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STRICKLAND, B. P.	Hamiota	Hamiota, Man.
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WAGNER, Peter	Fisher	Fisher Branch, Man.
WATT, J. D.	Arthur	Reston, Man.
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THE LEGISLATIVE ASSEMBLY OF MANITOBA
8:00 o'clock, Monday, March 6th, 1961.

MR. WAGNER: Mr. Chairman I just don't know how much time I have left. (Interjection) I decided through the dinner hour that I will be very short, I promise you. I'm sorry that the Minister is not in his seat; I was trying to help to build some bridges for my constituency with his help. However, I was speaking, Mr. Chairman, on this building of bridges, and my opinion, and I sincerely suggest to the Minister when there is such a provincial drain, a bridge should come along with it, or if it's a river, the bridge should be built 100% by the provincial government, or if it's a Federal project, 50-50 basis -- come to some kind of agreement. I have one river there -- the people came to see me yesterday and they sent a resolution and a petition -- that the children have to cross to the school. Now we have a policy road building 50-50 basis in our area, but when it comes to cross a bridge, and again the river at that point is about 35 feet, maybe 30 feet, well, no few farmers can build such a costly bridge, yet the people and their children are discriminated -- that is not the right word to use, discriminated; I'd rather use penalized -- they have to detour before they get to their own school, which is just across half a mile, they have to detour four miles to come back to the school. So I urge the minister that he would take this under consideration and I had a lot of complaints from people. For example, there is a road being built and there is a natural flow. So what happens with these people? They cannot afford 50-50 basis so they diked the water, and then the water in spring-time tears the grade wide open and there is no more road. In such places culverts should be installed 100% by the government. For even if it is on a 50-50 basis road, when the road is being built, the people should be told by an engineer that there should be a culvert and installed, not to dike any water and create flooding or afterwards the water, anyhow, gets through the grade and it cuts it open and creates expenses. Now I have here a paper clipping, which is dated back in August 4th, '58, in the Tribune, "Province Gives Another \$1,000,000." That's \$3,000,000 aid now for Disraeli. Well the people out on the farm claim that -- Disraeli Bridge that was in 1958. I have nothing against that; I have no grudge whatsoever, but when the country people say, and see this, and they say, now look, our Provincial Government is donating \$3,000,000 to the Disraeli Bridge and we are penalized to foot the bill ourselves, which sometimes involves as I said previously, or a thousand dollar bridge. However, I believe Mr. Chairman, that the members here are under the influence, that we, or (Interjections) particularly, or particularly I am going to stress my point that the Honourable Minister of Agriculture and Conservation. He might be feeling that when I'm speaking on bridges that we require so many bridges that our territory must have 100% drainage all over the area. It's not the case; we have very few drainages in our area, and I would like to refer myself particularly to the Fish Lake drain and Dennis Lake drain, Russell Lake drain. If the Honourable Minister will recall, I was with a delegation to see him and we discussed with time, and then the answer was that he will conduct another study, whether it is feasible to build these drains which are very costly in his opinion; I believe, if I remember correctly, Fish Lake drain was supposed to cost \$305,000, Dennis drain was supposed to cost \$310,000, and I just don't know how much that Russell Lake drain was supposed to cost. But anyhow, the Minister informed us that he is going to conduct the study if it is going to be feasible to build these drainages or move the farmer, and I just wonder how hard that the Minister is giving this study and what is the outcome. Maybe later in his estimates he will tell me how far it has gone. And what happened this year in Fisher area - there was river cleaning which I appreciate very much, but they cleaned the portion of the river, opened it up and the balance of the portion which is not too far, it was left. And I hope that there is not too much of a water flow this spring, because there are some farmers that they will have water up to their window sills in the house due to this fact, so that in my own opinion once such a project is being undertaken, let's not alleviate one group of farmers and flood the other farmers, and I can specify exactly where that is taking place if the Minister wishes. Now in Fisher area the drainage program is under study, I'm told, by the Water Control Department people, but however, the Minister drew to my attention last year that before any water is going to be drained from Fisher River area, particularly from Rembrandt and Mallard and Silver area, Icelandic River has to be cleaned in the eastern portion of Harbour, and that would, oh approximately stated amount to \$142,000 or something like that, and I

(Mr. Wagner, cont'd.) . . . remember as vividly as I am standing here when I asked the question whether the Honourable Minister had in mind to continue that cleaning of the river in 1960, and he got up and he told me I didn't say 1960, I said it required \$142,000, that is, if I remember the figures correctly. So I hope to get a better answer this year that the Minister will say that he is going out with the project of cleaning the Icelandic River in Arborg and also he is going to alleviate the situation in that Fisher area.

