Attorney-General advise the House whether he intends to proceed under the Municipal Act against that official of the Town of Carberry who was suspected to have violated it?

MR. LYON: I have no advice from the law officers of the Crown yet on this subject.

MR. GREEN: Mr. Speaker, I'd like to direct a question to the Honourable Minister of Health. In view of the fact that the country is now faced with an election, could he advise whether whatever legislation his department is bringing forth with regard to Medical Care will leave it optional for the Provincial Government on July 1, 1968 to get into or out of a national health scheme?

HON. CHARLES H. WITNEY (Minister of Health) (Flin Flon): Mr. Speaker, when the legislation comes forth that will be explained.

MR. SHOEMAKER: Mr. Speaker, before the Orders of the Day are proceeded with, I would like to direct a question to my honourable friend the Minister of Municipal Affairs. Nearly a month ago my honourable colleague the Member for St. Boniface asked the Minister of

(MR. SHOEMAKER cont'd.) . . . . Municipal Affairs whether or not the Chairman of the Boundaries Commission was hired on a full-time basis and, in consideration of the \$12,000 that he receives, is he presently working as a full-time chairman. The Minister took it as a notice and has not yet replied to the House. I wonder when we could expect a reply to that question.

MRS. FORBES: Mr. Speaker, I'll deal with the Boundaries Commission when my estimates are before the House.

MR. GREEN: Mr. Speaker, as a supplementary question to the Honourable the Minister of Health. Could he advise me, then, whether his department is considering legislation which would make it optional for the government to go in or out?

Well, Mr. Speaker, I think the Honourable the Minister of Health could certainly speak for himself but I am asking the question because of the fact that Manitobans do not know now on July 1, 1968 what their position will be.

MR. JOHNSTON: Mr. Speaker, I'd like to direct a question to the Honourable Minister of Industry and Commerce. On March 18th, a motion was passed with respect to the cost of the "Go To Beat '70" campaign, and my question is: when can I expect the Order for Return?

MR. SPIVAK: Soon, Mr. Speaker.

MR. McLEAN: Mr. Speaker, I wish to table a Return to an Order of the House No. 25 on the motion of the Honourable the Member for Seven Oaks made the 22nd day of March, 1968.

And, Mr. Speaker, if I may, I would like to make an announcement to the House that the Executive Council has today appointed William David Fallis to be the Chairman of the Manitoba Hydro Electric Board. Mr. Fallis is well-known to the members of this Chamber and to the citizens of Manitoba, and I am sure will have our heartiest good wishes as he undertakes this important assignment.

HON. GEORGE JOHNSON (Minister of Education) (Gimli): Mr. Speaker, before the Orders of the Day, I would like to lay on the table of the House a Return to an Order of the House No. 5 on the motion of the Honourable Member for Burrows.

MR. SAUL CHERNIACK, Q. C. (St. John's): Mr. Speaker, before the Orders of the Day, may I ask the Honourable the Attorney-General if he is considering filing an amendment to the Return to an Order of the House No. 28 which he filed dealing with insuring of Liquor Control Commission buildings?

MR. LYON: No, Mr. Speaker.

MR. MOLGAT: Mr. Speaker, before the Orders of the Day, I'd like to address a question to the Minister of Education. Yesterday, in reply to a question regarding the University Act, he indicated that this was before them and that he might be in a position to answer at a later date. Is he in a position to tell the House now whether or not the government will proceed at this session, and when?

MR. JOHNSON: It's in the Votes and Proceedings, notice of the University Act.

#### ORDERS OF THE DAY

MR. SPEAKER: Orders of the Day. The adjourned debate on the proposed motion of the Honourable Member for Arthur. The Honourable Member for Rhineland.

MR. FROESE: Mr. Speaker, I want to thank the honourable members for allowing this matter to stand over so that I could have a look at Hansard and what went on on Friday last when this motion was debated and amended. However, the amendment was ruled out of order by you, Sir, and as a result I adjourned the debate on it.

My concern is in connection with Bill 37, and from reading Hansard I find out that a further bill will be introduced amending the Highway Traffic Act, and that one of the matters will be the breathalyzer, but it seems to me that there will be other matters forthcoming and I'm not at the moment sure whether I should speak at this particular time on the points that I would like to discuss further because amendments might be coming forward in this connection.

My main concern has to do with the matter under Section 33 of the Bill, where people have to produce evidence of financial responsibility. This is a sore point with me and I feel that there are certain unjustified actions being taken on innocent people because of the law as it now stands. You have suspension of licences taking place where you have minor infractions, and as a result it causes serious hardship to some people. I have mentioned the one case on previous occasions where this one individual apparently bought a motor bike for his son and taking it to his field he was caught and as a result his licences were suspended, not only on his



(MR. FROESE cont'd.) . . . . car but on his trucks as well, which were used for hauling and on certain jobs, and this meant that certain people were put out of a job and this affected this individual's income very substantially.

I feel that because of a minor infraction this provision should not be on the statutes and not to the effect that it presently has. And a proof of loss is not only required for one year, or of responsibility, but this carries on for two or three years and this amounts to what, in my opinion, is black-listing. Certainly this, if it is imposed, should only be for one given year and not extended to any longer period than that in cases of this type.

Then, too, the charges that go with it. On a car it is probably not as high, but when you apply it on trucks and other vehicles of that type the cost can be very substantial, and I feel that we should bring in some amendments in connection with this particular item under the Traffic Act, and I do hope when the next bill comes in that something will be done, because under the section they have the right to put on a surcharge which can be as much as 100 percent higher plus the cost of the certificate on trucks and so on, so that this cost becomes very high, and it might be valid on certain circumstances but certainly not in all cases where it is applied at the present times. If this applied to drunken drivers and so on, I would not be speaking here at this particular time for relief, but when it applies to more or less innocent people or for minor infractions, I feel that the penalty is far too severe and that changes should be made.

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

MR. SPEAKER: The adjourned debates on second readings.

HON. GURNEY EVANS (Provincial Treasurer) (Fort Rouge): Mr. Speaker, I wonder if I should now move the third reading of Bill No. 2?

BILLS Nos. 2, 3, 4, 5, 6 and 10 were each read a third time and passed.

MR. McLEAN presented Bill No. 37, an Act to amend The Highway Traffic Act, for third reading.

MR. SPEAKER presented the motion.

MR. FROESE: Mr. Speaker, just two brief remarks. I do not support the bill because of certain provisions that it contains. Not all of them are bad but in my opinion the bad ones outweigh the good ones and therefore I oppose the bill.

MR. DOUGLAS CAMPBELL (Lakeside): Mr. Speaker, I was just wondering, in view of the statement by the Honourable the Minister of Public Utilities that he is planning on bringing in another Highway Traffic Act, if this one should not carry the designation (1).

MR. McLEAN: I'm informed, Mr. Speaker, by the Clerk that this will be shown on the record as No. (1).

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

MR. EVANS: I beg to move, seconded by the Honourable the Attorney-General, that Mr. Speaker do now leave the Chair and the House resolve itself into a Committee to consider of the Supply to be granted to Her Majesty.

MR. SPEAKER presented the motion and after a voice vote declared the motion carried, and the House resolved itself into a Committee of Supply with the Honourable Member for Arthur in the Chair.

#### COMMITTEE OF SUPPLY

MR. CHAIRMAN: Committee proceed. The Honourable Member for Lakeside.

MR. CAMPBELL: Mr. Chairman, after mature consideration I have decided that I would give somebody else an opportunity to say something and that the few remarks that I have left can be taken up when the particular items are reached in the estimates. I just notice, however, that unless you are prepared to carry the debate yourself, Mr. Chairman, we don't seem to have the Minister present. -- (Interjection) -- He's on his way, eh? Like spring, huh?

MR. JOHN P. TANCHAK (Emerson): Mr. -- shall we wait for the Minister? He's not present.

MR. CHAIRMAN: Proceed. Wait on nobody.

MR. TANCHAK: The Assistant Agriculture Minister maybe will take note of it. Well here he comes. Mr. Minister of Agriculture, we have been awaiting you. A little bit late.

Mr. Chairman, I would like to compliment the Minister of Agriculture on his enthusiasm. I think he had to show us. He is a member of the government and he puts on a very good front as usual. He has confidence in his department and that's the way it should be. He really believes that he's doing the right thing.

(MR. TANCHAK cont'd.) .

