

THE LEGISLATIVE ASSEMBLY OF MANITOBA
8:00 p.m., Thursday, February 26, 1976

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MR. CHAIRMAN: I refer honourable members to Page 5 of their Estimates Book. When we broke off at Private Members' Hour, the Honourable Minister of Agriculture, the Honourable Minister has approximately ten minutes.

MR. USKIW: Mr. Chairman, when I was last on my feet I was trying to respond to the Member for Rock Lake on a number of points, and I believe I was trying to deal with the question of the utilization of staff with respect to the delivery of the Beef Assurance Program; and it seems to me I left off on the point where I had indicated that we had from time to time run across different interpretations in the countryside as to the intent of the program and the workings of the program and that there was an awful lot of undercurrent and suspicion on the part of some people at least that appeared to me to be plants in the audience. But in any event, in any event be that as it may, we entered the program with a very significant degree of participation.

Now my friend the Member for Rock Lake would probably conclude that success is where you achieve a 100 percent, or something near that, and I suppose that's my version and his version. I can assure him that my colleagues, some of them were hoping that we would have much less success because they could have diverted moneys elsewhere in terms of the budget considerations that were under way at the time. So I don't think that the feelings of my colleagues would have been hurt had the participation rate been somewhat lower in that they could have allocated moneys into other directions, or indeed to reduce the total budget if that were the case.

So in any event it is true we did utilize the existing staff in the field in the delivery of this program, and I think what has to be appreciated here is that the program as it was presented to the farmers of Manitoba was a very complex one. Reading through the material that was delivered to them on the first occasion was certainly a bit of a conundrum for many of them. They were not able to quite understand what some of the definitions were, the meanings were, and there was repeated requests for greater clarification. And I recall a meeting over in southern Manitoba - I think it was Boissevain, I'm not sure, but one of those meetings in that part of the province - where the same question was asked of me three times because they weren't quite sure that really what I gave as the answer the first time was the answer and they tried to read through the material that they had. And it was not surprising because the material that was prepared was written by our legal people, as the case had to be; it was a legal document that they were trying to go through, trying to understand, and the terminology is not always easy for the average person to comprehend or at least to piece together. So we did have that difficulty and we had it in the sense of phone calls and letters that kept coming in to us asking for further information. And so it was obvious to us that there was a need to at least make sure that the farm community understood properly the program that was being presented to them - that is, it would have been in my opinion tragic had some people decided that they would not enter the program for lack of information.

Now again I want to repeat that we did not hire any extra staff, that is to the department to launch this program, we used the existing staff and therefore it did mean some re-allocation of time on the part of our staff. They had to sort of set aside the duties that they were normally responsible for and they have to give priority attention to this program given the fact that there was a deadline on applications, and so on. And you know the strangest thing is that even on the deadline date, December 31st, and the Member for Rock Lake made mention of it - I don't know what point he was trying to make - but on that date we had so many farmers lined up at Ag Rep offices and various agricultural offices throughout the country that I had received an urgent call from many regions asking that we extend that deadline because they were not able to process all of those that were then standing in line that day, and so we decided to extend it another couple of weeks; and at that point again the last day we had line-ups so that again staff had to work late into the evening to complete those. So it's a bit of a phenomenon that's difficult to understand, but that is really what happened, and I give credit to staff that they were able to put in

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(MR. USKIW cont'd) the extra effort and to do as good a job as they did do.

It might interest the Member for Gladstone to know that he has a constituency that I suppose could be classified as the one at the top as far as participation rate is concerned. The Gladstone Ag Rep officers in the central region statistically had 15,000 cows on farms in July of 1975, and the enrolment was 15,006. So the statistics say, 100 percent participation in Gladstone, and I thought maybe that might be of some interest to the Member for Gladstone to know that virtually every cattleman in his area is in the program.

Now it might be of interest for other members to know that on average in the central region we have a 51.5 percent participation rate; and it might interest the Member for Morris to know, although he doesn't have many livestock producers in that area, that his participation rate is 72.8 percent, notwithstanding his comments with respect to the program, and so on. Even in Carman it's 57 percent, and Starbuck 69 percent, and so on, so that it does indicate that there was a significant degree of interest.

But, I think what is outstanding in that Gladstone has taken the lead for all of the province, it is the one at the top, and I think largely it's due to the good work of the Ag Rep in Gladstone, one of our better Ag Reps, who has really taken this on; he was very keen about it personally--(Interjection)--Well, the Member for Gladstone now wants to take some credit for it, and I'm pleased to hear that, I'm very pleased to hear that, Mr. Chairman, because I thought that I was engaging in an ideological battle with him on this program, but if he is assuring me that he thinks it's a good program, then I will accept that.

MR. CHAIRMAN: Order, please. The Honourable Minister's time has elapsed. The Honourable Member for Morris.

MR. JORGENSEN: Mr. Speaker, the Minister's wasted his half hour because we never really learned anything from his comments. The Minister has not recognized one important thing about being a Minister, and he's something like the Minister of Labour in that respect, he doesn't realize that the reason he's sitting on that side during the consideration of his estimates, is that he is supposed to be giving this House information about the administration of his department. But we find that when serious questions are asked about the administration, he prefers to talk in terms that have nothing really to do with the administration of the Department of Agriculture; he has got a single minded obsession with the philosophy of socialism, of communism, and the control of the agricultural industry in this province that prevents him from seeing agriculture in its proper perspective.

The Minister made some reference to the demonstrations that were carried on here a while back by the cow-calf operators, and suggested that because they demonstrated on the Legislative grounds that they were demonstrating against the government. That was not the case. That was an inference that he left on the record that I want to correct. What they were attempting to do was draw to the attention of the public the plight that they were in. I don't recall at any time that the people representing the cow-calf producers made any reference or any suggestion that the government had to bail them out of a difficulty publicly. They might have done that to the Minister, and I wouldn't be surprised if they did.

What they were attempting to convey to the people of Winnipeg I suppose in particular, perhaps to the public in general, that there was a very serious problem in that industry, and indeed there was. But nobody has suggested for one minute that the cow-calf producers were not aware of the reasons why that problem existed. And certainly when they demonstrated here on the grounds of the Legislature, and of course that was in keeping with, certainly in keeping with previous demonstrations that had been authorized or permitted by the government. I remember there was a farmer's market here at one time, a little while later there was an egg sale on the Legislative grounds, and heaven only knows what's going to happen if that sort of thing is permitted. Certainly the cow-calf operators felt that they had the right to do the same thing, to use the Legislative grounds as a means of indicating that they had a very serious problem.

MR. CHAIRMAN: The Honourable Minister of Agriculture.

MR. USKIW: I would like to know just how many eggs were laid at that time in the Legislative Building.

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MR. JORGENSEN: . . . but I can assure the Minister that I sold an awful lot of eggs and I perhaps in doing so was in violation of the Manitoba or of CEMA, but it was an indication to me of how well the free market worked. And if I had been able to carry that on perhaps I could have put CEMA out of business, because I was selling eggs in this building at a rate - mind you I was losing money but, you know, I was counting upon those subsidies and grants from the government to make up for what I was losing in sales. But, Mr. Speaker, what the Minister has not mentioned, and he continually referred to the collapse or the unworkability of the free market as the reason why the cow-calf producers are in difficulty today, or the beef industry is in trouble today. Well I don't agree with the Minister. It is not because of the failure of the free market. To suggest that the free market is not working today is very much the same as saying that, you know, a fellow that buys a new car, he drives it around the block a few times and pulls out the spark plugs, drains the gas tank, and drains the oil tank and takes off the distributor and runs back to the dealer and says, that the car you sold me is not working. And that's really what is wrong with the free market today, because it is really not free. It is the interference of government into the free market that has prevented it from working, and my honourable friends opposite will not recognize that and will not admit that, but everybody knows that. Everybody knows that restrictions imposed by the government in the form of tariffs and today in the form of restrictions between provinces on trade, regulations that are set up within an industry that prevents a free movement of a product from one province to the other and from one country to the other, have created the problems in the free market, and will continue to disrupt the free market and prevent it from working. And then my honourable friends opposite have the audacity to scream, and in strident tones, that the free market is not working.

Mr. Speaker, under those circumstances is it any wonder that it wouldn't work. The Minister has suggested that we on this side of the House have never raised one voice in protest to the policy that he initiated some years ago with respect to the diversification of agriculture. Well, I'm going to quote the Minister from the - and unfortunately I have to quote myself; maybe that's not much of an authority, but, at least I want to remind the Minister that when he initiated that program at the outset, and that was at the height of the difficulties that the grain producers were being faced with in 1969. He had the answer to the grain problem, so he said, and the answer to the grain problem was to slough it off on the backs of the livestock producer, and they spent a lot of money in doing just that. But I want to remind him that if he cares to take a look, that on Page 1569 of October 9, 1969, I spoke in this House on that very question, and here are my remarks.