Now it was brought to my attention when this pork, surplus pork distribution -- and I don't know if I'm in order here, Mr. Chairman, because pork belongs to the Agricultural Minister and I understand that was the Welfare Department that was doing the redistribution, so it's too bad that the Minister of Health is not here; possibly I could be put straight on the road. But, however, what I am trying to say on this pork distribution, it was brought to my attention by some business people that they ordered, they didn't know exact amount of money, cases they should order, and then they received more coupons than they had a supply, and then they went and re-ordered and there was none available, and some of those welfare people, old age people, were left with coupons. Some of them even hired cars or a taxi to go to other towns to get those surplus pork and give their coupons away. However, others I was told, that even had as high as 400 -- I stand corrected, Mr. Speaker, because I was told this -- 400 cases, and they supplied the whole area with these people holding the coupons, and yet they had left quite a number of this pork, and I just wondered what happened to that pork; whether the government took the pork back, or on what basis it was left to the retailer. Now I'm trying to speed up Mr. Chairman, I don't want to bore nobody, but I just want to refer myself back again to a little bit of bridge work what took in Fisher River Reserve and the Peguis Reserve. For a number of years, and since I am elected, fortunately I'm representing those two Reserves. These people were after a few bridges, just a few bridges, and I was after the Minister since 1958 since I was elected, and the council tells me that they were after the government -- that was the former government also -- and they couldn't get these bridges built. However -- (Interjection) -- well, my predecessor was for 36 years. However, one bridge is being built in Fisher River, and I am happy that it is built, and it is built 50-50 basis with Federal Government and Provincial Government and I am happy, but the Peguis bridge, to my understanding, it's only under negotiation, but I am hoping and I feel that it should be built in 1961 winter. I'm hoping at least, and I'm told that some of the bridges were already declined of building in that Reserve, so I would encourage and urge the Minister to try and speed up these bridges, and these bridges are not only for the Reserve people, they are equally as important to the non-Reserve people. We have for example Lake St. George, Jackhead. The Honourable Member for Rupertsland, his people are coming across from Jackhead to St. George into Fisher River, across the River and coming to Dallas and coming south, and there are a lot of people that are transporting their pulpwood, and there are a lot of people settled, non-Reserve people, they would use the same bridges.

Just one more item about the Reserve people. As you know, as I stated before in this House, that I attended the Indian and Metis Conference, and I go from time to time and I visit these Reserves. I sit down with the council or anybody on the road or any place they meet, and we discuss how we can bring these people on the equal status as anybody else as a citizen of Manitoba or Canada, and we are discussing and the government is taking it under consideration somewhat on the basis of cattle-raising, but they have to borrow the money and that loaning business has to be paid back, and in my opinion those people have just as hard a time to get a loan as we farmers ourselves, because you have to qualify for it, you have to have security for it, and they are just as well as handicapped in my opinion as we are ourselves. Naturally the Honourable Minister wouldn't think that we are handicapped, but receiving the answers to my questions I see that there is not too many loans taken out, and if they are taken on the average I would say a little bit better than \$11,000. We also discuss -- I have an idea possibly we can get these Indians into co-operative farming, but then no matter how much you talk about it, discuss about it, you fall into the same problem -- is finances, and on this, Mr. Chairman, I'm going to conclude with making this remark, that it's not the point that that's the Conservative group and that's the Liberal group and that's the CCF group and that's the Social Credit group; we've got to get our brains together; we've got to get our nose to the grindstone, and we have to come up with a solution to bring these Indians, if you want me to use that word, to equal status as we are ourselves, or else we are not doing our duty to our true Canadians.

MR. PAULLEY: Mr. Chairman, you've heard from the farmers in my group -- I think possibly I may be excused as a farmer from Transcona, the extent of my farm being a lot 50 feet by 100, but I want to assure my honourable friends in my own caucus and others in the House, that notwithstanding the fact that I may represent an urban constituency, that the plight of the farmer is indeed our concern as well. Sometimes it is suggested that because of the fact that we come from urban constituencies, particularly if we are representatives of the CCF Party, that our sole interests are those of labour. I don't think that this is true, Mr. Chairman, because I am sure that all of organized labour, as indeed I think that most of those who represent urban constituencies are vitally concerned with the plight of agriculture, not only in the Province of Manitoba, but in the whole of the Dominion and, in particular, Western Canada as well. --(Interjection)-- Yes, even in respect of the colouring of margarine. It may be that it is revealed that we have difference of opinion on the approach to the question of colouring of margarine, but I am sure that before the debate on that very coloured subject is concluded, my honourable friend opposite will receive some very, very sound advice from members of urban constituencies in the proper approach to the problem of the dairy industry here in the Province of Manitoba, so I suggest to him, Mr. Chairman, that he just wait awhile till we get right into the teeth of that bill, and listen very, very attentively.