His conviction that all is well in agriculture, I don't altogether agree with him but I must compliment him on that. And again his complacency seems to indicate that we are doing very well indeed. Well, I'm not going to say that his department isn't doing anything for agriculture but I do not think that there is that much reason to be so enthusiastic and confident, and with such complacency as the Minister shows us. I am sure that he means well but I think that he's overly influenced by some of the senior members of the Cabinet. I think so much so that in many instances he's even being used as a tool.

Now before I go any further I would like to comment a little on what my colleague the Honourable Member from La Verendrye said. He made a plea on behalf of some of his constituents whom I would like to call "the forgotten people of Manitoba." In my constituency I also have some of these people which I will call the forgotten people of Manitoba, and who are being treated by this government as second-class citizens. And these are the people who have been consistently in the past promised improvement in the line of drainage on their farms, on their holdings, and up till this date, very very little has been done on that.

The Member from La Verendrye made the statement that these people prefer the kind of life that they are used to. The Minister seemed to relish that. I don't know whether he took it out of context - in other words, maybe he misunderstood the Honourable Member from La Verendrye that they are happy with their lot and just maybe they should be left as they are. He mentioned something about relocating them and so on. But I think there is a deeper problem to that than what the Minister suggested. These people, I would say, they are people that the Honourable Member for La Verendrye said prefer the kind of living that they are used to. But I would like to say that they are not happy with the conditions as they exist at the present time. They find it very hard now to make a living because of the fact that naturally there is the cost-price squeeze, but the fact that they are paying taxes for all the land that they own and they cannot use it all. And the land is fair land; it is productive land; but it is impossible to use it to its fullest advantage. And I think that's what the Honourable Member from La Verendrye meant. They can improve their lot quite a bit if the government would lend a hand and help these people to drain their land. These people spend most of their lives in these areas; they are used to this kind of living; their savings is in the property that they own, the property that they own, and they have no experience if they were relocated, no experience in any other industry. And I would think, and I would plead with the Honourable Minister - and I'm not being too critical on this because he's Minister of Agriculture, just his second year, and he hasn't had time to look into it - and I would plead with the Minister to take notice, look into this and see if he couldn't do something to help these people in their plight.

When the Minister mentioned in connection with this that we're doing a lot for the people in Manitoba, and I would agree with him that in certain areas it does help, but when he mentions crop insurance, farm credit, soil survey, farm accounting, research, economical publications, technology and so on, this does not mean very much to those people if they haven't got the land on which to work. This doesn't help them a bit. I am not criticizing these programs because in their place they do a lot of good, but to these people it's of no help at all. I would like to say that the Minister always tells us that his hands are tied; there isn't too much that he can do as far as agriculture is concerned besides what he mentioned that the Provincial Government is doing, because the Federal Government has a share of his responsibility - and I will agree with him there. But both governments should show a little responsibility. But I think it is up to the Provincial Government to create a favourable climate in the field of agriculture. A favourable climate.

Crop insurance is desirable, but as was mentioned before there should be improvements in that. It does not give the proper coverage, the coverage that the farmer would like to see. It could be improved and I would like the Minister to work very hard on that and see that there is improvement. Farm credit helps - we all know that - and the Minister just told us the other day there would be some changes in it. I hope that the changes are for the better, but at the same time this farm credit scares some of the people, some of the farmers. They're afraid of the overhead that it creates, the interest. The interest rates are rising all the time and it does scare them. And it doesn't create a very favourable climate. There are other overhead - the taxes. Another thing that scares the people are the taxes constantly rising, the property taxes, and just a little over a week ago the Premier promised some more of the same medicine next year. In fact, I have a clipping here somewhere where he said that the taxes may

(MR. TAN CHAK cont'd.) . . . . have to be raised; the province must resort to new . . . Now, that doesn't create a very favourable climate. Many people feel that there is not too much future in agriculture and it's up to this government to create the necessary climate and show, or convince the people that there is future.

It's up to this government to create confidence in the farming industry. The first one was a favourable climate and now the confidence. I would say that the farmers are running scared of high taxation and they're also afraid because there's so much talk about vertical integration and so on. They're afraid of being displaced by some huge giants, the integrators. We know that the farmers, as a rule - most of the farmers in Canada and the farmers of Manitoba are no exception - are very independent individuals, and they shudder to think, watch some of the giants rapidly taking over their family farm and reducing some of the farmers to peons.

Maybe you'd like to know what I'm talking about and I'm not going to blame the present Minister but we can blame the present government, of which he is a Cabinet Minister. I have before me here a book, "Good Farming". I am sure the Minister has seen that. And I'll just refer to one instance here, a subject that I am quite familiar with, and the heading here says, "Turkeymen Join Forces for Mutual Protection Profit," and the article is written by Mr. Charles L. . . It talks about Friendly Family Farms of Steinbach join forces - turkeymen - for mutual protection and profit. I think this is completely wrong. There was no mutual protection as far as this was concerned, and there was no profit. And the government was involved in this because it was this government who, through the Manitoba Development Fund, created this enterprise. And this is wrong.

I'll just read the fifth paragraph. "Friendly Family Farms Incorporated of Steinbach, Manitoba, have learned a lesson which could profit independent farmers all over Canada. The lesson: that it is possible for individual owners to maintain their autonomy and at the same time get a better return for their labour while upgrading their operations." And it goes on and on, telling how it improved the lot of the farmer, namely the turkey raiser. But I'm sure that most of the members here are not even aware of the fact that in the Friendly Farms in Steinbach there are no turkey producers any more. They have been squeezed out or displaced, and I'm not criticizing Friendly Farms operation as it is now. I hope that they do well. I am not critical of them. They are mostly in the chicken broiler business now. The processing plant does take some of the work, or they do process turkeys just as well in season, but they are completely out of the turkey industry.

But the original farmers, the family farms, the original shareholders of Friendly Farms who put good money into it, they're out of it now. They still hold shares in Friendly Farms but if they were to sell their shares today, hardly anybody wants to give them anything for them. And some of these industrial giants will say, "We'll take your shares over. We'll take them at 30 cents on a dollars." Is that profit? Is that protection for the farmer? I say it wasn't protection for the farmer. And some of these people who have signed the notes required by the Manitoba Development Fund even now are responsible for the sum that has been borrowed through the Manitoba Development Fund. They have even offered to give these shares in free without a cent to the owner providing that they release them from their obligation, that is the signing of the note. They were refused. Is that protection for the farmer? Is that credit for the farmer? "Nevertheless, FFF - I'm quoting now - "has been damned by its detractors as a vertically integrated operation." Perhaps friendly, but not a family farm, and as far as the turkey business is concerned they are not a family farm. I am not going to go into the broiler part of it; I'm not too familiar with it; I'm, at the present, not too interested in it. Later on I may be. That will put the little man out of business or make him a slave of the monopolistic corporate enterprise.

And here's a quotation: "Nonsense, said the Manitoba's former Agriculture Minister, George Hutton. Nonsense." That was nonsense, according to him; but what happens to those shareholders and the original family farms? They would like help from some of the people, from some of us. I couldn't tell you just how many shareholders now. Originally I understand there were 13, some of them now are also integrated into this broiler business, but there are a number of them who have nothing to do with the chicken broiler business. They feel hurt and it didn't protect them at all and they haven't made profit on that. I object to this kind of publication; I don't think it was right. And then there's another, "Perhaps the most useful way to view the FFF is as an experiment to save the family farm." I completely disagree with that. It hasn't saved the family farm and I don't think it does intend to save the family farm. I think

(MR. TANCHAK cont'd.) . . . . it has reduced some of those operators to peons.

Now, what I did mention before that the Minister is under the influence of some of his senior members. I have a reason for saying that, and would hope that when some farmers come with requests to him, some organizations, that he'll use his own good judgment because he has it - and he's the defender of agriculture - and look at it from the viewpoint of agriculture. Do not let some industrially-minded Ministers convince you that the Minister should do otherwise. I know that the Minister of Agriculture is having a hard time to convince some of his Cabinet colleagues that agriculture is still an important industry in Manitoba. I know he has it. He shakes his head and he says No. Well, I hope the Minister is right and I believe him if he says so, I believe he's right. I know that he has the fibre to stand up.