"The kind of encouragement that I seem to detect the Minister intends to give to the increasing of the cow-calf operations could be disastrous to the industry." And I want to remind the Minister that was in 1969. "He will be spreading the disaster all through the agricultural industry. Some consideration should be given to how he's going to diversify because it can create more problems than it is intended to solve." I don't make any claim to being much of a prophet, but how true those remarks were.

And it seemed very obvious at the time that because of the stocks of wheat that we had laying around and could not be sold, there would be a very natural tendency on the part of many farmers to take up livestock production in order to process that feed, to process that grain. There were no incentives required - and that was the burden of my argument at that time - that it would be a mistake for the government to provide incentives at a time when the incentive was already there. It would be much easier to have dealt with the grain problem at that time. And, the Minister in his remarks, I'm not sure if it was today or the other day, admitted that, that it is much more difficult to deal with the problems of the cow-calf operators because of the kind of investment, because of the time lag that is necessary in the production of beef - and he's finally found that out, much belatedly. I warned him in 1969 what would happen. He did not take our advice at that time.

But much more than that, the difficulties that are being faced by the livestock producers today is not a difficulty that was created by this government alone, and nobody has ever suggested that. The Minister is far too sensitive on that particular point,

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(MR. JORGENSEN cont'd) because it is created by, not only this government, but other governments across this country, including Conservative governments, and, you know, the Minister and the First Minister always seem to take some solace and some comfort from the knowledge that they can say, "Well it's no better in another province, that the Conservative government did this in another province." I have no concern what happens in other provinces or what government created the problems. If it's a Conservative government that created the problem and created it, in my opinion wrongly, then I'll criticize them just as much as I'll criticize this government. And I suggest to the Minister that there was an attitude at that time that was wrong, and I pointed out to this government that the error that they would be making would be to create more problems than they were intending to solve at that time.

I suggest, and I have said so on other occasions, that the attitudes and the policies that have been initiated by different levels of government in different countries have all added up to the creation of this problem, but the point I am attempting to make is that it has not been the free market that has created the problem, but it has been governments that have created it.

Let me enumerate some of the things that have happened over the years, over the past few years, that have contributed to the difficulties that the beef industry finds itself in today:

First of all is the one that I mentioned earlier, the encouragement of livestock production in most of the provinces across Canada, and that includes Alberta, and that includes Ontario, if it makes the Minister any happier.

Secondly, the LIP Program, the LIP Program, Sir, is one of those programs that was a major contributing factor to the trend towards the increase in livestock production.

Thirdly, the imposition of price and wage controls in the United States - and maybe that should serve as some kind of a lesson, but I'm sure it won't in this country, because once governments, like that that are represented by my honourable friends opposite, embark on the wrong-headed course, there's no turning back. They're going to be determined to prove that they're wrong at all costs, and when they have been proven to be wrong then they're going to embark on another wrong-headed course that will create even more difficulties - and that's been the history of governments over the last number of years.

The fourth program that contributed to the problems in the beef industry was the Price Support Program for Beef in Canada. There never was a more ill-conceived program ever devised by mankind.

And then the fifth was the issuing of improper statistics on the part of Statistics Canada as to the rate of beef production. They gross underestimated what was the actual increase in beef production, and the Cattlemen's Association time after time reminded them and warned them that what they were doing was wrong, and that they were encouraging beef production unduly, and that problems could ensue. They never paid any intention to that. Where they got their figures from I don't know. Maybe they got them from the Minister of Agriculture.

Then the sixth program that was initiated was the import restrictions from the United States, and I'm going to remind the Minister that all of these are government initiated programs, everyone of them.

And then there was the export restrictions to the United States, a retaliatory measure.

Then the banning of the hormone DES in Canada, had an effect on the normal movement of livestock between both our countries.

And the ninth is the decision of the OPEC countries concerning oil royalties; the increase in energy had a great deal to do with the shift in patterns of beef production.

In addition to that, in Australia and New Zealand there was a major shift from sheep to beef, and that shift is still going on. That's an economic situation created by the chemical industry, and that could be reversed. Chemicals began to produce synthetic fabrics, it took the place of the product from the sheep industry. But with the increase

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(MR. JORGENSEN cont'd) in the cost of energy that could very well revert itself again. But there were a number of factors that contributed to the difficulties that are being faced by the beef industry, and for the Minister to suggest that it was the free market that created these problems is just nothing short of sheer lunacy on his part or stupidity, he can take his choice. But it's certainly not in accordance with the facts. The facts are there were a number of contributing factors, and I wouldn't say that the greatest contributing factor was the Minister himself, but certainly he must take the responsibility for a portion, his share of the creation of that difficulty.

Now then, we come to the program itself. The Beef Stabilization Program. For some time the cow-calf operators had been asking the Minister to do something to assist them in the difficulty that they faced. My honourable friend from Ste. Rose is again, you know it doesn't matter how much you attempt to explain a given situation - and I'm not attempting to place all of the blame on this government but they must accept a portion of it. But there was a combination of factors and if my honourable friend can't accept that then he is guilty of that single-minded obsession that characterizes honourable gentlemen opposite, they can't see the forest for the trees. The fact is that that difficulty was created in part by this government. On that basis I took the position that they should bear their share of the responsibility. There was nothing wrong with the government at that time meeting at least in part the request of the cow-calf operators for some assistance. Oddly enough if it will give my honourable friends opposite any comfort, the program that was instituted in the Province of Saskatchewan, which happens to be an NDP government as well, was far superior to the program that has been initiated here because it did not attempt in any way to lock the producers into a compulsory marketing agency.

The Minister is not kidding any of the livestock producers in this province and he's certainly not kidding anybody on this side of the House. We know what his intentions are and we know the reasons why he initiated that particular program. It's a deliberate attempt to force the beef producers to their knees and bring them into a compulsory beef marketing plan. He has never hidden that, never hidden that from anybody. The Minister now suggests that that is nonsense but the record will prove that that is precisely what he's attempting to do. And his statements in this House, his statements to the meetings that he's been attending have indicated that that is exactly the direction that he is going into.

Now he says that it would be a departure, to assist the beef producers of this country would be a departure from normal government practice. Now what kind of a departure? There have been two previous occasions or three previous occasions when the government saw fit to intervene to assist people in this country that found themselves in difficulty for one reason or another. The first one was the fishermen's income maintenance program announced on July 27th of 1971. There were no strings attached to that program. Of course there needn't be because they were already under the Fish Marketing Board.

Then there was the help for the potato growers on 22nd of August, 1969. The Minister had no difficulty in finding a means of assisting those people without attaching all sorts of strings and conditions. But they too were already under a marketing program.

Then there was the emergency grants to the grain farmers. That was announced on the 16th of April, 1972. Mind you the conditions under which that particular program was announced are well known to the Minister. There were some by-elections on at that time. It's funny under those circumstances there appears to be no great impediments to the assistance of an industry that is in difficulty. What we need in this country, Mr. Chairman, are more by-elections. And I'm sure that if it had been the case, if those two by-elections that were held in Crescentwood and Wolseley were held in rural areas, particularly in beef producing areas, there might have been an assistance program announced without the kind of conditions that are imposed under this one. The Minister . . .

MR. USKIW: I wonder whether the member would submit to a question?

MR. JORGENSEN: Yes, surely.

MR. USKIW: I would like to have him tell me where the by-elections are now

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(MR. USKIW cont'd) because the program is much more substantive.

MR. JORGENSON: Just my point, that there were no by-elections in the rural areas.--(Interjection)--Well, that's not surprising that they've missed the point. But I am suggesting that if there had been by-elections in the rural areas, there would have been a program that would have been instituted that would have been to the benefit of the beef producers without any conditions attached such as this one, without any suggestion that at the end of the program must come a compulsory Hog Marketing Board. The Minister himself stood up in the House yesterday - was it yesterday? - and proudly bragged that he was the biggest rancher in the Province of Manitoba and that was his intention all along, to become the biggest rancher, to own all the cattle in this province. You know there is one difference between the way he gets cattle and the way the average rancher gets cattle. He uses somebody else's money to do it. He uses the taxpayers' money to acquire his bonanza.

Now, Mr. Speaker, it seems to me that it would have been fairly simple for the Minister to announce a program that could have done two things at the same time, a program that would have provided the kind of assistance that was necessary in order to enable the cow-calf operators to get over this rather difficult period and at the same time achieve the only objective that today is absolutely necessary if the beef industry is to be placed back on a sound footing. I have a sneaking suspicion that the Minister does not want the beef industry back on a sound footing. He wants chaos in the industry so that it will be much easier for him to take it over.