Now it appears to me, Mr. Chairman, that we still have the very, very basic problem of agriculture before us, which is the question of increasing the net income to those engaged in agriculture, and I have my doubts whether the farmers of Canada are receiving any substantial support from the administrations, either here or at Ottawa, in respect of a solution of the agricultural question. I know when I say that, that the Honourable the Minister of Agriculture, and possibly correctly to some degree, will tell us that the problem of cash income to our farmer friends lay in the hands of federal authorities primarily and secondary here in the Province of Manitoba. I recall that when my friends in the official Opposition were in power, they told this to the now Premier of Manitoba and the Conservatives and ourselves of the CCF Party. To me, it is just simply attempting to get off of the hook. I think that there is a lot that we here in the Province of Manitoba can do in respect of agriculture, if only to try and impress upon the Federal authorities at Ottawa the true plight of the farmer. I read with interest the report of the Deputy Minister of Agriculture and I think that he is basically correct when he says on Page 8, that the farmers of this prairie region continue to labour under the burden of surplus farm commodities. The lack of markets, on Page 9, he says, the lack of markets is the immediate and vital issue confronting the agricultural industry. All of this suggests the need for a greater measure of international co-operation. I think in that, Mr. Chairman, the Deputy Minister hit home and hit home very, very hard, because in my opinion it is in the field of international co-operation that we can find a solution to the problems of agriculture here in Canada.

I noted a press report, which unfortunately I did not date, that at the end of the 1960-61 crop year, that the world stocks of wheat may total a whopping 60 million tons, approximately 2 billion, 220 bushels of wheat, and yet, Mr. Chairman, that notwithstanding the huge surplus of wheat in the world as I indicated the other day, about a third of the populations of the world are still going hungry to bed at night. You may say to me, "What are you prepared to suggest?" The question has arisen on numerous occasions as to whether or not the economy of Canada can stand the purchase or disposal of these huge surpluses which we have here, and the sending them to other countries. I would suggest, Mr. Chairman, that the answer to that is simply this, that when at the present time, here in the Dominion of Canada, our collective tax dollars to the tune of over 2 billions of dollars is being used for implements of warfare, called defence by some, that surely to goodness, we could utilize our surpluses of our agricultural commodities by the transferring of some of this huge amount of money into filling stomachs of those who one day may rise against us. I think in this avenue, that the government of the Province of Manitoba and the government at Ottawa could give great leadership. I personally feel, and I suggest, Mr. Chairman, that I'm not alone in this, that there are many hundreds of thousands, if not millions, in Canada who share the same view as I do. And what are the directives that we are getting from Ottawa? Again I qualify that by saying that with justification the Minister of Agriculture here in the Province of Manitoba might say that this is Ottawa's problem. But I think equally well, and I reiterate, it is the problem of Manitoba's government and indeed, Sir, of even we in Opposition. But what is the answer? The Agricultural Minister of Ottawa,

(Mr. Pauley, cont'd.) . . . speaking at Selkirk some time ago, suggested that we would only fill their stomachs for a very comparatively short period of time. I don't think that's a right approach.

But speaking here during the Manitoba Farmers' Union convention, he went a little further and he told the farmers of Manitoba, to "get off of your seats and use your noggins." We recognize and have recognized that the problem is one of disposal. I would suggest to the authorities at Ottawa and here, to get off of their seats and use their noggins. But I found one very, very significant point that Alvin Hamilton made during that speech as reported by Jim Shilliday of the Winnipeg Tribune, and I suggest, Mr. Chairman, that this is a direct report of what the Minister actually said. "I do not think that the taxpayers," and I'm quoting from the news report, "I do not think the taxpayers will continue to support a policy of subsidies unless it can be shown that these expenditures of public funds on agriculture achieve the aim of getting agriculture to help itself." I suggest that, Mr. Chairman, it isn't a question of whether or not we would be in support of subsidies for agriculture to help itself. I think that we should recognize here in the Dominion of Canada that we are still, to a large degree, the breadbasket of the world. And I suggest that, contrary to the implication as I read it, of the Minister's statement to the Manitoba Farmers' Union, that the people of Canada have no objections to subsidies to our agricultural friends. I certainly can say that, insofar as my group are concerned, we have no objections whatsoever to subsidies to our agricultural friends. We recognize, I think above all political parties here in the Dominion of Canada, that we must have a stabilized agricultural industry. I'm sure I can speak by and large for the labouring forces of Canada when I say we have no objections to subsidies which will ensure, to agriculture and our primary producers, a fair return for their labour. So, I say, Sir, that there is a great obligation on the agricultural department of this government and on the agricultural department at Ottawa, to forget about the cost of subsidies in respect of agriculture to give a fair return to the producer. It is true that at the present time not only provincial governments but the Federal Government as well, has a great concern for the proper utilization of the tax revenue dollar -- and by tax in this case, Mr. Chairman, I mean all-embracing, from all sources of revenue in the Dominion -- they have a great obligation and a great duty to see that the revenues of the producers of Canada are used properly. Again I suggest that throwing dollars and cents on outdated implements of warfare is not the solution. So I say, quoting again of Hamilton's advice to the farmers, "Get off seats and use our noggins." There's a far greater onus on us as legislators here in the Province of Manitoba and in Canada to take a different viewpoint and a different aspect of the use of the dollars which are produced here in Canada.