But it seems to me that the Minister of Industry and Commerce is interested in creating new industry in Manitoba mostly, industries which are probably highly dependent on agriculture but cannot be termed strictly as agricultural industries; and he's very much interested. Actually some of these industries may be of great harm to agriculture but he's interested in them. Evidently he'd care less as long as he can come in here, go to the papers or the news media and boast of new industry in Manitoba. And I am for new industry in Manitoba but not at the expense of the farm group, at the expense of the farmers. I can just cite one example - and I'm not blaming this Minister, he wasn't even Minister at the time, I think he was a member, probably, maybe not. But I'll go back to the time when, a few years ago when the Manitoba Development Fund was used to set up a new industry at Steinbach and that is the processing plant at Steinbach, the people's money, the people of Manitoba subscribed cash towards this Manitoba Development Fund - and how was it used? The Minister mentions co-ops and I have a notation here. He says: "We support the co-ops." Good for him. It's a good thing to support. We do support co-ops. But there was a co-op processing plant just a few miles away already operating, Manitoba Dairy and Poultry Co-op, at the time. Is that helping the co-op when this Fund goes into competition against a co-op? And again I'll say that as far as I know this processing plant at Steinbach is doing well and I hope that they do well, but I'm not so sure that the Co-op is doing as well. They're looking for work.

And what happened shortly after this new plant originated at Steinbach? One of the other processing plants at Niverville, not far off, closed its doors because there simply wasn't enough work for all. So it's fine to boast of new industry but some of these industries might come into being at the expense of someone else. If it's another industry, well we might say, let them fight it out. But if it happens to be a farmer, I don't think he's able to fight it out on his own; and if any industry happens to be created in Manitoba and it is at the expense of the farmer, I would have nothing to do with it. I'm simply not criticizing the Minister but I would like him, as one of the Ministers of the Crown and the Cabinet, that he stand up for the farmer, that he voice his opinion and not give in to some of his other colleagues who probably are not as much interested in the farmer as the Minister of Agriculture should be.

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MR. FROESE: Mr. Chairman, it's rather late that I'm getting into the debate. However, I would like to make some comments under the Minister's salary and I think the motion before us is to reduce it. However, before I discuss that matter any further, I would like to make some general comments in connection with the agricultural estimates that are before us.

I would like to raise the matter of the co-operative development of the Pembina River basin. This is a matter of great importance to southern Manitoba and probably other honourable members have received other letters or resolutions from the Pembina Valley Development Corporation or from the local towns such as Morden, Winkler, Altona, that have sent in resolutions to the government in connection with this whole project. And speaking of the Pembina Valley Development Corporation, they are constituted or have memberships of the following municipalities: Municipality of Stanley, Rhineland, Pembina, Dufferin, Roland, Morris, Thompson, Gray, Montcalm, Lorne and Macdonald. Then we have the villages of Plum Coulee, Manitou and Somerset and the towns of Altona, Carman, Morden, Morris and Winkler. These various municipal bodies form this particular corporation and each of them has representation on their board. They have been very active in the support of the development of the Pembina Dam which we hope will be constructed some day here in Manitoba on the Pembina River. Just recently -- well, it was early in March, that I received this particular resolution and I would like to read the resolution in order that the Members of the House are fully informed as to what is intended and what they're proposing to do and their reasons for it.

I would like to read the resolution that was passed at a meeting by this association early in March, or February 15th, and I'm quoting: "Whereas the Pembina Valley Development Corporation has studied the International Joint Commission Engineering briefs, and the report of the International Joint Commission on the Co-operative Development of the Pembina River Basin, issued October, 1967; and Whereas the long term conservation of water is so necessary in this water-short area; and Whereas underground water supplies are mostly saline; and Whereas the value of good water is increasing daily in all parts of North America; and Whereas this area is in dire need of a good and ample water supply for (a) Irrigation. Special crops are now being grown extensively, some on small irrigated fields and the soil is well suited to irrigation. Diversification into special crops will also be increased with irrigation. This could well be the future salvation of the small holder. (b) Industry. To process the canning and other crops grown in the area and also enable processors to expand their canning operations and to expand further into freezing plants. (c) Commercial and household use. Many of the towns in the area, as well as the farm residents, are now hauling drinking water for long distances and from sources where the supplies are limited. (d) Recreation. There are no large bodies of water in the area that can be used for recreational purposes; and Whereas flood waters flowing down the Pembina Hills annually cause mounting soil erosion and other damage in the Red River Valley; and Whereas we are finding it difficult to attract industries to this area because of its water shortage, and as a matter of fact have lost at least one major canning organization; and Whereas capital for industrial, commercial and residential uses is becoming difficult to attract to the area; Now Therefore the Pembina Valley Development Corporation petitions and urges the Canadian and Manitoba Governments to come to agreement with the United States Government for the implementation of the International Joint Commission recommendations on the Pembina River Basin project. We feel that this matter is of the utmost urgency and that a ratified agreement should be reached early in 1968 in order that the actual work may be started not later than 1969. We realize that the present world situation, the tight money supply and high interest rates are a concern to all. However, moneys for this project under the above timetable will not be required in any large amounts until late 1969, 1970 and 1971 and 1972, when conditions may have changed materially for the better. In any case, however, the sacrifice now is essential if we are to take advantage of our economic and industrial potential and make a sound investment in our future which, as their report indicates, will offer a substantial and profitable return in a few short years, even on the basis of present utilization and withstanding great potentials as indicated."

Attached to this resolution, Mr. Chairman, is an Appendix giving some of the reasoning behind their request and I would like to read some of the points that they list here. "No. 1. There are no large bodies of water in the area and a drought would be catastrophic, cutting off potable water supplies for industrial, commercial and household use as well as for irrigation, cattle watering and other farm use.

2. Underground water, while in ample supply, has a very high mineral content in many

(MR. FROESE cont'd.) . . . . parts of the valley, making it unfit for human or animal consumption or for any other use. Near the Pembina Escarpment and the Winkler area, deep wells are in use but engineers fear that excessive pumping will in time increase the mineral content and contaminate it, making the water unfit for use.

Thirdly, much of North America's water supply has become polluted and the value of good water supply cannot be overestimated. The Pembina River has such a potential supply that should be stored in reservoirs for the use of the peoples in the Red River Valley.

4. The recent Business Summit Conference held under the auspices of the Manitoba Department of Industry and Commerce vividly pointed out the challenge of the 70's in this province and its aim to advance the quality of life for all Manitoba.

5. The Red River Valley community is on the move forward; it is willing and able to make its best contribution, but by itself it does not have the power nor the resources to construct the needed works on the Pembina River that will give it the tools by which it can move ahead.

6. Irrigation. Irrigation may rank as one of the greatest benefits that may accrue from the Pembina River Development. The soil in the area is well suited to irrigation and some small fields are now being irrigated. This area is one of the largest in western Canada where special and row crops are being grown extensively. An ample supply of good water for irrigation would increase the acreage grown to these crops, taking other crops out of production that are now in over-supply.

7. Industries. Industries now operating here have barely enough water for their daily needs and even last summer one cannery had to shut down temporarily during its canning season for lack of an adequate supply. The existing industries cannot expand and the shortage of water is preventing other industries from establishing in the area. For example, our Winkler cannery would immediately go into freezing if irrigation were introduced and our Morden cannery would double its present operation. Industries to process special crops have expressed interest for many years in establishing in this area but have had to decide against it because of lack of an adequate supply of good water. The alleviation of this problem would not only attract such industries but would encourage expansion of present industries and the production of special crops such as sugar beets, corn, canning crops, potatoes, cucumbers, onions, increased livestock production, meat packing, dairying and cattle feed lots. This would greatly increase commercial development and the benefits to be obtained therefrom. Such development would also be of benefit to Winnipeg on the Canadian side and the larger centres on the U.S. side of the border, and that it would provide vegetables and other produce for their expanding populations, livestock and poultry for meat packing plants and better provincial and state economies.

8. Floods are a constant threat to much of the area in the valley. The retention of early spring water in large reservoirs would greatly alleviate this threat. Since the IJC study on the Pembina River Basin a few years ago, land values have risen and a large amount of construction has taken place. Flood damage by erosion of land, roads and to buildings will today be much higher than the figures quoted in the reports.

9. The development of a sound and stable economy that could be created by the construction of the Pembina River project would also help to attract outside capital to the province for the industrial, farm, commercial and residential buildings as well as for government and private development of every description. While a few of the larger centres in the area have water for household and existing industrial use, these supplies are limited. Many of the smaller centres and farming areas are dependent on hauling their household water supplies from larger towns by tank truck.

10. For their recreational activities the peoples of this area have to drive from 100 to 150 miles to lakes and streams of any size. As recreation is playing a much larger role in present-day living it is only natural that they want a large body of water not too far from their homes. The Pembina River project would give them two large reservoirs not too far distant.