But the beef producers themselves have presented brief after brief to the Minister asking him for assistance, but assistance conditioned upon the program that would effectively reduce the amount of production in this province. If the beef industry is to get back into a relatively stable position it will be necessary that they adjust their production to meet effective demand. Now that has taken place in the United States. It was a harsh lesson and it was a costly lesson to a good many producers in the United States. But production there has been reduced to the point where production now approximately meets demand and that, by sheer coincidence, is going to be of some benefit to the producers in Canada.

But it is no credit to the Minister that he has continued to pursue a policy that is not calculated to get the beef producers out of the difficulty that they're in but rather to perpetuate that problem for them so that the end result will be that the beef producers - and he has even said that - the beef producers will come crawling on their knees to him and asking for a compulsory beef marketing board. My impression of the attitude of the beef producers is that, Mr. Chairman, that will not happen.

The program that is going to cost the taxpayers of this province some \$18 million is a program which to a large extent is misdirected. The Minister bragged about how many people are rushing to fill up the offices to sign applications. Well, you know, in the latter stages of that program when the government were advertising and they had given orders to every ag rep in the province to drop everything that they were doing and go out and sell, and picking people off the street at \$40 a day to sell the program for them, some of those beef producers are not as dumb as the Minister thinks they are. They recognized that they could get money from the Government, put it in the bank and reinvest it and make a little bit on it as well. I don't think that that is a proper use of the taxpayers' money. My understanding is that there are a good many beef producers that are doing just that; they're taking advantage of a situation, of a very stupid policy that the Minister has implemented which allows them to do so. I have no objection to a policy that is directed at those people who need help and there are many of them that do. But a policy that is as universal as this one, that's going to provide assistance to many ranchers and producers who do not need help, is the kind of a policy that the government themselves continue to decry, continue to decry that kind of a program.

Well my suggestion should have been followed in the first instance. Assistance should have been provided on the basis that would have effectively reduced the cow population in this province and brought production more into line with demand. That would have solved the problem. Sure, and it would have created some problems, some

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(MR. JORGENSEN cont'd) difficulties for some of those producers. Yes it would have.--(Interjection)--My friend says, "What about Alberta and Saskatchewan?" All right. Let Alberta and Saskatchewan worry about their problems. If they've got themselves into difficulty we cannot solve that for them.

A MEMBER: That's your logic.

MR. JORGENSEN: Well, it is my logic. I stated initially that all of the provinces or most of the provinces in Canada were guilty of getting their livestock producers into this difficulty, and therefore they have some kind of a responsibility of getting them out of it. The difference between the action that is taken in other provinces and the action that is taken in this province is that the Minister's ultimate objective is the one that we object to and that is placing the livestock industry under his domination.

MR. DEPUTY CHAIRMAN: The Honourable Minister of Agriculture.

MR. USKIW: Mr. Chairman, I know the Member for Arthur wishes to make some comments but I had not yet completed my response to the comments of other colleagues of his and I would like to do so and hopefully still afford my honourable friend an opportunity to make his comments later on.

The Member for Morris is most interesting in his presentation, Mr. Chairman. I take seriously that he feels that to some degree that the presentation that he has given us here this evening is an accurate one. But I think that he is overlooking something very important, Mr. Chairman. That is, notwithstanding the fact that we have had - and I agree with him that in the last, I guess 10 years to say the least, there has been a much greater involvement of the public, through governments all over the world in the question of food production - and that while he may attribute that as the reason for the decline in cattle prices I would like to tell him that I could not agree with that. Because it's the nature of the beast that we're dealing with.

A free market has to function on a boom and bust system. That is the very basis of it. You cannot have a stable market when you react to a situation which results in another situation coming upon you. If you have a surplus condition the reaction is to reduce the surplus and to create a shortage and when that occurs prices start to rise, but then you don't have the product to sell either, or the consumers are short of the product. That is not stable for anyone. On the other hand it goes the other way that when prices rise for a lengthy period of time, that in itself is an incentive for many people to get into the program or into new production and they ultimately bring prices down again. The boom and bust cycle in agricultural products is well known to us and certainly in the course of Canada's history we've had many many cycles in the beef industry of boom and bust. That is the nature of the free market system.

No one should apologize for it and my honourable friends should not try to hide behind the fact that governments have tried to intercede from time to time to prevent the ultimate calamity. They have tried to sort of shelter both the consumers and the producers from time to time from these deep deviations from stability. While they are trying to do it I admit that they're not doing a good job, certainly not. The Beef Stabilization Program that Canada has is certainly not one that has done very much to bring about stability.

Now the Member for Morris pointed out that the cow-calf producers who demonstrated here about a year and a half ago were not demonstrating against the government, they were trying to draw public attention to their problem. I think that's fair comment. But after the demonstration, of course I'm sure he knows that they had their delegation who came into the offices of government pleading for some action to be taken in order to alleviate their problem. And that is not surprising either, Mr. Chairman. I don't knock them for that, I think that is what they were faced with and they had to look for a solution and obviously the public is the ultimate body that can provide some measure of relief whatever that may be. There is no other authority that could do that for them.

Of course that situation was worldwide. You know some of my staff were over in Australia and New Zealand at the time that the bottom fell out of the beef market and the headline there was, and I think I remember the figure correctly, "Cattlemen lose \$900 million", because of the disaster in the beef market in that part of the world. So it

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(MR. USKIW cont'd) was not confined to Canada or to North America and certainly not to Manitoba; it was a global situation. Some of the other points that my honourable friend mentioned may have contributed to that.

Certainly one could argue that cattle prices have not been that bad in the last couple of years if one is to compare those prices with prices prior to two or three years ago. The difference is that the costs of feeding have gone up so much, so that the margins are just not there. The cost of feed grains went up so dramatically that the price of beef three years ago or four years ago, you know, while that may have been adequate is no longer adequate because of the change in feed grain prices. So all of these things have had a major impact on the viability of the feeder industry, whether it's beef, hogs, poultry - and you know, the hog people they just scale down their production.

They're able to do that because of the nature of that commodity. They can scale down very quickly and in Manitoba right now we're down about, I believe it's around 30 percent from our peak production. And the packers are pleading. I have a communicate from one large packing company saying, please, Government of Manitoba, can you devise an incentive program to put more people into hog production because our plants are running idle. Of course pork is very expensive. But we could use more pork. So we have the market working the other way, adversely.

So it's not that simple, Mr. Chairman, that we can simply ignore the fact that the marketplace is certainly not the kind of vehicle that has the public interest at heart. The marketplace is a function of the private interest groups. It is not responsible to the public nor should it be. But the public has to take some responsibility in guiding it from time to time and perhaps all the time in the public interest.

Now the Member for Morris seems to suggest to me that it was really, at least partly - and I'm not suggesting that he is intending to leave the impression that the Government of Manitoba through its incentive program has created the whole problem, I appreciate that he qualified that. But I want to point out to him that Manitoba's livestock population peaked in about 1965 with about 1.2 million head of cattle, roughly, round figures. Now, it went down every year for about four years. Why? Because the grain thing happened to be good in 1965-66-67, and so people were getting out of feeding and going more into grain production and so on. Here we have in 1974 about 1.3 million head of cattle, and if you take that period from 1965 to 1974 you find that it is a total incremental increase of cattle numbers in Manitoba of 100,000 head over a decade, a very minimal increase in livestock numbers. But notwithstanding that, we have had this very high and low market situation in that period, notwithstanding that. But in total terms we virtually stood still in cattle production and cattle numbers on Manitoba farms for a decade, virtually stood still. So let not my honourable friend the Member for Morris indicate that all of a sudden we have these huge cattle populations that we have no way of disposing of or marketing. That is not the situation. Canada is not in any respect an exporter of meat. So that's nonsense, Mr. Chairman.

The fact is the house is not in order and never has been. That is the problem. And certainly if I was able to exercise my influence at the national level - yes, I would have a supply management program with respect to beef, yes I would. With reasonable guarantees to the producers of beef and reasonable guarantees to the consumers of this country that they weren't ripped off because of that protection. That is what we talk about when we talk about an orderly marketing system with respect to any commodity. That is the desire to protect both the producer and to protect the consuming public so that they don't have to pay abnormally high prices from time to time. Stability in production is the greatest insurer of a fair price to the consuming public. It is also an insurer of a fair return to the producer. That is what the beef assurance program is all about so far as Manitoba is concerned.

The only tragic part of it is that the Province of Manitoba should not have to do it. Income stabilization is truly a national responsibility and it is only in the absence of national programs that provinces have found themselves moving in this direction in the last two or three years. I believe we have three provinces in this kind of a beef program in Canada today. Not because they want to be. They would prefer that the national

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(MR. USKIW cont'd) authority properly carry out their responsibility in this respect. But that is not yet happening, Mr. Chairman, and we are not about to see our cattle numbers go right back down to where they were 20 years ago because of a downturn in the market for a year or two. We are not prepared to accept that. And the insurance that we are providing at this point in time - when the curve turns in our favour, when the prices start to climb - will result in a more buoyant economy in Manitoba and there will be recovery. There will be recovery and that is the kind of game we're in.