We can make a great and invaluable contribution to the peace of the world and to the future of democracy by utilizing our surpluses for the well-being of all of the citizens of what we call, "The Brotherhood of Nations." So I suggest to the Honourable the Minister to take all these matters under consideration together with his colleagues at Ottawa, and bring about a readjustment of thinking. We're not producing in Canada near enough to play our full part in the destiny of man in this world. The agricultural surpluses of Western Canada and Canada itself can well be used, and used properly, for humanity. We have a continuing concern here in Manitoba and elsewhere with surpluses. It seems to me, Mr. Chairman, that when we're in a period of agricultural surpluses of cereal grain, the advice of our agricultural experts is to go into livestock or poultry or some other form of income to our farmers, to become more diversified in agriculture. But what do we find? I think it's a truism of history of our farmer friends that no sooner do we relieve one surplus area than because of the diversification we create another. I think we've seen that in the field of livestock. My colleague from Fisher Branch was pointing out today in respect to poultry and eggs. We're continuously going through what seems to me a cycle of absolute improper planning or lack of planning; that we're continuously going around in a cycle, and going from surplus to surplus. And I think until such time as our experts in agriculture -- and I don't profess to be one at all, Mr. Chairman; after all I'm just an outsider actually looking into the picture of agriculture -- but it seems to me, as one not actively engaged in agriculture, that this is a factor. We set up here in the Province of Manitoba, and not so long ago, a Credit Loan Corporation under governmental control. We received some of the answers to some of the questions just today. I want to suggest this: that it is important to the agricultural industry here in Manitoba that they should have available

(Mr. Paulley, cont'd.) . . . credit, but I want to suggest as my colleague from Fisher Branch has just indicated, that the answer does not lie in the granting of more credit, desirable as it may be. We make huge expenditures here in the Province of Manitoba as they do in the rest of the agricultural areas, in regard of research into agriculture. It seems to me that the emphasis in agriculture has been ever and ever more research into cutting down production costs, greater utilization of land. This is all to the well, Mr. Chairman, and I don't think anyone would object to this. But if the ultimate end is only the creation of greater and greater surpluses, is it worthwhile? And I ask that very very pertinent question. Is it worthwhile to repeatedly in the area of research in farm credits, make provision for more facilities to increase yields, when at the same time we still have with us all of the surpluses that we have and, as I mentioned earlier, people in other parts of the areas in this world fighting each other, and indeed fighting us, for a mere existence?

A session or two ago we also here, in the Province of Manitoba, set up a new crop insurance scheme. I'm sure that the farmers of Manitoba welcomed this. It was something that was required in order that their income may be stabilized. But I would like to suggest this to the Honourable the First Minister, if the newspapers quote him correctly of some of his utterances during the recent by-election in Pembina, that if his suggestion of a reduction in the crop insurance rate to those who make no claim in the areas, is correct, I think he should think again, because to me this defeats, this defeats the whole principle of crop insurance. That it is the fellow who repeatedly, through acts of God, or the weather, or call it what you may, whose income is wiped out; he is the man who requires the additional support. And if, through an act of nature, an individual within a crop area is wiped out on two or three occasions, and he finds that his premiums are relatively increased because of the fact of the reduction of those who are very very fortunate in not having any catastrophe attend them, then I say the whole insurance policy or basis of insurance is defeated. So I would suggest to the Honourable the First Minister and to the Minister of Agriculture, that they give very very serious consideration before introducing any suggestions of this line.