Conclusion. This is the challenge of the '70s. If Manitoba is to move forward and as there is no set status quo, the economy in the area would continue to decline. Such projects as outlined above must be started immediately. The Pembina River Basin project commends the wholehearted support of not only the members of government but of all the people in the province. Likewise, it demands the support of the federal authorities inasmuch as it would help the economy of all of Canada providing export markets to the nearby central United States

(MR. FROESE cont'd.) . . . . and to other countries. Most of rural Manitoba is now a designated area and the upsurge in the economy of southern Manitoba created by the completion of the Pembina project would quickly phase out this area as a designated area thereby creating substantial savings to the federal treasury." That is the end of the resolution and the appendix, as it was set out.

Mr. Chairman, this is a very worthy project, one that has received considerable study and recommendation, and on repeated occasions I have asked the Honourable Minister of Agriculture as to where do we stand, are we going forward, when can we expect action and so on. We were informed on different occasions that meetings were being contemplated with the federal authorities but so far we have seen little or no action, and I feel that action is very necessary at the present time. This would definitely promote development as has already been pointed out, not only here in Manitoba, it would also give development to the Walthalla area across the line where they are now setting up a large base and will have a considerable influx of population, and certainly it would add a lot to the communities in southern Manitoba to the towns of Altona, Winkler, Morden, Gretna and I do hope that at some time Plum Coulee, Rosenfeld and Horndean would come in, so that these areas could be serviced as well. We would then not only be completely dependent on the well water supply but have supplies that would be there, would be existent and could be tapped. Especially the towns of Altona and Gretna, these are now dependent on the water into Pembina that is being stored in United States and certainly they could open the gate so that fresh water could flow down and that their water supply would not be as stale as it sometimes gets during the winter months.

I not only have this letter from the Pembina Valley Development Corporation, I've also got a similar letter from the Town of Morden which expresses the same concern and feels that action should be taken. I would like to read the resolved part of their particular resolution which is dated March 12, 1968, and I'm quoting: "Now therefore be it unanimously resolved that the Council of the Town of Morden petition the Provincial Government of Manitoba to initiate the necessary steps with the Government of Canada to ratify the International Joint Water Commission proposal, October 1967, for the co-operative development of the Pembina River Basin in 1968. Be it further resolved that pursuant to recommendations 4 and 5, Page 79 of the report, that the International Joint Water Commission be requested to expedite ratification of the proposal and finally to supervise the building and operation of the Pembilier and Pembina dams." That was carried and signed by the Mayor of Morden, Mr. B. G. Morden.

Referring to Section 4 and 5 of Page 79 -- and this has to do with the recommendations of the report of the International Joint Water Commission. I would like to read those two sections out of the report, and I quote: "Item 4. The commission recommends that during the negotiation of the said agreement and prior to the commencement of operation of the Joint Project Works contemplated therein, the government utilized the commission and its procedures to the maximum extent consistent with their requirements to facilitate agreement and co-ordinate with respect to matters of mutual interest to the two governments. The Commission further recommends that it be authorized by the two governments to establish and maintain continuing supervision on their behalf over the operation of the Joint Project Works constructed and the measurement and the apportionment between the countries of the waters of the Pembina River Basin." This is part of the recommendations made by the International Joint Commission.

The conclusions reached by the International Joint Commission are quite interesting. I think I should put a few of them on record because in my opinion they are very worthy and definitely need action. I would like to read the first three of these recommendations and their conclusions: 1. In response to the request in paragraph (2) of the reference that the Commission determine what plan or plans of co-operative development of the water resources of the Pembina River Basin would be practicable, economically feasible and to the mutual advantage of the two countries, having in mind (a) domestic water supply and sanitation; (b) control of floods; (c) irrigation; and (d) any other beneficial uses; the Commission concludes that the plan of co-operative development which is described in Section 8 of this report would be practicable, economically feasible and to the mutual advantage of both countries and would meet the purposes and requirements stated in paragraph (2) of the reference.

2. In response to the request in sub-paragraph (ii) of paragraph (3) of the reference that the Commission make an estimate of the cost of carrying out such plan, the Commission estimates that the investment required to construct a Joint Project Works, i. e., the

(MR. FROESE cont'd.) . . . multi-purpose components of the total plan which contribute to more than one benefit would be \$10,082,000 in Canada and \$13,745,000 in the United States, and to construct a supplementary works, works required in addition to the joint project, works for the realization of special benefits, would be \$4,087,000 in Canada and \$5,254,000 in the United States. The estimated annual cost including interest and amortization payments in operation, maintenance and replacement charges for Joint Project Works would be \$526,000 in Canada and \$469,000 in United States; and for supplemental works would be \$265,000 in Canada and \$240,000 in United States. All of these estimates are based on July 1963 prices in each country, the currency of the country in which the works are located, its prescribed United States interest rate in July 1963 of 3-1/8 percent, the Canadian interest rate prevailing in July 1963 of 5 percent. A project life of 100 years and a construction period of three years for joint projects and irrigation works; three years for water supply facilities and one year for recreational facilities.

In response to the request in sub-paragraph (iii) of paragraph (3) of the reference that the Commission make an estimate of the benefits to each country of carrying out such plan, the Commission concludes that carrying out the plan of the Co-operative Development described in Section 8 would (a) Eliminate a major portion of the damages that would occur from overflows of the Pembina River during floods of the magnitude of the one which occurred in 1950; (b) provide an assured supply of water of suitable quality for municipal and industrial purposes for 7 communities in Manitoba and 3 in North Dakota; (c) provide for irrigation of 12,800 productive acres in Manitoba and 8,500 in North Dakota; (d) Provide dilution water for the waste discharged to the Pembina River from North Dakota communities, thereby improving the quality of water in the lower reach of the river; (e) Provide one water related recreational site in Manitoba and three in North Dakota; and (f) Improve the quantity and quality of game, fish, in the two reservoirs and in the Pembina River below Walthalla. Estimated annual value of all reciprocal economic gains resulting from these benefits would be \$496,000 to Canada and \$669,000 to the United States."

Mr. Chairman, I could go on and read the other sections. However, I do not want to take any more time of the committee on this. I feel that it's a very important project and one that we should support and support very actively and speed it up. The recreational facilities that are required and could be brought about would be very much appreciated to the people in southern Manitoba and I am sure to the people further west of us as well. Tourist attraction would be another item. We would attract tourists to this area and at the same time we could have the fish, wildlife and so on.

The possibilities of irrigation should not be overlooked because here, too, we have a large potential for this area in the way of crops for canning and so on, that we need a greater abundance of and which production is cut down in some of the other provinces and where we could take up the slack. The Pembilier dam would be 22 miles long, this is the one that is in the United States, and the Pembina Dam in Manitoba would be a length of 30 miles, so that both these lakes are of a substantial size once they will be created. The one in Manitoba would have 246,000 acre feet of storage capacity for water.

MR. CHAIRMAN: Order, please. I should inform the honourable member that he has about three minutes more.

MR. FROESE: Oh, well, I had intended to touch on a number of other matters. However at this particular time I'll probably have to be satisfied with dealing mainly with this one item. But honestly I do hope that the Province of Manitoba will get behind this project and will see that something is coming out of it and not take up too much time. The actual amount of investment capital isn't very large; actually it's very small in my opinion to some of the other projects that we do undertake and have undertaken in the past.

MR. CHAIRMAN: Order, please. I have to tell the member that my arithmetic isn't very good -- I'm short of 10 minutes. You have 10 minutes more to speak.

MR. FROESE: As pointed out, the interest costs by now have risen and that some of these figures would not be actual now, that some of the figures would be higher, but even at that I feel that this is a project that is warranted and that not only I would support as a member here, I'm sure other members of the area, the Honourable Member for Dufferin and the Honourable Member for Pembina, I'm sure are in support of this project and I certainly would like to hear from them later on when we're dealing with the estimates on this matter. Certainly if the Minister can do something about it to speed it up I do hope he does so in all haste.



(MR. FROESE cont'd.)