Now with respect to the point that the Member for Morris made about the ultimate intent of the Government of Manitoba with respect to this program. I suppose he was not in the Chamber when I dealt with that earlier today and I made the point, I thought very clear, that there is no point in setting up a marketing board for beef in this province as an attempt to stabilize prices to the producers because the form of production under contract is far superior to that. It would be a step backwards to now think in terms of setting up a beef marketing board for the purpose of effecting a stable pricing mechanism. There's nothing more sure than a guarantee under a contract from the point of view of the producer. So the member should rest assured that there is no ultimate goal here in terms of organizing the marketplace and if that does occur it will only occur as a result of other considerations, not the price of beef. Those considerations have been looked at by the inquiry commission into the meat industry of this province. It is only pursuant to their recommendation that that question may arise, nothing to do with pricing of beef in the Manitoba marketplace. We have already established that and there's no need to go any further.

The Member for Lakeside is not here but I would like to respond in any event to the question that he raised as to the amount of money allocated for this program, namely, \$14.2 million. For some reason, I guess he just wasn't thinking properly this evening, he assumed that this figure represents the moneys already spent. It does not do that. This represents the moneys that we are committing for 1976 production. The \$18.3 million or \$18.4 million that we have talked about has already been spent for 1975 production, so we're talking about two blocks of money: 18 million that we've already paid out and this 14 million is for the second year of the five-year contract. So members opposite should appreciate that we are not trying to entice the producers into something with a one-year carrot, as members opposite have suggested here today, but rather that we are already into the second year where we anticipate further expenditures of public funds. Because we know that - we believe that we're right - that the cattle market is not going to turn around soon enough to prevent a pay out of that magnitude.

Now the Member for Lakeside also made the point that the Cattlemen's Association are totally opposed to any government program, whether it be provincial or national, any program that is attempting to deal with the current problem. And that is correct. The official voice of the Canadian Cattlemen's Association, the executive, have made that point very clearly. They have expressed it to me; they have publicized that position, and I accept that. But I accept that in the knowledge that: (a) they don't represent any significant number of cattlemen in this province; and (b) the fact that such an overwhelming percentage of commercial producers are in this program, indicates that they do not speak for them. That is very obvious. And I took pains to determine that. I have asked staff to break it down statistically for me. I wanted to know what percentage of the commercial producers are in, as compared with those that are in there either on a hobby basis or only as a part of their source of income. And I find that . . .

MR. DEPUTY CHAIRMAN: The Honourable Member for Morris.

MR. JORGENSON: There are two questions. One relates to his statement earlier to the effect that this program is in two phases. Are we to understand that there is going to be \$32 million involved in this program?

The second question deals with the statement that he suggested that the Cattlemen's Association represented only a small group of cattlemen in this area. Has he also tabulated the number of farmers in this province that the farm unions represent, and does he take that into consideration as well?

MR. DEPUTY CHAIRMAN: Honourable Minister of Agriculture.

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MR. USKIW: Mr. Chairman, that is quite true; I wouldn't want to argue that point with my honourable friend. I don't believe there is any organization that claims to represent the cattlemen of this province that has any semblance of commitment from any more than four or five percent of the cattlemen. I don't believe they have that. And I used the figure less than one percent earlier this afternoon, and I believe that to be true. I don't think anyone can really claim that they have the support of the vast numbers of farmers of this province. At least if they do, then of course it's obvious that the members, if they are members, have ignored their recommendation to their entry into the program. And so one has to develop policy on the basis of what one seems to see happening as to the response that one gets from the rank and file. And obviously the executive of the Cattlemen's Association is not reflecting the wishes of the cattle industry in this province at this point in time.

Now again to repeat - the Member for Lakeside was not in a moment ago - and the Member for Morris had asked me to again repeat the point I made about the cost of the program over last year and this year. Eighteen, almost 18½ million has already been spent for 1975 production. The figures that we are looking at here are for 1976 production yet to be paid in the fall of 1976. So indeed it is a \$32 million thrust over the two years. And let me indicate to my honourable friends opposite that if the market doesn't change over the five years of this contract, it'll cost us over \$120 million. But we don't expect that to be the case. We expect that the market will turn around and each year there will be a lower input from the taxpayers, and at some point in the five years there may be some recapture if the market gets beyond the guaranteed price level. That is we . . . a basis of stabilization.

So in essence I would expect that while we will not recapture completely in the five year period that there will be some recapture, at least I'm hopeful there will be, unless the market is completely out of context with what is happening today. And that is always possible. The Member for Lakeside is smiling. And I know that the Member for Lakeside, Mr. Chairman, is more aware of what I am talking about than perhaps most anyone else. I know that. And I know that he agrees with me, Mr. Chairman, even though he may not want to admit it. And I have a lot of sympathy for the problems that my honourable friend is facing with respect to the beef industry. And I don't know I suppose the Member for Gladstone and the Member for Rock Lake are in a similar situation. You know I think that has to be recognized. But I don't think that it's worthwhile getting hung up. The Member for Lakeside has a question.

MR. DEPUTY CHAIRMAN: The Honourable Member for Lakeside.

MR. ENNS: Mr. Chairman, the Honourable Minister keeps expressing hope in the market in doing something in turning around. He has suggested that he has entered into a five-year program that may cost the Manitoba taxpayer upwards to, I believe, \$120 million if indeed the market doesn't turn around. But, Mr. Chairman, this is that very same vehicle that he has lost so much hope in. You know the marketplace has no place in his dictionary any more.

MR. DEPUTY CHAIRMAN: Would the honourable member ask a question?

MR. ENNS: Well I am asking the question, Mr. Chairman. Mr. Chairman, having given me the floor for just a brief moment. No, no but certainly I'll come back to the question. But he makes - you see in his statements, and in fact a very big gamble, and I recognize the gamble that the Honourable Minister of Agriculture is making, and I recognize it very much as a former minister. It takes a hell of a lot of courage, it takes a hell of a lot of guts to walk in to any Cabinet in any province to walk out of it with 18 or 20 million dollars at any given time, particularly, particularly at a time of restraint. And I've acknowledged that in my few remarks this afternoon and I acknowledge it now, Sir. But he keeps hoping that that evil marketplace . . .

MR. DEPUTY CHAIRMAN: Order please. Order please. The Chair gave the Honourable Member for Lakeside the opportunity to ask a question not to make a speech. If he wishes to speak he may do so when the Honourable Minister is finished.

The Honourable Minister of Agriculture.

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MR. ENNS: . . . that he hopes and prays that our marketplace will continue to exist. It's not evil, just inadequate.

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

MR. USKIW: Mr. Chairman, I know from experience that the free market has its ups and downs, and I'm hoping in this instance, I'm hoping in this instance, Mr. Chairman, that it'll work in such a way that we could balance our books over a five year period. But while we have done that we have still provided a very useful service to the cattle industry giving them the assurance and the security that they need to stay in business.--(Interjection)--Well the Member for Rock Lake raises a very interesting point and he wants to know where it is where the authority lies for the expenditures of 18 or 19 million dollars for 1975 production. I think he should recall that the Premier had indicated only a few days ago the amount of our special warrants that were added to last year's estimates. And therein lies his answer, Mr. Chairman.

The Member for Lakeside also wanted to - I believe it was the Member for Lakeside - wanted to know what my attitude was with respect to a request for a referendum on the checkoff. And I simply want to tell him in that regard that that is a subject matter that will be decided after we have fully taken into account the recommendations of the Inquiry Commission on the meat industry in this province. So we are not in a position to give him an answer at this point in time.

The Member for Rock Lake drew to my attention the problems of those cattlemen in the grassland areas of the province who may have some difficulty in converting their operation to some degree, and I simply point out to him that we have taken into account those problems. We have not placed restrictions on them in such a way that they would not be able to accommodate in that they are not compelled to feed these animals out on their own farms, they are able to custom feed in custom feed lots. They can feed them on their own farms if they wish; they can set up co-operatives or corporations to perform that function for them. That is entirely up to them, and also that it is such a gradual rate of conversion that it should not be onerous over a five year period to bring fifty percent production into the area of finished beef.

We are prepared to look at that with a degree of flexibility, Mr. Chairman; we have not closed the book on that. I have asked staff to evaluate our policy there as we gain some experience. I've had some feedback already and it may be possible that we might be somewhat flexible there. When I see the information that comes back I'll be able to indicate more clearly. But it is not our intent to ask for the impossible in that respect.

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MR. DEPUTY CHAIRMAN: The Honourable Member for Arthur.

MR. J. DOUGLAS WATT (Arthur): Mr. Chairman, I just want to make a few comments. First I would like to reiterate my position as it has been in the past in making a few comments on the Minister's salary, that it is not my intention to indulge in the performance that my honourable friend did when he was on this side of the House and when I and other . . .