I want to say, Mr. Chairman, that so far as my friends on my right are concerned, they had no firm policies in agriculture either while they were in power, either here in Manitoba, or in Ottawa. Well I'm sure, Mr. Chairman, that those of us here in Manitoba and the agriculturalists right across Canada had hoped that when that great and dying party had its rally at Ottawa recently, that they would have a solution to the agricultural policies and problems of agriculture. But if one reads the report of the Liberal rally at Ottawa, it appears to me to just be a question of adding a couple of dollars more as a palliative to the farmers but leaving him with the problems that he had in the first place anyway.

MR. GUTTORMSON: You're an expert, you should know.

MR. PAULLEY: No, I'm not an expert and I've pointed that out. And the honourable member who has just spoken -- the Honourable Member for St. George, I understand, Mr. Chairman, he was down at Ottawa and --(Interjection)-- Yes Sir, he is an expert, because he's one of those individuals who is engaged in that great and honourable fourth estate that we hear about, the media of the press, who gives us actual reports on what is happening in the field of agriculture and other fields. And it was one of his colleagues in the fourth estate rather than in the Liberal Party who kept me informed as to what was going on in Ottawa. So I frankly confess, Mr. Chairman, I was not at Ottawa but I followed it through the media of our very capable press.

MR. GUTTORMSON: You should have been there.

MR. PAULLEY: Yes, Mr. Chairman, maybe I should have been, because if I had been there I think I may have convinced a considerable number there as to the folly of their ways. And I think I will be able to convince a considerable number of people who they may have hoped to have support in the forthcoming elections, wherever they may be, of the follies of the Liberal administration.

Now, Mr. Chairman, I'd like to say a word or two in connection with the floods and the floodway. You know, Mr. Chairman, it's rather amusing to me to hear from my friends on my right of this great floodway around the City of Winnipeg, how they're berating my honourable friends opposite for their lack of speed insofar as the Red River floodway is concerned. I was thinking this afternoon, as I was sitting here looking over some of the reports and hearing some

(Mr. Pauley, cont'd.) of the comments of my honourable friends on my right, the official Opposition, I pictured in my mind's eye a cartoon that I saw back in 1950 by Kuch, I believe it was, of the Winnipeg Free Press, who at that time lent a considerable amount of support to the Liberal Party. If I recall the cartoon accurately, it was a picture of a house floating down the Red River. The then Premier of the Province of Manitoba and present Leader of the Official Opposition was sitting up on a chimney on top of this house, and the cartoon was asking what is going to be done about the flood, and the words in the cartoonist's mind and published at the time was attributed to my honourable friend, "What flood are you talking about?" So I suggest that my honourable friends haven't got too much to say, or should not have, of criticism to the government, because of the fact of their slowness, and we agree that the government is going slow, that there seems to be a back-down from the suggestion of the First Minister of a couple of years ago, when he said that we'll go it alone, but it's going to be done, by George, and I don't know who George is -- maybe he's not reached on the horizon -- he hasn't actually, Mr. Chairman, I don't think George has arrived yet, because I note from the report of the Department of Agriculture--granted this is a year old -- that in the report on Page 75 dealing with Flood Control Projects, the indication is that they still don't know where the floodway is going to go and have constantly to change their plans. I want to say this, Mr. Chairman, they may not know where the floodway is going to go, but they are taking steps to expropriate the land of the farmers in the general area where they think that it might go. And I want to register an objection to the method by which expropriation proceedings are taking place in respect of the Red River floodway.

I am informed from very reliable sources that expropriation was entered into last fall, in October, that those that were apparently to be affected by the floodway and their lands were told then of expropriation having been done, and as short a time as a couple of weeks ago, did not even know the prices that they were going to be paid for their property. I might say, in order that the record is straight, Mr. Chairman, that I took this matter up with the Attorney-General of the Province of Manitoba in October. I pointed out to him at that time that in my opinion, and I do not claim to be any more an expert in law than I do in the field of agriculture, but I pointed out to him at that time that under the Expropriation Act of Manitoba, and Section 13 (1), the Minister is required to set forth the amount of compensation he is ready to pay for land being expropriated at the time he registered the plan. Now, I might say that I did have a conference with the Minister and a member of his staff, and he pointed out to me that while Section 13, subsection (1) of the Act does read that way, it doesn't mean that. --(Interjection)-- Yes, the whole trouble is, of course, as I well recognize the comment of the Minister of Education, that the trouble with lawyers is that they don't read these acts the way a layman does, because it appears to me that there's no doubt at all in that section, that on the filing of the plan, which was done, the Minister should be in a position to say to the people whose land is affected, "We are prepared to make you an offer of X numbers of dollars." I would agree, Mr. Chairman, that it might only be a tentative figure, subject to negotiation, but the fact of the matter is that in respect of the expropriations of the properties for the floodway, those that were affected were first of all told that the expropriation had taken place, that the land now belonged to the Crown, the Crown in effect said, "we don't know what you're going to get for it, so we can't tell you," but in addition to this, suggested if they wanted to come to terms with them insofar as the use of the land until such time as the floodway was built or progress had been made, "you can stay there as a tenant providing you come to agreement with us insofar as tenancy prices, as this is concerned." Because with a letter that was sent out by the Water Control and Conservation Branch, it said this: "Our records indicate that you are the registered owner of part of this land as outlined in red on the attached sketch. We should like you to continue in occupation as our tenant until either the land is required for floodway construction, or until you have arranged for the use of other property. You will be informed as soon as we are able to discuss with you the terms of a lease. If you are agreeable to remaining in occupation of the land in this manner as our tenant, and subject to us arriving at a mutually satisfactory lease terms at a later date, please indicate your approval by signing on the bottom of the enclosed copy of this letter and returning it to the above address." It sounds good, but here. . . .