We have been discussing the various matters of agriculture -- the matter of wheat and the prices of wheat has been raised. I for one believe in the two-price system. It seems that the Minister wasn't convinced of it. But I also feel that this is not the total answer. I feel that to just bring in a two-price system would not correct all the ills and certainly would not even correct the ills in connection with wheat. I feel that we have to bring about some changes. I feel we need an export-import board which would raise the price of wheat in Canada and then when it's exported so that it would be sold at the world prices. We're doing this to protect industries in eastern Canada; we should be using some of those funds, some of those tariff revenues that we get and distribute them to the farmers in this way. This would only be fair because we're protecting certain of the eastern industries in this way by increasing commodities that are imported, brought into Canada, and are sold at higher prices to the Canadian people; certainly we should be able to do something about the wheat farmer in the reverse order, so that in this way we could correct this matter to a large extent.

There is also another item that we could consider in my opinion and that is, why not have the province build a terminal at the Lakehead so that the Manitoba farmers would be assured they could deliver their crop; I think this is one of the stumbling blocks at the present time, that we are faced with quotas and that we cannot deliver. Why couldn't this province build a terminal at the Lakehead and thereby give the farmers in Manitoba a chance to deliver all their crop that they desire. This certainly could be done very easily. Why is it that the farmer has to pay the expense, first of all of storing the grain; secondly, he is being delayed of getting remuneration for his work because he cannot sell his crop in the fall. This way this thing would be corrected. He would be able to deliver his crop, he could sell his crop, and it would certainly alleviate the difficulty to a large extent. And this is one thing I would recommend to the Minister, and if the province doesn't want to take it on itself, why not have some of the grain companies do this for us and in some way negotiate with them that this be done? There is no reason why this cannot be done and certainly it would be a very big help to the farmer in Manitoba. Likewise the other western provinces could do the same and help their farmers along in this way. So I would ask the Minister to give this consideration and consider it, and if feasible naturally take action.

Other problems have been brought to the attention of the Minister in connection with agriculture. I have some minor ones here that I would like to touch on. One thing is in connection with the ag reps. What is the duty of the ag rep? Can you define his duty? How do you define his qualifications? What qualifications does he have to have in order to get the job? In my opinion we are getting into a different era here in Manitoba as far as the needs are concerned by ag reps, and the needs of the farmer and the demands on ag reps. I feel that we need greater specialization and probably larger areas for that matter; if we do not want to increase the number of people employed here that the areas could be larger. But we should have more specialization here and that could give technical help in different ways.

I had hoped that I would be able to discuss the Interlake area of Manitoba, the ARDA Report, quite extensively. However, I'll have to wait a little while until some others have spoken and then raise some of the matters contained in the agreement. I would like to ask the Minister: is this booklet that we have here, does it contain the agreement in full that is listed with the Order-in-Council of, I think the number is 668 or 667? I forget the exact number now. I checked with the people in there. I took a look at the agreement there and I thought there were some things in it that were different. Maybe I'm wrong. If I'm wrong, I'd like to have the Minister correct me. If not, I would like to see that particular agreement because I feel that we're spending a large amount of money in the Interlake area and it's supposed to be for agricultural rehabilitation, improve agriculture, and if in the long run actually improving agriculture are we not just educating people so that they can get out of the area? This is, I think, what we are doing. We are educating these people in order that they can move out and take other jobs. If that is the case, why not just bring them into the city without spending the money that we are doing at the present time. On the other hand, if he feels that this is the right thing, and no doubt he does, I would like to have him expound on some of the work that has been going on, going on in the area, and just what he hopes will be the outcome of it. This agreement was signed last year but we spent considerable monies on that area in previous years and I would like to have him report on what took place and what successes have we had from the money that we've spent in earlier years. So at this

(MR. FROESE cont'd.) . . . . particular time, Mr. Chairman - I think my time is up - I will wait to hear the Minister's reply.

MR. SHOEMAKER: Mr. Chairman, there is a -- (Interjection) -- Thanks for the compliments. I don't intend to use up my forty minutes and I would like to remind the members of the committee that they can speak forty minutes at one crack and then get up and speak another forty minutes two minutes thereafter.

MR. CHAIRMAN: . . . correct the honourable member. They can get up and speak if they are recognized by the Chair. Proceed.

MR. SHOEMAKER: If they're recognized by the Chair. Well I don't suppose my honourable friend the Member for Rhineland would have any difficulty in catching your eye in another five minutes if he wants to get up.

But there is a motion before the House to rather substantially reduce the Minister's salary, and I want to assure him right now that I'm not going to vote for that motion. So that will be encouraging to you probably, Mr. Chairman, and certainly it should be encouraging to the Minister. I haven't taken any part in the agricultural estimates yet, and I had hoped that I would hear from some of the aspiring Ministers of Agriculture, particularly the Member for Souris-Lansdowne who was going to bolt the ranks the other day if there was not a full-time Minister put in, and if my honourable friend the acting Minister of Highways does in fact become the full-time Minister of Highways, then that will make room for some of the material in the backbench. And I have said on several occasions that it's not quality or quantity that is lacking over there - there's lots of them that are well-qualified. I think perhaps they're having a caucus over there now to decide which one will table his nomination papers. But surely if they are aspiring to the position, they should at this time inform the House of their philosophy in regard to certain fields, in certain fields of agriculture.

I used to have a great deal of trouble trying to find out what Mr. Hutton's philosophy was in certain fields, and I'm still having a little trouble with the present Minister because he has not yet defined what a family farm is, and it's pretty difficult to pass legislation or debate this whole issue of the family farm versus the field factory, because Hutton used to do this and use these terms, but until we get a definition of the family farm and the field factory, it's difficult to debate one versus the other, or whether or not in fact it is good for the whole agricultural economy.

Now I cannot remember, Mr. Chairman, the first time that I heard the phrase "The cost-price squeeze" but I can tell you it wasn't yesterday or the day before, and it was certainly long before I was a member of the House. And not only is the farmer still talking about the cost-price squeeze, but we in this House recognize that there is in fact a cost-price squeeze in the field of agriculture, in other fields perhaps too, to some extent, but not to the same extent that it exists in the field of agriculture. And in one of the news bulletins or propaganda sheets that went out the other day, not from my honourable friend because I do say that his information sheets, by and large, are much better than the blue ones - my honourable friend has the green sheets and they are better information by far than any other department, I think - but in this one that is headed, "New Government Programs Cited", and it's a kind of a review of what was contained in the Throne Speech, right at the top of the list nearly - well at the top of the list, because it says, "Programs listed in the Throne Speech include: (1) expansion of existing farm management programs as part of a move designed to help farmers facing a cost-price squeeze to obtain a fairer return for their labour and management."

Now, having said that in the Throne Speech and having repeated it in a news bulletin as the number one item, then I would expect that my honourable friend certainly does intend to do something to alleviate the cost-price squeeze, because it says there that he has programs in mind to do that. Now it's too bad, Mr. Chairman, that it has taken so long to get around to doing it, because the first election that I fought and I guess the first one that you fought too, and you likely used your name on the back - name and picture - on the back of this Nine-Point Program for a Greater Manitoba - do you know what number one was? My honourable friend the Minister of Agriculture wouldn't know because this was the election promises of the Roblin government on June 16, 1958. But the first promise was this, and I quote: "The Campbell Government has abandoned Manitoba farmers to the pressure of the cost-price squeeze. The Liberal Leader has said that there's very little the Provincial Government can do to help. Just as the Ottawa Liberals were dismissed from office for their failure to deal with farm problems under their federal jurisdiction, so should the Campbell Government be dismissed

(MR. SHOEMAKER cont'd.) . . . . for its failure to deal with agricultural problems within the provincial jurisdiction." But what they said ten years ago, was what? "No. 1 - If you elect us, we will do something to alleviate the cost-price squeeze. The Campbell Government abandoned that field completely but we'll fix it." That's what they said. And not only did they say it nine years ago and ten years ago, but they said it nine years ago in Hansard No. 3. Listed again as the first item, and the Premier, Mr. Roblin, speaking on Page 45 of that Hansard: "At the head of the list," he said, "I place the situation in respect to our agriculture economy." That's right at the head of the list.

HON. HARRY J. ENNS (Minister of Agriculture and Conservation) (Rockwood-Iberville): That's where it belongs.

MR. SHOEMAKER: It certainly does. That's exactly where it belongs because it is the backbone of our economy. But he goes on to say in this speech - and it was quite a lengthy one as usual, much greater in length than our present Premier has demonstrated his ability to speak at any length, or he hasn't at this Session of the Legislature - but the former Premier, Mr. Roblin, used to really give us some lengthy speeches at times and this was one of them. But he says that "Uncertainty of income," - he's talking about the farmers - "risk of great or even total loss, are perpetual partners of the prairie farmers." And: "However, there are some interim decisions, particularly in the matters of market and price, which are most urgently required. The factors bearing on the cost-price squeeze in our agricultural economy may well require protracted investigation and debate if they are to be clearly identified and properly eliminated."