MR. USKIW: Mr. Chairman, on a point of Order.

MR. DEPUTY CHAIRMAN: Is it on a point of order?

MR. USKIW: I think the member stated that he wanted to debate the Minister's salary, and according to our new rules that is not possible until the last item of the Estimates are before the House.

MR. WATT: I won't bother debating the salary . . .

MR. DEPUTY CHAIRMAN: The item before the Committee is 1(b).

MR. WATT: Mr. Chairman, I will not suggest that the Minister's salary should be reduced to one dollar or that he should be asked to resign. I won't consider that at all because the fact is, Mr. Chairman, that my colleagues have really given me reason to believe, and the Minister, that we would hope that he would remain in his present position, in his present health, mentally and physically, and particularly mentally, and particularly the sort of mental condition at the moment, that he will be in that condition when the next election arises, which will be coming shortly. And we do hope that he is in the seat that he holds at the moment in order that we may hold him in up as a living breathing example of the reason why we should get rid of the government on that side of the House.

Having said this Mr. Speaker, I think that our position on this side of the House has been ably and well presented by my colleagues this afternoon and this evening, particularly in the area of the so-called Beef Stabilization Program. I was very interested in the comments that my colleagues have made and the replies given by the Minister of Agriculture. To me it's rather a puzzle the term "beef stabilization." I don't really know what he means by that in the light of what has happened in other stabilization programs that he and his government entered into, and I particularly refer to the egg marketing system set out by the Province of Manitoba, the Minister of Agriculture, which the Minister is as well aware of as I am and as my colleagues are, and particularly the egg producers in the province where the fluctuation of the stabilized program has been beyond anything that was ever experienced before the government undertook an egg production and marketing stabilization program; and we think of the millions of dozens of eggs that went to rot with over-production and the shortage of eggs that has occurred from time to time, Stabilization seems to be an empty term or word to use in the light of the Minister's interpretation of what stabilization means. And I think the same applies to the beef stabilization, if you can call it that, that program that he has not instituted.

Mr. Speaker, as I have already pointed out in my remarks in the debate on the Speech from the Throne that while it is called at the present moment a five year plan, there is no reason to believe that it will remain a five year plan. Because all we have to do, Mr. Chairman, is to consider what happened to the Hog Marketing Program that was under way and in effect when this government took over. And just by the mere moving of Order-in-Council it became a compulsory marketing system, and I am sure that the meat and the beef producers in this province are aware of what may happen. However, in spite of this, \$18 million has gone into this so-called stabilization program, and as it has been pointed out we on this side of the House would like to know how much of that \$18 million has actually gone into the stabilization of the meat industry in this province. What portion? How many millions of dollars have actually gone into that program, and how many millions of that \$18 million have gone directly into investment into the banks at a higher rate of interest? And probably the Minister can indicate to us when he gets up to reply the next time just what the interest rates between where money can be invested now in trust companies and banks, just at common rates of interest in the banks as an example. I'm not talking about long term where you can . . .

I refer to this particularly, Mr. Chairman, because of the fact that the Minister seemed to take particular account of the percentage that had gone into the southwest area

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(MR. WATT cont'd)when he mentioned that of the \$18 million, \$6 million of that went into the southwest area. Now I'm not just sure what portion of the province he refers to as the southwest but it undoubtedly includes the constituency of Arthur, where I have already said come the most stable people, without any necessity for any stabilization by the Minister of Agriculture or his First Minister. \$6 million. And I wondered how many millions of the \$6 million actually has gone into the stabilization program and how many millions of dollars have gone into the investment by farmers that really didn't need the money, but why should they not take it, put it into long-term investment of short-term investment. Why should they not? The program was there; the money was there. I don't think the Minister has bought very many votes with the \$18 million, Mr. Chairman. I have my doubts if he's bought very many votes with it. But it's a nice try anyway, Sam. I don't blame you a bit. Nor do I blame the farmers of the southwest portion of the province taking the \$6 million and reinvesting it at higher rates of interest than what they are borrowing from the government.

However, Mr. Chairman, I do not intend to dwell on this. It has been mentioned on all the remarks that have come from the different members on this side of the House up to this point.

So I would like to just for a few minutes talk to you about the milk quotas in the province. The Minister indicated that the quota system --(Interjection)-- Mr. Chairman, my honourable friend doesn't know what the word order means. My honourable friend that is calling order from away up in the Ste. Rose area there, had a little bit more order on the 1,000 acres of land that he presently is farming and cannot find enough to keep the wolf away from door as it were, on a thousand acres of land and he now is coming into the House to tell me how I should farm, and my friend the Member for Woodlands and my comrade back here from out at Rock Lake, you know, this is hard to understand...

MR. DEPUTY CHAIRMAN: The Honourable Member for Ste. Rose on a point of order.

MR. A.R. (Pete) ADAM (Ste. Rose): We're on the Beef Assurance Plan, Mr. Chairman; the honourable member starts to talk about milk quotas. I'm not trying to tell him how to farm, but we're on the Beef Assurance Program, and we should not be talking about milk quotas.

MR. WATT: Mr. Chairman, I thought we were speaking on the Department of Agriculture Estimates and not particularly the beef industry.

MR. DEPUTY CHAIRMAN: Order, please.

MR. WATT: Since my honourable friend now wishes to come into the debate, maybe I should suggest to the Minister of Agriculture that probably his land take-over program would not be too bad in some instances, because I really believe that there are people in the Department of Agriculture that could take over the 1,000 acres that my honourable friend is operating up in Ste. Rose and really make it pay enough to feed he and his wife and do some of the things that some of the rest of us have been able to do on the farms that we operate. If my honourable friend from Ste. Rose would like me to dwell on that, I could go much further. I think I could go up to his farm and take over his 1,000 acres and go a hell of a lot farther than what he is doing.

MR. DEPUTY CHAIRMAN: Order, please. Would the honourable member restrict his remarks to Appropriation 1(b), Farm Income Assurance,

MR. WATT: I haven't looked at the appropriation. I was just talking about agriculture, Mr. Chairman. May I respectfully request, Mr. Chairman, can I talk about the milk quota system for a moment or two? --(Interjection)-- I can't talk about it. Well, then I shall hold it up, because there are a few things that I probably haven't been accounted for here that I probably would do a little bit better on a little later on. So since we are on . . . Is it on 1(a) or 1(b), Mr. Chairman? Since we're restricted then on our remarks . . . Stabilization, I think that probably I will leave it at that at the moment, and we'll talk about milk quotas, and we'll talk about cheese, and we'll talk about eggs, a little further on in the estimates.

MR. DEPUTY CHAIRMAN: The Honourable Member for Rock Lake.

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MR. ENARSON: Mr. Chairman, I would like to make a few remarks in reply, and also probably specify further on a few questions that the Minister didn't really answer. I was discussing my remarks, the Canadian Cattle Association, and the Minister seems to have the idea that they are anything but spokesmen for that industry in this country. I would like to remind him that, you know, had the Federal Government, had Trudeau Liberals in Ottawa, listened to the Canadian Cattlemen's Association we would not be in the predicament that the farmers are in today, and I give you one good reason, Mr. Chairman. I want to remind the Minister, and I'll give one good reason why: That when the Federal Government put an embargo on red meats going into the United States, this created a very bad situation for the red meat industry right across Canada, let alone Manitoba, and the Canadian Cattlemen's Association were trying to advise the Minister of Agriculture in Ottawa at that time, not to do that, because they pointed out the effects of what would happen in the free market or the market place. So if the Minister wants to debate ideology in this House as to his philosophy as opposed to what has been going on and what has made this country for 100 years, I'd like to suggest to him that I think that we have some ideas on this side that are worthy of consideration.

You know, Mr. Chairman, the Minister, I think, deliberately avoided answering a couple of questions that I had posed to him. When we were talking about consultation with the industry, and all he referred to was the Canadian Cattlemen's Association. He . . . even talked to them for the last two or three years, maybe he had, but apparently he paid no attention to them. But I pose the questions, Mr. Chairman: Did the Minister? And I think that I can suggest to him that he did not allow the cow-calf operators and the beef producers, that is those who finish beef, to get involved in the input into the policy that he has established. I suggested to the Minister that had he allowed these farmers to get involved and work with him in devising a policy of this kind, or somewhat similar, I don't think it would cost the taxpayers quite that much money. In fact, now it horrifies me even more. Because Mr. Chairman, I'm wondering, you know, probably in about 18 months from now he may not be in that chair as the Minister of Agriculture, it could be someone else. It could be someone on this side of the House who would have to take up the reins of that responsibility. And I'm wondering if the Minister, it's just, you know, he's not all that concerned and is he prepared to accept that? Is he really being sincere in the kind of responsibility he says that he's portraying here? Because of all the money - now when he talks about 18, almost 19 million dollars that was a special warrant that was issued by an Order-in-Council in Cabinet; and the other thing, Mr. Chairman, many farmers asked me about this last fall, and they were horrified to know that I knew nothing about it, or that my colleagues on this side knew nothing about it. They thought this was all passed by the Legislature. Mr. Chairman, the Minister says from the seat of his pants that I wasn't doing my homework. There was no mention of this during the session about this Assurance, Income Assurance Plan for the Cattle Industry. There was no mention of it in the last session. So, Mr. Chairman, I was concerned, and the Minister, I don't know whether he deliberately refrained from answering that question, but I was interested in knowing what the input was.