MR. HUTTON: Mr. Chairman, I don't think the Honourable Leader of the CCF has read the whole letter. I brought the letter with me because I wanted to put the whole thing on the record. Would you read it all?

MR. PAULLEY: Well, sure I'll read it all. It'll be harder on my voice than it will on yours, but I'm prepared to read it all.

MR. HUTTON: Read it from beginning to end so that the whole of.

MR. PAULLEY: Well, sure, if that's the desire of my honourable friend, and far be it from me to do other than to accommodate my friend. "Dear . . .", of course there's no name on this, "You are no doubt aware of the Provincial Government's decision to proceed with construction of the Greater Winnipeg floodway from an intake near St. Norbert to an outlet near Lockport. That portion of the floodway route from the Trans-Canada highway north" - and here is the description of property, and I don't think the Minister requires that I should give the actual description because it may reveal my information, but if it's O.K. with him, I would go ahead -- read it? "That portion of the floodway route from the Trans-Canada Highway north to the north boundary of Section 11, Township 11, Range 4 East has been surveyed and the plan registered." Now get this, "the plan registered in the Winnipeg Lands Titles Office as No. 7386 on the 26th of September, 1960. Under the terms of the Expropriation Act registration of this plan transfers ownership to the province of all lands shown on the plan as being required for the floodway." I just want to interject here and I want to repeat, this letter says that the plan is registered. Section 13 (1) says, "and the land has been expropriated," Section 13 (1) says that on the plan being registered, the Minister shall forthwith or something to that effect, attempt to come to terms with the party concerned. -- (Interjection) -- Yes, that's right, it does say, in effect, give a price to anything except the lawyer, or anybody except the lawyer. --(Interjection) -- Well, I think even a lawyer could argue my way.

Now then, as I mentioned earlier, and I'm continuing now on the letter, "Our records indicate that you are the registered owner of a part of this land." --actually, it should have said you were the registered owner -- "as outlined in red on the attached sketch, and we should like you to continue in occupation as our tenant" -- first of all they say you are the registered owner, and then they say, 'well we like you to be our tenant' --"either until the land is required for floodway construction or until you have arranged for the use of other property. You will be informed as soon as we are able to discuss with you the terms of the lease. If you are agreeable to remaining in occupation of the land in this manner as our tenant, and subject to us arriving at a mutually satisfactory lease terms at a later date, please indicate your approval by signing on the bottom of the enclosed copy of this letter and returning it to the above address. If there are buildings on the property which you have insured against fire loss, you should notify the insurance company that your property is under expropriation." This is an accomplished fact. "Also tell them that you are continuing in possession as a tenant" -- did it again -- "your property is under expropriation after it's done, also tell them that you are continuing in possession as a tenant and that your change in interest from owner to tenant should be noted on the policy. While the expropriation covers land and buildings, it does not include contents of buildings, nor is it the intention to take any unharvested crops. We are prepared to continue existing insurance on buildings until expiry date and would credit you with a proportion of premium from September 26th, 1960, until expiry date. The Floodway Property Committee has been set up by the government to acquire the property needed for the floodway. A staff of well-qualified appraisers have been engaged to evaluate the property required for the floodway. We wish to assure you that it is our intent and purpose to endeavour to arrange a settlement in consultation with you and having regard to all factors that will be fair, we trust mutually satisfactory," and I think that that is a good statement, and I think it is a statement that indicates sincerity and I am not suggesting, Mr. Chairman, any lack of sincerity in this, but I do suggest that the people who were affected still to this day do not know what they are -- (Interjections) -- yes, I'm going to. Now then, I'll go on to the final paragraph of the letter to accommodate my honourable friend and to put on the record the balance of this letter. "We are now engaged in appraising the individual properties expropriated," -- again an admission, Mr. Chairman, that the properties have already been expropriated -- "and in due course shall be in touch with you about a settlement. If you wish to discuss this prior to the visit from our appraiser we shall be glad to have you come to this office."