Well, have we not clearly, after ten years, kind of clearly identified the problems that result in the cost-price squeeze? And have we eliminated them? Because the former Premier nine years ago said that he would (1) properly identify what was causing the cost-price squeeze, and (2) eliminate them. That's what he said. I see my honourable friend the Member for Roblin with his ears up, but he's one of the fellows that said in Roblin that they're not having any problems up there; that there things are pretty rosy.

Now to continue with the next sentence of the former Premier. "But the effects of the cost-price squeeze on the farmer's well-being, crystalized as they are in declining net farm income, cannot be left to protracted discussion." So what he was saying was: You can't settle the cost-price squeeze by debating it in this House. And that's understandable that you can't. That first what you have to do, is to identify it and then set about to do something about it --(Interjection)-- eliminate them. That's right. Hear, hear! That's ten years ago and that's nine years ago, and according to the briefs that we receive from the Farmers Union and the Farm Bureau and every other delegation that comes in here, they say, ten years later, that the cost-price squeeze is worse today than it was. That is, certainly the cost of buying all of the tools that are necessary in the trade today are much higher than they were ten years ago. There's no argument about that, no argument about that.

Now, I will be particularly delighted to have my honourable friend tell us when he gets up, and I am sure that he's going to have a full report on this because several members have brought it to his attention, and that is: what has this Manitoba Agricultural Productivity Council achieved in their two or three years in office? Because I went through the -- the intent was good, there's no argument about that, and the Honourable Member for Lakeside read part of the goals and objectives with respect to this Productivity Council. I was looking around trying to find the report, and I generally can lay my hands on most of the information that emanates from the other side but I cannot find any report of that committee. -- (Interjection) -- Oh, they report to the Minister, I am informed. Well if they do report to the Minister, is it not the obligation then of the Minister to report to the House? He is going to report to it.

Now I was disturbed to note that a news service bulletin, propaganda sheet, once again not emanating from his department but from the Public Information Branch, dated April 11 and that's not long ago, that's headed: "Farm Credit Body Ups Interest Rates," and it doesn't say the Government of Manitoba upped the interest rates, it says the Farm Credit body ups interest rates. "The Manitoba Agricultural Credit Corporation has announced that interest rates for loans made by the Manitoba Agricultural Credit Corporation will be increased by 1 1/2 percent and the new rate will be 7 3/4 percent; 7 3/4 percent interest. Well, I don't know, but I don't call that a measure to alleviate the cost-price squeeze. Now if that is one of the measures that's announced or referred to in the Throne Speech, one of the

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(MR. SHOEMAKER cont'd.) . . . . measures to alleviate the cost-price squeeze, then I don't know anything at all about business. And I must have just stumbled through life, I guess, in an ad hoc way. And incidentally, Mr. Chairman, that's exactly the word that Hutton used when he was talking on this Bill 108, and I dug up everything that was said about Bill 108, upon introduction, upon second reading, and the Minister, Mr. Hutton, made some very interesting comments and he ended up by giving us about a four-page lecture; and he said, after having spent 16 hours on the agricultural estimates, he didn't think it was necessary to give us another lecture, and then he proceeded to do it. And it all had to do with the setting up of Bill 108. And I would like to know once again what my honourable friend's philosophy is in respect to about three subject matters that the former Minister of Agriculture made in this 40-minute lecture, I guess it would be, that he gave us, because Mr. Hutton was not one of those fellows that spoke fast and he quite frequently got interjections, not only from myself but other members of the House, but he gave us a long talk on what he called Perpetual Mortgages, and he saw them as being one of the things that agriculture, farmers, farmers in general were going to have to face, and he approved of it, of perpetual mortgages. Well, there are going to be quite a few perpetual mortgages if the interest rates keep climbing, I'm telling you that. Whether we like them or not they'll be perpetual.

I'm reading from Page 2210 of April 25, 1966, when my honourable friend the former Minister of Agriculture - and he was a good friend of the House and I miss him - but he says: "Now one of the great problems in agriculture today is this once-every-generation problem of transferring the rights from father to son, or from one generation to the other, and as the price of land increases it becomes increasingly difficult to negotiate this. Today we talk in terms of needing at least \$100,000 worth of capital assets in order to yield a farmer a return which will cover his investment and yield him a living," and then goes on to talk about perpetual mortgages and the need for them, and he says they're not new because they're using them down in the States.

He says that, talking about the price of land, ". . . inflation in the price of land today and it's outstripping the productivity ability of that land to return a reasonable profit to the man with his investment in it, and a reasonable living." He says the price of land has got so high that the land will not produce and pay a fair return for the price that you have to pay today. And he goes on to talk about it might be better - and I think my honourable friend has made this statement - in many cases to rent the land and not tie your money up. I was wondering what my honourable friend's philosophy would be in that particular regard.

Now when The Manitoba Agricultural Credit Act was introduced into this House - about 1958 I believe, was it not, and then amendments several times thereafter - but there were regulations came out in 1961 - and there may have been new regulations since that time, I don't know - but Manitoba Regulation 13/61, a regulation made by the Board of Directors of the Manitoba Agricultural Credit Corporation under the Agricultural Credit Act, cites as No. 2: "The Corporation shall be administered on the basis of sound, efficient and good business practices, with special regard to young farmers who wish to begin farming operations and who may not be established on an economic basis, and to farmers generally who require credit to expand or reorganize their operation to create more economic units. The Corporation shall at all times attempt to promote and encourage good agricultural practices, farm planning, farm accounting and the preservation of the family farm." So what they're saying here is that everything the Board of Directors do, they must keep in mind the preservation of the family farm. Now as I said when I started, it's pretty difficult to comprehend some of these things unless we have a definition from my honourable friend as to what he believes constitutes a family farm.

There's one statement that my honourable friend made the other day that I question - and it may be right but I question it - and I refer to Page 1217 of Hansard 49. When on Monday last you were introducing your estimates, you said at the bottom of the page, "And I think it's worth saying at this particular time - we speak in general terms about this but not often enough specifically - and when you take a look at the situation that we have for instance under our crop insurance program and that it has come to this stage where a Minister of Agriculture can get up in this House and guarantee every wheat grower in this province a yield of \$30.50 per acre come rain, drought, hail or pestilence; I can guarantee every barley grower in this country \$21.84," and so on and so on. Is that a fact? -- (Interjection) -- It is a fact. Well then the report that we have here must be wrong, because as I

(MR. SHOEMAKER cont'd.) . . . . read from the Annual Report, Page 132 and 33-34-35-36-37 and so on, it outlines the various areas of the province and the productivity -- pardon me, it's on page -- where it establishes the premiums, yes I suppose on Page 151 and thereafter - 151 and thereafter - the 1966 rates and coverage for risk areas, and the first column outlines the soil productivity rating. I was thinking of certain areas not too far from Neepawa where you couldn't grow probably three bushel of wheat in some of that sandy land, particularly around the Douglas area, where they still try to grow it, mind you, but it's nearly impossible most years to grow more than four or five bushel to the acre. Well, you don't guarantee them \$20.00 do you? --(Interjection)-- You do? Well, that's what I call subsidizing inefficient operations then. Do you mean to tell me that if I plowed up a bunch of quack grass and sowed it to wheat and insured it and only got two bushel, because that's all I expected in the first place sowing it on that type of land, and insured it, that you'd give me \$20.00?

MR. ENNS: . . . the honourable member, if you'll permit the interruption, being well acquainted in the insurance field himself, will realize however that those kind of practices would probably result in premiums which would discourage this kind of inefficient practice.

MR. SHOEMAKER; Well, then the statement is not quite correct, because it says here on Page 151 "Soil productivity rating." Let's take the rating of 30, if you like. There's 70, 60, 50, 40, 30, 20 and 10. Well, take a soil productivity rating of 40, if you like. The maximum coverage apparently that you can buy, according to the appendix here, would be 9 1/2 bushels. Well even that wouldn't guarantee you \$20.00. -- (Interjection) -- Thirty dollars? Pardon me, I thought it was twenty.