Also, he said the Ag Reps throughout the province performed their duties in seeing to it that the farmer was made acquainted, and took in the applications, and provided them with the funds after they signed on the dotted line. But you know Mr. Chairman, I'm not getting my answers. There were individuals hired by the Ag Reps - I don't know how it was arranged - but they I think were forced because of the memo that the Minister sent out about the middle of December to get out there and sell that program. Now how many people were hired as extra staff, Mr. Chairman, to go out and sell that program, because the Ag Reps did not do this by themselves. It was humanly impossible for them to do it themselves. So the Minister is not answering that either. I would like to know how many extra people? Were they farmers picked out all over the province to go out and talk to farmers in the community and sell that program? How much money did it cost us? Besides the 18 million, 7 hundred and some odd thousand dollars, how much money did it cost us to sell that program to hire those extra people to do this work? I'd like to know how many, and what was the cost of doing that, and the fact about the input, if any, by the two official organizations? You can say all you like,

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(MR. EINARSON cont'd)whether you were - and probably talking to the National President of the Farmers' Union, has stated publicly that the land should belong to the State, the State should run everything. Mr. Chairman, as the Head of a National Farm Organization, I am very concerned when one in that position makes that kind of comment. It makes me wonder just where we are going in this country.

Another matter that I can recall - I don't have it before me to read, Mr. Chairman, but I think, if my memory serves me correctly, that when the Minister was giving the particulars about this Beef Assurance Program, I believe it was the last comment that was made in a paragraph in one of the local papers, that he wanted to assure the consumers of a continuity of supply of beef. I have no quarrel with that, but you know I want to remind the Minister, can he tell me when at any time was there not sufficient beef for the consuming public in the Province of Manitoba? Never in history. Only if farmers were to take on the same kind of attitude that many other sections of our society, and were to, say, go on strike and stop all food coming into the city and put a band right around the Perimeter Highway, then there could be a shortage of beef. But you know, Mr. Chairman, when I read that I was somewhat concerned about the Minister and really what his motivation really was, and I can probably understand that he had to get the support of his city colleagues to support this kind of a program, and that's understandable.

Mr. Chairman, these few thoughts I've had in my mind while listening to the Minister. And also I want to say to him, when he accused us of blackmail before the supper hour, the second time he arose to his feet, he was sort of generalizing the comment, then he stood on the second occasion and was referring to the questions that were posed from this side of the House, and that, Mr. Chairman, indicated, because I, as well as my colleague from Lakeside and from Gladstone, rose to our feet to pose questions, and therefore I suggest, Mr. Chairman, that the Minister was out of order, and should either retract or prove to us that we were going around spreading malicious gossip if he wants to use that.

MR. DEPUTY CHAIRMAN: Order, please. I understand that matter is under consideration by the Chairman of Committees. The Honourable Member for Rock Lake.

MR. EINARSON: Yes, thank you very much, Mr. Chairman, but I would like to hear some answers from the Minister on those questions that I posed, and I think that we may have some further answers a little later on.

MR. DEPUTY CHAIRMAN: The Honourable Minister for MPIC.

HON. BILLIE URUSKI (Minister for Manitoba Public Insurance Corporation) (St. George): Thank you, Mr. Chairman. As a rural MLA, and as the member representing a constituency that has many beef producers, as well representing an area that was very severely hard hit by the rains of this late late summer and fall, and the severe damages that were incurred by the farmers, I would like to take part in some of the comments and take part in this debate on the Minister's Estimates with respect to the Beef Income Assurance Plan.

Some of the comments made by the Member for Rock Lake with respect to consultation with the Industry, I want to place on the record that one just has to go back through the history of what has happened with respect to this program coming about. You've had demonstrations by farmers who have indicated their plight because of the market place to this Legislature; there were about 400 farmers here a year and a half ago. The Member for Arthur surely should remember that, farmers indicating the plight that they were having with maintaining income from the sale of their products when cattle prices were dropping to 10 cents, 15 cents a pound. These people came to the Legislature, the Member for Rock Lake, for Arthur. Well two years ago there were several demonstrations indicating the severe hardships that they were facing in the marketplace.

The Member for Arthur has the audacity to say now that the farmers of his area, or the farmers of Manitoba, have in effect really not needed the Income Assurance Plan. They have invested the money into the bank and they're sitting and living high off the hog. Mr. Chairman, he is really calling the farmers, the cattle producers of Manitoba, a bunch of liars, because they came to this Legislature and demonstrated to everyone here the plight they were having with respect to income --(Interjection)--

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MR. CHAIRMAN: Order, please. Order, please. The Honourable Member for Arthur, on a point of order.

MR. WATT: I did not say that the farmers of Manitoba were dishonest or liars. I asked the question of the Minister: What percentage of the \$18 million . . .

MR. CHAIRMAN: Order, please. Order, please. That is not a point of order. The Honourable Minister for MPIC.

MR. URUSKI: Mr. Chairman, if the Honourable Member from Arthur is really indicating that the questions that he asked of the Minister, as I recall them, how much money has really gone into trust accounts and into banks . . . The impression that he is creating is that there was no problem in the agricultural industry with respect to the marketplace. Let him ask his neighbour, the Member from Lakeside, the severity of the marketplace with respect to the cattle industry in the last two years. Let him ask him as to the amount of dollars, the net income return he received from the sale of his product from that fee and open marketplace. If he is saying to the farmers, how much money you have invested in the bank you have taken . . . the province, surely, Mr. Chairman, he is saying that the farmers of Manitoba who came and demonstrated on the Legislature that they had no right to come here and say that they were in trouble; what he is saying to them, he said, "You did not deserve the attention that this Legislature and this parliament has given you with respect to the Income Assurance Plan," that's what he is saying to them. If he is saying to them, that there is no need for stabilization, Mr. Chairman, he has had his eyes, either his eyes or his ears closed with respect to the number of presentations that I'm sure his caucus has received from the Cow-Calf Producers. I am sure that they have been in contact with them for assistance. I am sure his colleagues who are in the beef industry know the plight of the industry.

--(Interjection)-- I'll permit a question when I'm finished, Mr. Chairman.

The Member for Rock Lake indicated that there was no consultation with the industry with respect to this program. Does he not recall the demonstrations and the briefs that were presented to the government with respect to assistance? Does he not recall? Mr. Chairman, during the flood conditions and the severe flooding of the Interlake region, there was a meeting called by the Minister who invited the various cattle and farm organizations - and I attended that meeting - the executive of the cow-calf producers, Manitoba Farm Bureau, representatives of municipalities; I believe the Farm Union was invited, and the beef producer organizations, all gathered at the Minister's office prior to any announcement. There were discussions that took place in this context with respect to assistance, with respect to the flooding problems, and with respect to what can be done to assist the cow-calf or beef industry in the province.--(Interjection)-- Mr. Chairman, I would have to look at my date book, but I would say about three weeks to a month prior to the announcement of the program. It was in the Minister's office.

Mr. Chairman, during this meeting - I want to really indicate as to the position of some of the executives of the Cow-Calf Association with respect to their position and the producers who took out memberships in the organization. I believe that the producers who took out memberships in that organization believed, sincerely believed, that at least in this time of crisis that the producers if they got together they would be able to either pressure the government or formulate some type of policy, or organization that would be able to assist them in the time of crisis. So they did. But the executive of that association when they were asked by the Minister of Agriculture during this meeting about concepts and about income assurance, I want to tell you that the President of the Beef Cow-Calf Association said, "No we do not want it," in the first instance. "We do not want any assistance of income assurance." Then when the discussion went around the room - I have to give credit where credit is due - the President of the Beef Producers' Association, I think it was Mr. Klassen said, "Well even we recognize that something really has to be done for the cow-calf producer and some income stabilization plan should be brought in." The discussion went on again; the same question was posed to the executive of the Cow-Calf Association. Mr. Chairman - and I will never forget this - the President of the Cow-Calf Association said to the Minister when the Minister said, "Well what would you think about some income stabilization with longer termed stabilization as to farm incomes and the like?"