That is the contents of the letter and I suggest the chairman of the Floodway Property Committee, Mr. Joslyn -- and I might say that Mr. Joslyn is a very honourable and upright individual; I've known him for a number of years, and worked with him insofar as Metropolitan

(Mr. Paulley, cont'd.) Planning and the likes of this is concerned, and also in regard to other matters, so I have no opposition to the man himself -- but the point that I'm getting at, Mr. Chairman, is contained right throughout the whole communication. It's ambiguous in the communication itself. At one time they're talking about an arrangement, our tenants, expropriation this that and the other, but the main point in the whole thing, the main point to me, Mr. Chairman, in the whole thing is, that these people to a large degree are still up in the air and they don't know where they stand. And as I say, as a matter of fact, two or three weeks ago they still didn't know of any firm offer in respect of some of the properties that had been received, letters of this description back last September. Indeed we here in this Legislature are in a similar position in that we don't know when and if the floodway is actually going to be started. I noted quite a few Press reports on the fact, or presumed fact, that this floodway is going to be second only to the building of the Panama Canal. We noted that the new visionary for the Department of Northern Affairs, the Honourable Mr. Dinsdale, has suggested that he's sure -- or he's quoted as saying in a press statement -- that the Federal Government are going to pick up 50% of the tab. We still haven't got it -- anything that's been drawn to my attention at least, Mr. Chairman, any indication that such is a firm fact. It has been pointed out in this House by my friend, the Leader of the Opposition, that the First Minister may have prejudiced our case when, during a debate here some couple of years ago, that he had said he would go it alone as Premier of the province notwithstanding any aid from the Dominion Government. But I do say, Mr. Chairman in all seriousness -- and I have been serious on this -- that I don't think that the people who may be affected by the floodway have been treated fairly. I'm not suggesting that eventually that they won't be, because I feel sure that when negotiations are proceeded with there will be a reasonable price settled between them. And I suggest that I appreciate the problem, Mr. Chairman, that the province had in respect of this, that they had a fear, and I think a genuine fear, of speculative prices insofar as the area in which it was contemplated that the floodway would go through. I can appreciate that, but I do think there was another method, or other methods, by which this could have been done, that the Act could have been followed through that on expropriation of the property a firm offer or an offer could have been made to the people concerned with the floodway.

And now, Mr. Chairman, I just want to say a word or two in connection with another floodway. I understand from reading the Throne Speech this year, that on paper at least the Seine River Diversion is completed. I think that's what the Throne Speech said. --(Interjection)-- Well, the inference -- we don't want to get into that word "inference" again around here -- indication of it being finished. I do sincerely hope; I know that it's nearly completed, but I understand there's a question of a barrier between the outlet of the Seine River Diversion and the Red River where it contemplated the waters shall go. I sincerely trust and hope that the department and the Minister are fully prepared to allow the waters of the Seine River to be diverted into the Red River rapidly if it appears as though we're going to have another situation in the lower reaches of the Seine River such as we had last year.

I want to say this to the government in respect of the flooding of the Seine River last spring. I do not think that they were fair with the people in my constituency of Radisson who were affected by the flood; that for, I think the third time in two years, the people in the southern part of St. Vital were flooded out to a large degree as a result of the overflow of the Seine River. I do not think the compensation offered was adequate at all. I did have a list of the proposed compensation to individuals affected -- I regret that I haven't it with me at the present time -- but to me it was totally inadequate. During the time of the Seine River flood this year I toured the area and saw the devastation that was caused as a result. Following that, I made representations to the Minister as to possible solutions to the problem. I realized that the diversion itself, the Seine River Diversion, was in the process of being completed after some delay, but I suggested to him in a communication that he should also undertake consideration for the removal of silt and debris which has accumulated in the lower reaches of the Seine through St. Vital and St. Boniface. The Minister was kind enough to have the matter investigated and I appreciate that very very much. Subsequently, I received a communication of a report sent to the Minister in May -- I think it was in September when I actually received the report that was made in May -- dealing with the points that I raised. It seems to me, Mr. Chairman, and I suggest this to the Minister, that if he would reread the report that a little bit