MR. ENNS: I don't want to interrupt the honourable member, Mr. Chairman, but I did, I believe, later on in speaking to the members yesterday evening, qualify those statements to the extent that I was using the maximum figures available, if one looked at the top soil conditions in Manitoba and one were purchasing the 80 percent coverage. As the Honourable member knows, there is 60, 70 or 80 percent coverage. I did qualify those particular figures that the Honourable Member for Gladstone refers to in that manner. Now one would have to take that into consideration if you want to examine the other soil zones.

MR. SHOEMAKER: Well, thanks very much for that explanation because I was certain there must be a qualifying statement in respect to that.

Mr. Chairman, the former Minister, Mr. Hutton, used to, every year, give us quite a lengthy story on this elite group of farmers, and I notice my honourable friend mentioned them the other day and he said that I might be surprised to know that some people are now paying a fee for supervisory service that's offered by the government. I'm not a bit surprised, and I say that in certain cases they're getting pretty cheap advice even at that. But if I use the last Economic Report, No. 5 -- I think that's the last one, is it not, Mr. Chairman? It's dated July, 1967, on the 1966 activities of this elite group. That's the last one that's available, I believe, because the one for 1967 would not yet be available. So I think my honourable friend did say, too, the other night that 1966 was a better year than 1967, did he not, in agriculture generally? So we can't expect that the 1967 report will be any more encouraging than the 1966 report.

This report throughout refers to a total of 248 farms, I believe - that would be the number of elite farmers that were engaged in this program - and on Page 7, and there's no use of going into all of the facts that's contained in here, but on Page 7 it shows Table 2, the income and expense statement for the five groups of farms, that is the whole shebang in total, the 248. Now if you lump them all together, and there were quite a percentage of them that had less than \$35,000 invested; then a group that had between 35,000 and 60,000; 60,000 to 90,000; 90,000 to 120,000; and then 120,000 and over; but to be fair, you'd kind of have to lump them all together and average them all out.

Well, when you average them all out, and considering that quite a number of them had over \$100,000 invested, the net farm income with that kind of an investment was only \$6,800.00, or a return I would think of less, percentage-wise, than my honourable friend is now asking them to pay in interest rates under the Farm Credit Corporation, so I don't know how in the world they can afford to pay that kind of interest if, after having \$100,000 invested, or nearly that, they only show returns of about 6.8 percent.

And so with this elite group of farmers, and they are the select group in the province, that's not a very encouraging picture, and on Page 21 it even looks worse because - and this is Table 9 - I hope my honourable friend has studied this report in depth because it deserves

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(MR. SHOEMAKER cont'd.) . . . . some study, and as the First Premier said, you can't leave these kind of things to protracted debate, you've got to study them in depth, identify them and eliminate them, and that's what we're doing here, or attempting to do. So I'm identifying some of the problems.

But in Table 9, Page 21 - and once again here's the 248 farms broken down as they were before - and in the group that had a total investment of less than 35,000, do you know what their return to capital was? Minus 6.2 percent, so they lost money. In the next group from 35,000 to 60,000, their percent of return to capital was still minus - they're gaining ground though - minus 2.4 percent. In the 60,000 to 90,000 class they made 6.5 percent, still below the interest rates charged by my honourable friend. But the total - and here's an interesting one - the \$120,000 group, the \$120,000 group didn't do as well, didn't do as well as the 60,000 to \$90,000 group. In the \$120,000 group they only made 3.5 percent return to capital, and when you lump them all together, the 248, and throw them all in, they showed 3.5 return to capital. That's not a very encouraging story and points up as I said before that there is in fact a cost-price squeeze, as my honourable friend has acknowledged on so many occasions and certainly acknowledges that in the Throne Speech.

And so, Mr. Chairman, I know that I could continue on according to your rules for another ten or fifteen minutes but you will be happy to know that I am going to sit down now and then if you recognize me again later, I may be encouraged to get up and speak briefly, as usual, on another occasion.

MR. GUTTORMSON: Mr. Chairman, I'd like to deal briefly with a matter that's causing some concern in my own riding. It deals with herbicides. A group of farmers in my area contracted with a gentleman well known to the government to spray some land in their area and the contractor who did the work used 240-amene -- if that's the correct pronunciation of the word -- and unfortunately for these men the work done was virtually a total failure and the brush did not die off as was expected. These men feel they have a complaint against the government because the contractor who was accustomed to using another herbicide, 240-Ester, said that they were told, or it was recommended by the Provincial Department of Agriculture through their pamphlets and representatives that they use 240-amene, and as a result this contractor did use the herbicide recommended by the Agriculture Department in their pamphlets and that now they've wasted all this money. The brush that they contracted to have killed is still standing and growing better than ever and these men have lost their money and they feel that the government is responsible having recommended this particular herbicide to the contractor.

Now I have a letter here from the former president of the firm, Aerial Spray and Charter Limited, and in this letter that's signed by J. A. McPhedran, and taking it out of context he says, "Please note that the recommendations for the use of amene did not come from us. At this point we have no experience to agree or disagree with this government recommendation." Now if the Minister wishes me to read the whole letter I'd be happy to do so. But these men have taken quite a loss on this operation and they feel that they should be reimbursed by the government in view of the fact that it was their recommendation to use this herbicide which did not work.

MR. T. P. HILLHOUSE, Q.C. (Selkirk): Mr. Chairman, I don't rise as an agricultural critic or as an authority on agriculture, but I do rise to raise one point, and it has to do with the spraying of crops from the air. There is quite a number of farmers in my area who have suffered severe damage as a result of adjoining farmers or neighbouring farmers having crops sprayed from the air with some form of insecticide. Now my understanding is that the Department of Transport, Canada, does not require such an aircraft or the owner of such an aircraft to carry public liability insurance and I think that it's pretty nearly time that the Department of Agriculture looked into this matter. I believe that it has been reported to the Department of Agriculture and that the department has the matter under consideration now. But I do think that something should be done because I know of several instances where crops have been sprayed, the spraying has taken place when the wind was in an unfavourable direction, that the insecticide got onto flax which was in the flowering stage and destroyed large crops of flax. And it's too bad that an individual farmer who suffers that damage finds when he goes to take action against the -- either the owner or the operator of the plane, that he's a man of no substance at all and that a judgment obtained against such a person would be worthless. I do believe in the interests of farming and modern methods of farming that something should be done to protect individuals who suffer damages through negligence in others spraying crops from the air.

MR. HANUSCHAK: Mr. Chairman, there are a couple of points that I wish to raise. One was prompted by a statement made by the Honourable Minister last night when he was speaking of the extension service program and he took pride in the fact that there were -- what is it? -- there were 38 department sponsored short courses with a total enrollment of 3,915, another with a total enrollment of 400, and in addition 110 individual meetings were held with attendance of some four thousand, and this gives us a total of approximately 9,000.

Now between last night and this afternoon, Mr. Speaker, the best source of accurate information that I was able to obtain was the information contained in the Dominion Bureau of Statistics reports. And granted the Dominion Bureau of Statistics reports are not up-to-date in all areas and these happen to be two and a half or three years old because they're for the 1964 - 1965 term. But the situation didn't really change that much because it's interesting, it's interesting that the Dominion Bureau of Statistics -- or if it has changed, there's been a decrease in the number of people participating in these courses in Manitoba as compared with other provinces -- because in 1964-1965 the Dominion Bureau of Statistics reports show that the Extension Department of the Manitoba Department of Agriculture conducted 31,045 one-day courses across the Province of Manitoba with a total attendance of 72,392, which is about eight times the number of students or farmers -- as no doubt most of these would be farm people and residents of small communities, housewives and such -- which is eight times the attendance of this year.

It's also interesting to note, Mr. Speaker, if we look at what's going on in other provinces. For the same year, from the Dominion Bureau of Statistics, in the Province of Saskatchewan there were a variety of courses offered by the Department of Agriculture over there. There were a total of 4,900 one-day courses offered equal to over 50 percent of the total number of students attending courses here in Manitoba, with a total enrollment exceeding a quarter million. In addition to that, that same year, 1964-1965, there were 189 three-day courses offered with an enrollment of 7,500. There were 103 courses offered extending in length beyond four days, from four to thirteen days as they were described in this particular report, with a total attendance of 2,500. Now this is the type of thing, Mr. Chairman, that's happening in other provinces -- and this, may I remind the Honourable Minister, is something that happened in the Province of Manitoba which no longer continues to be happening here. And I would certainly appreciate hearing an explanation of that from the Honourable Minister.