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(MR. URUSKI cont'd)He said, "Well you really can't afford it." Those are his very words: "You really cannot afford it." You cannot bring in a plan that can save the industry, Mr. Chairman. Those were his very words. Mr. Chairman, I believe that some of the demonstration that resulted in this Legislature and through the province, I believe, that what was really trying to be achieved by the executive was really a political ploy on behalf of the executive of the Cow-Calf Association and I wouldn't even go even to include the members of the Opposition - I believe they would be well aware of it - to really create the impression, well look. The Government really doesn't want to help up; they have no intention of helping the beef industry. There is no way. Then if a program should have been announced, had the government not really seen the dilemma and announced a program, I believe that in a matter of two or three weeks that the Cow-Calf Association and the beef industry would have said, well maybe we should have some income assurance plan and now the Government has really gone along with our thinking and they have reacted to us and we have really demonstrated on behalf of the cattle industry and we have shown those producers are behind us, that that kind of a program could have been established. I am certain that that was the tenor or that was the strategy as proposed by some of the members.

How can a member who - an executive of a group - demonstrate and organize a group of farmers and say that they're in trouble and then come to the Minister and when they are discussing income stabilization get up and say that you cannot afford it and we don't want it. We do not want it. That in my mind, Mr. Chairman, is a total betrayal of the faith that the producers put in that executive and that association to represent them, to speak on their behalf in their dialogue with any government, whether it be this government or whoever would be in office.

So, Mr. Chairman, there was consultation with the industry, unlike the statements that have been made by the Member for Rock Lake. I want to tell him that while it is true that there were many producers that were leery - I want to tell you some of the comments, some of the whisper campaigns that were going around in my area with respect to this program. The whisper campaign was this: I will tell you, Mr. Chairman, it was a similar campaign going around this time but only on a whisper basis as was launched by the opposition during the 1973 election. Do you remember the article and the pamphlet where it had the great big monster looking over the Legislative Building, "This monster is going to take your land over" That type of a whisper campaign, Mr. Chairman, went around my constituency in the Interlake region with respect to this program. If you really sign up this program you're really going to give up your land, Mr. Chairman. You're really signing your life away and that the government is going to take over your farms now that you have gone into an agreement with respect to this program. --(Interjection)-- Mr. Chairman, I don't have to ask my forefather, I just look at myself before I came back to the farm.

I want to tell you, Mr. Chairman, the honourable member wants to know about farming. I didn't have a pot to you know what, when I came to the farm. If it was not for my relatives and for my in-laws being well established on the farm I could not afford to come back to the farm from where I was employed. I want to tell you, Mr. Chairman, that if it isn't for some of these programs, the program with respect to the option of land lease and land purchase that has been in effect in the last two years through the MACC, that many young farmers who have endeavoured to come back to the land and come back farming on the land would never be able to, Mr. Chairman. I would be in that same position, I would be in that same position and I tell you right now, Mr. Chairman, when questions are raised - speaking about forefathers - you don't have to go that far back, you just look at today what has been happening.

Mr. Chairman, the Member for Rock Lake has indicated that really the trouble in the industry - members have raised a question saying that really the marketplace has never had a shortage or never had a shortage of supply with respect to the cattle market. There never was a shortage of supply and the open marketplace could have supplied that need to the consumers of the province. Mr. Chairman, if that has been the case then the honourable members should really wonder what has really happened to the price? Why has the price fluctuated from a boom and bust cycle if the marketplace has really

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(MR. URUSKI cont'd) provided the continuity of supply that has prevailed in the marketplace. Why have farmers had to go bankrupt and leave the farm, because they could not make adequate return on their investment and adequate returns for their production with respect to whether it be cattle or any other industry, if the system operated properly?

The Member for Arthur indicated that the number of cattle has really not increased. The number of cattle he's indicated has not increased. We have to agree with him. The number of cattle in Canada really has not. In fact, the Minister has given those statistics, that from 1965 the numbers went down and in Manitoba we have just come up to the level of production, near the level, maybe slightly higher, of production that was during the years when he was in office. He should believe that.

Now, Mr. Chairman, the member also talked about orderly marketing with respect to the Egg Board, the Egg Plant. There's no doubt, Mr. Chairman, when a national marketing scheme, an orderly marketing scheme, comes into . . .

MR. DEPUTY CHAIRMAN: Order please. We're on Appropriation 1(b) Would the Honourable Minister confine his remarks to that.

MR. URUSKI: Mr. Chairman, I am sure and I would hope that the policy direction that the Member for Arthur has indicated - I presume that it is on behalf of his party - that there is no need for stabilization, there is no need for the guarantees we have provided. I want him to make sure that the farmers, the producers of Manitoba, in effect realize that position and the amount of stabilization, the assurance plan, that has been provided in this case, that he goes out on the hustings and he indicates to the farmers, you did not require that type of assistance when the beef prices had gone down to at least 15 cents a pound. You did not require that assistance and you do not deserve that assistance. And if that's what he is saying he should stand up and say it to all the producers in Manitoba.

MR. DEPUTY CHAIRMAN: The Honourable Member for Arthur.

MR. WATT: Mr. Chairman, I did not say that there was stabilization needed in the agricultural industry. I said there was no indication that government stabilization had done anything for the agricultural industry and I referred you to the egg marketing, the compulsory or controlled government marketing board. What about your turkeys? Tell me about your turkeys?

MR. DEPUTY CHAIRMAN: The Honourable Minister for MPIC.

MR. URUSKI: The member has asked a question with respect to stabilization. I can indicate to him that --(Interjection)-- Mr. Chairman, either the member does not know what the word "government" means - what is the word "government", Mr. Chairman? We are here as members representing the people. All we have provided are the tools and the means in which the producers of this province or of the nation through their elected representatives, can share and be guaranteed a fair return for their efforts and their inputs as it relates to the cost of production.

MR. DEPUTY CHAIRMAN: The Honourable Member for Lakeside.

MR. ENNS: Mr. Chairman, if I may recap briefly some of the arguments made on this side of the House with respect to this item before our Estimates, then let me answer the Minister directly the question that he asked, or that he challenged us with, which was namely that we hadn't paraded as tin soldiers in a line to praise and to commend the Honourable Minister and the Government for this particular action. That, surely the Minister of Agriculture who is after all becoming a veteran in this House must realize, seldom happens from members opposite. Mr. Chairman, let me remind the Honourable Minister opposite that in my initial remarks to him on this item under consideration before the Estimates at this moment, I did take passing time to commend the Minister for the input that was being put. Mr. Chairman, it is not a position of hypocrisy or cynicism on our part not to recognize the input that this Government is putting into a segment of the agricultural industry which sorely needed some help and some assistance.

Let me also remind the Honourable Minister, Mr. Chairman, that this is not the first instance; this is not the first time in a hundred years that this has happened, that in the years gone by in the mid-sixties, whether it was a Diefenbaker administration or

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(MR. ENNS cont'd)not that decided that the grain farmers were in dire need and they required some cash flow input; they required \$2.50 per acre cash grant because of the dire straits of the grain industry during those years, that was given. It was given because it was recognized that the industry needed it, that the farmers, the grain farmers of the day needed it and there were few if any strings attached to it, Mr. Chairman. And that is really what this side is saying.

Mr. Chairman, we recognize and we do not oppose - and the Minister has tried to bait us into a position of saying that we're against the input, we're against the help that the Honourable Minister is extending to the cattle industry at this time. No, Mr. Chairman, we're not saying that at all. We question, as is our responsibility, what direction this particular kind of help, this locking into a five-year program, this distortion of the marketplace which we believe in - now you don't believe in it but grant us our right to believe in what we believe in. We question that distortion that is going to take place in the marketplace over the overall period. The Minister has indicated that he is prepared to spend ten percent, upwards of ten percent of our total budget on this program.

Now I can look at the Member from Churchill and say, "Lookit, for the sake of 5,000 beef farmers, what are you doing without? For the sake of some needed urban housing, what are you doing without? For the sake of some correctional institutes, what are you doing without?" You know, in the total case of priorities and where you're going, there is room for this kind of argument surely. Now, Mr. Chairman, if it is, as has been suggested, I wish the Minister luck. If he thinks he is going to pick up five seats in the southwest because of the \$6 million that he's invested in the southwest, then God Bless him, I wish him happy campaigning. But, Mr. Chairman, don't be so naive - and I would ask the Minister not to be so naive - that the Minister of Agriculture is going to entrap us into suggesting that the cattle industry, and in particular the cow-calf people, whom we also met in their demonstrations that the Minister of Autopac just alluded to a little while ago, were not aware. And he is correct, I am personally well aware of the difficulties in the cattle industry. But, Sir, the question that we in the opposition have said, we have asked where is this significant amount of money leading us in the total cattle industry? We have questioned that. That's what we have done. We do not believe at all that it is a hypocritical position, cynical position to take, that an industry in need at any time doesn't deserve humane and understanding treatment. Mr. Chairman, does the Minister of Agriculture honestly want me to believe, or any of us on this side of this House to believe that for the first time in the history of Manitoba a segment of our agricultural industry has been helped out; that for the first time because of floods or rains, we've had a hay assistance program; that we've had a relief program of one kind or another. Surely he doesn't suggest that.