The other point that concerns me, and I have made brief mention of this last year, and I would like to remind the Minister again to take a bit more care and write the report in somewhat more detail dealing with the Co-operative and Credit Union Services Branch. As a matter of fact if you take last year's report there are paragraphs I could read out of the 1967 report and you could follow me from the 1966 Report, verbatim. But my main concern is this -- and I would ask you again, please distinguish between the consumer co-operative and the producer co-operative and do not put them all in one basket. I know that they are both co-operatives, and you know that, but I think that it is of interest to the people of Manitoba to know how the consumer co-operatives are faring on the one hand and how the producer co-operatives are on the other. Surely this branch of your department does have that information; it can make that distinction and it can present a picture to the people of Manitoba in those terms.

I would also ask the Honourable Minister, yesterday he expressed pride in the progress of the co-operative movement in some of the northern Manitoba communities. The bulk of those co-operatives up there are producer co-operatives, they're fishing co-operatives, pulp-wood cutting co-operatives and the like and a few consumer co-operatives as well as a sprinkling of credit unions throughout that part of Manitoba. I believe it was yesterday that we received a copy of the Agricultural Research and Experimentation Report produced by the University of Manitoba. I would recommend to the Honourable Minister that he read this report. And in this report, in the section dealing with co-operatives on Page 9, he will find a recommendation there that the co-operatives be looked upon as an institution of service going somewhat beyond the Indian and Metis community that he speaks of. I should just like to read this to the Honourable Minister because I do strongly urge that this department do adopt this attitude toward the co-operative movement in the Province of Manitoba. "Canadian co-operatives play a modest role in the economy today." But I would like the Minister to listen to what this paragraph goes on to say. "They currently seek bases for both expansion into new activities and the reactivation of the movement's historical ideals. Greater concentration of activities reflects both the pressure of general economic trends and the need to retain effective participation

(MR. HANUSCHAK cont'd.) . . . . in markets that are widening in scope beyond traditional lines of activity. The consequent pressure on men, physical plant and finance has set in force a consolidation and growth pattern that raises questions about the applicability of traditional principles. Co-operatives and credit unions" — and here's the key to it — "co-operatives and credit unions now find themselves impotent institutions in society: as such they become willingly or no, yardsticks in the mixed economy, transmitters of economic intelligence and indirect implementers of public policy." This I would suggest to the Honourable Minister that he read and re-read carefully and instruct the co-operatives and credit unions branch to study carefully and give this some thought in the process of planning its program of activities for the coming year, and do take a more active interest in the development of the co-operative movement throughout the Province of Manitoba rather than simply going into the hinterland and establishing a small little co-op here and there and that sort of thing. As the University of Manitoba states, that it is a very vital part of our society and there is a need for the development of co-operative movement and I wish the Minister would take cognizance of that fact.

MR. HILLHOUSE: Mr. Chairman, excuse me just one minute. Just to show my ignorance of agricultural matters, I referred to insecticides a minute ago; it should have been herbicides.

MR. PHILIP PETURSSON (Wellington): Mr. Chairman, I'm no expert in agriculture either any more than the Honourable Member for Selkirk, but he raised and the Honourable Member for St. George raised the question of herbicides, and there is also the question of insecticides particularly in connection with grasshopper control.

The question that perturbs me sometimes when I hear about the use, the almost indiscriminate use of these materials is that they spread beyond the area in which they actually are to be used or are being used. They affect grazing lands as well as others; they are taken in by the cattle who graze and human beings eventually through the eating of meat or the drinking of milk are placed in a position of danger from the effects of these poisons, which they in effect are. There must be, if there isn't there should be, some effective control in the use of these materials. There have been instances in which individuals using these poisons, the crop poisons for the killing of weeds and the others for the killing of say, grasshoppers, there have been instances, and more undoubtedly than I have been aware of, in which people have become ill and incapacitated and eventually died as a result of them. Some of them have accumulative effect and repeated inhalation of certain dusts has that build-up within the human body.

It would be interesting to me and I imagine to some other members here also to know what kind of restrictions are placed upon the use of these things and what kind of warnings are inscribed upon the packages and other containers in which they are distributed to let the people know that they are handling dangerous materials and that they must be handled, as all dangerous materials must be handled, with the greatest of caution and the greatest of care. I would appreciate if the Minister of Agriculture would at some point, not necessarily now, some point, give part of his time to this particular question.

MR. SAMUEL USKIW (Brokenhead): Mr. Chairman, I didn't expect that I would be on so soon after the other night, but nevertheless there are some matters that I haven't received an answer on from the Minister. The Minister seems to indicate that he has not assumed responsibility in the area of policy-making as it may relate to other jurisdictions, namely the federal arena of responsibility insofar as agriculture is concerned.

Mr. Chairman, I want to point out that the federal arena is always influenced by the provincial people and that in this connection the Minister has a direct responsibility to speak for the farm community of Manitoba. So I don't at all accept his assumption that his area of responsibility is very narrow and within the boundaries of Manitoba, in that there is much to be done in the area of policy development insofar as the over-all agricultural situation in Canada is concerned, never mind the Province of Manitoba.

One of the other things that he has not entered into is the question of his position on The Natural Products Marketing Act and how it's going to apply henceforth. Especially in connection with the turkey people, in connection with the broiler industry, I would like to know whether the Minister is considering the exemption of some people from the control of The Natural Products Marketing Act and the regulations, because, Mr. Chairman, this is something that is very serious and the agricultural community would like to know what the position of the department is in this connection.

As I said the other night, I would wish that the Minister does not bargain away the rights



(MR. USKIW cont'd.) . . . . of primary producers in giving concessions and exemptions to people insofar as the Act is concerned. This is something that the Minister has not given me a reply to, and I would hope that before we get further down in the estimates that the Minister will give me a statement of policy in connection with that area.

The other area that I would like an answer on is his position on credit policy insofar as the Agricultural Credit Corporation is concerned. He has refused to answer a question which I posed to him yesterday and I know that he is considering some substantial changes, and I would like to ask the Minister to give us some concrete information as to what policy he is going to follow with respect to long-term credit for the farmers in Manitoba.

Perhaps I should leave it at that for now, Mr. Chairman, and hope that the Minister might have sufficient time to provide us some answers to these questions today. Thank you.

MR. CHAIRMAN put the question and after a voice vote declared the motion lost.

MR. USKIW: Yeas and nays, Mr. Chairman.

MR. CHAIRMAN: Call in the members. The motion before the committee: Moved by the Honourable Member for Seven Oaks that Item 1(a) be amended by reducing the amount of \$15,600 to \$1.00.

MR. PAULLEY: The member for Brokenhead.

MR. CHAIRMAN: I beg your pardon, I have the motion before me and it's Seven Oaks.

MR. PAULLEY: Mr. Chairman, Hansard would reveal that it was the member for Brokenhead.

MR. CHAIRMAN: Okay, we'll accept then that it's the member for Brokenhead.

A COUNTED STANDING VOTE was taken, the result being as follows: Yeas, 9; Nays, 41.

MR. HILLHOUSE: Mr. Chairman, on a point of order, I noticed the Honourable Minister voted against that resolution. Hasn't he a pecuniary interest in it?

MR. DAWSON: Mr. Chairman, does the Minister want to reply to the questions before 5.30?

MR. CHAIRMAN: Resolution No. 7 . . .

MR. GUTTORMSON: . . . Mr. Chairman, of not calling it 5.30 in view of the fact the Minister may want to reply.

MR. LYON: I suggest that the House or the committee might wish to rise. If there was any opportunity however of passing that item, we could pass it and then rise, but if there's no such opportunity then I would suggest the committee rise.

MR. GUTTORMSON: Mr. Chairman, there may be some rebuttal following the Minister's reply, so I think we should stay on the same item.

MR. CHAIRMAN: (a) -- passed?

MR. GUTTORMSON: No, Mr. Chairman.

MR. PAULLEY: . . . if the House Leader is not going to call it 5.30, I have . . .

MR. LYON: I did.

MR. PAULLEY: Oh, you did. Fine.

MR. LYON: I said if there was no disposition to pass it, then I would suggest the committee rise.

MR. PAULLEY: Oh, that's fine.

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

Mr. Speaker, the committee has considered a certain resolution, directed me to report progress and asks leave to sit again.

#### IN SESSION

MR. J. DOUGLAS WATT (Arthur): Mr. Speaker, I beg to move, seconded by the Honourable Member for Springfield, that the report of the committee be received.

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

MR. SPEAKER: It is now 5.30, and I'm leaving the Chair. The House is adjourned and will stand adjourned until tomorrow at 2.30 p.m.