Now, Mr. Speaker, we have indicated that the help was needed. The help in my judgment is essentially not much different than the cash advance that was offered and is presently offered to grain farmers today. The grain farmer has often lived through times when, even through having harvested an abundant crop, but because of poor sales or a holdup in sales or because of labour difficulties and strikes, hasn't been able to deliver his grain and has had the problem of only being able to deliver two bushels of wheat per acre. And so the Wheat Board, through the Federal agency, has said, "Fine, but we know that you've got fifteen or ten thousand or five thousand bushels of grain on your farm and if you want to you can come and we'll give a \$5,000 cash advance on your stored grain."

Now, it's not stretching the point all that much what this Minister has done. This Minister has gambled on the basic value of the product stored, on the cattle, on the calves, and I don't think I'm being unfair to the Minister when I suggest this scenario.

He has also demonstrated, and you know this is where he has some problems. Deep down a hope in the marketplace --(Interjection)-- Well he hopes, he has suggested to us just a little while ago that if the marketplace doesn't respond properly, in other words if we don't get the 57 cent calves, or 60 or 65 cent calves, somewhere in the life of this five-year program, then he has suggested to us that the drain on the taxpayers' purse could be very heavy. But he has expressed some confidence and I share that confidence. Lord knows I wouldn't be feeding my 100 cows every morning before I come

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(MR. ENNS cont'd)to this Legislature or those calves that I have. But I have hope in those cows and those calves as the Minister does. And for the sake of the Manitoba taxpayers I hope he's right. I hope he's right. But, Mr. Chairman, it is the marketplace that he's placing his hope on. It is Omaha; it is St. Paul; it is Chicago; it is Toronto; it is Montreal that he's hoping will reflect a true market value for the calves that he is underwriting at 57 cents per pound right now, that he is underwriting. And that's fair game, you know, that's fair game.

But, Mr. Speaker, in summarizing, the Official Opposition's party view on this situation, let me reiterate. We recognize and I have - the Minister made some comments about the fact that I had personally made some favourable comments with respect to this program. That is very true. I don't mind at all admitting that in public and for the Hansard to record it. Certainly for that cow-calf operator, for that beef operator that found himself in extreme cash shortage, that wanted to retain stock and not sacrifice them at the depressed current market prices, the program that the Minister is offering is a help, and we recognize it as such. You know, there's just no problem with me suggesting that. That doesn't make me an NDPer, that doesn't make me a Liberal, I just recognize that when a government is prepared to help my industry, in the same way that every grain farmer recognized that when John Diefenbaker gave them \$2.50 per acre that he was helping his industry. So, Mr. Speaker, let's leave it at that particular level at this stage.

We have questioned, the Member for Rock Lake has questioned, what other motives are implied in this program, and what disadvantages could accrue in terms of the five year tenure of the program. Mr. Chairman, I don't really believe that we can solicit much greater advice, enlighten this debate much further on this particular subject.

--(Interjection)-- The Honourable Minister says, what are the disadvantages? I will tell you, I'm a free enterpriser and if I can get a dollar for my calf I want it. I sure as hell don't want his 57 cents. I sure as hell don't want his 57 cents. And I don't mind raising calves for 30 cents for a few years if I have to. But that's my position. That's my position. You see, I am not a Socialist; I am not prepared to accept the even leveling out of misery, you know, to the hope of rising above it every once in awhile. And that of course spells the ideological difference between my friends, but, Mr. Chairman, that of course is what makes farmers generally independent.

MR. DEPUTY CHAIRMAN: The Honourable Minister of Corrections.

MR. BOYCE: Mr. Chairman, I intend to be very brief. I believe that

--(Interjection)-- That's more than ample. You know, Mr. Chairman, this never ceases to astound me that when we're talking about agriculture that every city member is supposed to sit on their butt and say nothing.

Now, the Member for Lakeside --(Interjection)-- I don't pretend to be an authority on farming and I won't debate with the Member for Arthur on how to raise anything. But nevertheless, the Member for Lakeside, who as the press points out is a very able debater, he just demonstrated it, he makes a very good argument for a weak case. In fact even his figures are wrong. He says, you know, ten percent of the budget, he takes two percent times five and puts it into \$1 billion and comes up with ten percent, but it's only two percent --(Interjection)-- Yes, over five years you're right, but multiply the billion by five also and come up with - never mind. As I said, Mr. Chairman, he's a very able debater, he goes through the motions in gazing around. But I just want to make this case. The Minister of Agriculture does not stand alone; as the member for Lakeside pointed out it is a very difficult thing to waltz in the Cabinet and ask for \$20 million, because I have a responsibility to my constituents, who are primarily consumers, and most of them are modest if not below modest incomes. And from our standpoint, one of the most important things facing us today is a stable food production capacity in the province.

Now I served on the Agriculture Committee and much of what I learned about the problems of farming have taken place right because of members in this House have told me of their problems in their constituencies. The one thing that never ceased to astound me in going through the province and listening to the farmers, was how we can expect people with farms that are viable units to invest a million dollars or so - it's getting

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(MR. BOYCE cont'd)that way - and not get any return on their investment. --(Interjection)-- No, they haven't. No, they haven't. If you will go back to 1969 what was in progress was people were leaving the farms. Look at your own report, the TED Report how people were leaving the farms because people couldn't afford to . . . Look at the deals, you know we're moving towards . . . And one of the things that really frightened me at the time was how Ogilvie Oats and Brazilian Light and Power and all the rest of them were just standing back because these big people could afford to sit back and not make proper returns on their capital.

But nevertheless, from my viewpoint in supporting the Minister of Agriculture here in the House and in my constituency, I think it is in the interest of the consumer as much as it is in the producer to stabilize prices. And what are we asking . . . ? . . . talks about free enterprise. You want to be free? When it's up. When it's down, no. Help, two dollars and fifty cents or get rid of the Diefenbaker at a buck a case. That's what you want. You want --(Interjection)-- Oh it isn't? Over the years this has been the case. I lived in Elm Creek when I was a kid and ever since I've been a kid in this province a bunch of stupid bloody politicians have been running around, "Elect me to office and I'll give you, I'll give you." Politicians never gave anything to anybody in their life. --(Interjection)-- No I don't. Don't talk to me about your free enterprises.

As I say the Member for Lakeside is in a very difficult position. If you people would go to your constituents and tell them the government will stay out of business on all occasions. Perhaps that's a defensible position. No, but that isn't what you mean. It wasn't this government that put the idea of rate stabilization . . . Even this House had Liberal and Conservative governments when you passed the Hydro Act. What did you do? You put in the statute itself a stabilization component to take care of this fluctuation. You did it yourselves, but you haven't got the integrity to go to your constituents and say, "For God's sakes fellows get together." You get together. Not the government force you together, but you people that are producing the stuff get together and stabilize your own prices, because . . . urban member if they will get together, I'll support the Minister of Agriculture and the program that in the long range interest of the people of Manitoba it is in their best interest, and at \$100 million it'll be worth it.

MR. DEPUTY CHAIRMAN: The Honourable Minister of Agriculture.

MR. USKIW: Mr. Chairman, the Member for Rock Lake wanted me to answer some of the questions that he didn't get answers to earlier and I wanted to complete my comments, and I believe two or three of the questions in my mind at the last time that I had the opportunity, so within the two or three minutes left I think I can do that.

The member wanted to know the cost of advertising the program. The totality of it was \$42,000, which involved all of the media, every form of media throughout the province. And in the per diems for additional staff that were hired from time to time, there was \$12,000 allocated on a per diem basis.

With respect to the question of no breeding costs allowed in the formula, the program, I want to advise my honourable friend from Rock Lake that we had allowed for four bulls per one hundred cows in our costs.

Now the Member for Lakeside might be able to advise the Member for Rock Lake as to whether that is adequate, but that is what was considered within the budget of that particular formula.

With respect to my knowledge of the need for breeding costs, I would like to remind my honourable friend the Member for Rock Lake that even potato growers are concerned about plant breeding and they too require that kind of input. So it is not a foreign subject to me.

MR. DEPUTY CHAIRMAN: Resolution 1(b) --pass.

MR. PAULLEY: Committee rise. Mr. Chairman. I said Committee rise. . .

MR. DEPUTY CHAIRMAN: Committee rise. Call in the Speaker.

Mr. Speaker, your committee has considered certain resolutions, reports progress and asks leave to sit again.

IN SESSION

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

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

Motion presented and carried.

MR. DEPUTY SPEAKER: The hour of adjournment having arrived. The House is adjourned and will stand adjourned until 10:00 a.m. tomorrow morning. (Friday)