(Mr. Paulley, cont'd.) . . . too much emphasis is being laid on the value of the Seine River Diversion itself insofar as the lower reaches are concerned. I noted recently that the council of the Rural Municipality of St. Vital had proposed in co-operation with St. Boniface that a program should be undertaken to clean the debris and the overgrowth from the Seine River bed. Unfortunately, I think that this is not being proceeded with. I'd like to suggest to the Minister and to the government that seeing as we have some 30 or 35 thousand unemployed in the Province of Manitoba that this would be a good project to be done, and be done before the spring thaw comes. It has appeared to me, getting back again to the flooding of this spring, that one of the major causes of the flooding was due to the rapid thaw in this area of Greater Winnipeg. I'm informed that in around the Town of Transcona, just east of the Seine River, there is a basin there that thawed out rather rapidly and filled the Seine River and the ditches leading to the Seine River more rapidly than had happened for a considerable number of years, with a resulting overflow to the Town of Transcona on the south side, and also that the Seine basin itself could not take the water away. So I suggest to the Minister that while the Seine River diversion is going to have, we hope, a tremendous effect on the possible flooding of south St. Vital, that before the matter is fully resolved that the lower reaches of the Seine must be cleared out, the banks straightened and the likes of that. I appreciate the fact that as the reports say, that in some instances there may be objections from some of the land owners along the line, but I question whether or not this should deter the activity in having it cleaned out.

Now, Mr. Chairman, I've been rather long on agriculture for a city slicker, for a fellow that only owns about 5,000 square feet of land in the Town of Transcona. I make no apology at all. I want to reiterate what I said at the offset, that notwithstanding the fact that I may be a representative of an urban constituency, notwithstanding some criticism sometimes that are levelled at my particular group as a labour party, I'm happy with the contributions of my two rural members, the Member for Brokenhead and the Member for Fisher Branch. I want to assure to this House and to all who have had the opportunity of noting any contribution that I have made to the debate on Agriculture, we are sincerely concerned with the agricultural problems of Manitoba and of Canada.

MR. HILLHOUSE: Mr. Chairman, I'd like to ask the Minister a question before I say what I have to say. The question is: was any notice published under the provisions of Section 15 (1) of the Expropriation Act in respect of the Red River diversion scheme?

MR. HUTTON: Here we have a lawyer asking a farmer on a point of law, and I'm afraid I'll have to beg ignorance on this one.

MR. HILLHOUSE: Mr. Chairman, he's the Minister in charge of this project and he should know the answer. There's something pretty vital at stake here. The rights of individuals are at stake and this Expropriation Act is an extra-ordinary power which is vested in the province and vested in municipalities, and I submit with all due seriousness that the letter of the statute should be carried out, and it hasn't been done in this case.

MR. HUTTON: Mr. Chairman, I can't answer the honourable member's question at the present time, but the procedure followed in acquiring the land was done with the best legal advice that is available to us, and to my knowledge the provisions of the Act were followed.

MR. HILLHOUSE: Would you mind giving the name of the lawyer who advised you?

MR. HUTTON: We have some pretty good advice right in the Government service.

MR. CAMPBELL: Mr. Chairman, the Minister seemed to suggest in his very brief statement this afternoon that he would perhaps prefer to have some questions asked rather than him making a long introductory speech. Well quite a few questions have been asked, and some of the ones have been asked that I was going to deal with as well, but as the Minister hasn't attempted to answer any of these up to date, I would like to perhaps reiterate some of these and put some others on the record as well.

The first one that I was going to ask also was with regard to the floodway. I had already mentioned the fact in the Speech from the Throne that I thought the progress was pretty slow. My honourable friend, the Leader of the CCF Party denies me the right to talk about anybody being slow, because he seems to think that my own reputation in this regard hardly qualifies me to throw any stones. But I think that there's quite a bit of difference, because I never promised that I was going to do these things in a great hurry. I recognized that this was a tremendously big job. It was one that took a lot of consideration; it was one that represented a great deal of

(Mr. Campbell, cont'd.)....money. I made it very plain at all stages that I was not even prepared to deal with this matter until we had a definite undertaking from the Federal Government as to the percentage that they would pay. I stuck and hung that that percentage should be 75 % from the Federal Government and no less, and I made it very plain that without an agreement by the Federal Government, we considered it too big for the Province of Manitoba; we would not proceed with it on that basis. That was pretty generally stated, I think, and I would still take that position even under the present circumstances. I'm afraid that by now the Honourable the First Minister is wishing that he had been a little slower on some of these things too. Well if he feels that way -- he's certainly starting to act that way anyway, because there's very little evidence of progress being made. But the progress that has been made has been mentioned already. The Honourable Member for La Verendrye brought it up first thing this afternoon; the Honourable Member for Brokenhead mentioned it in his few remarks and the Honourable Member, the Leader of the CCF Party has just spent quite a little bit of time on it. I didn't hear about these expropriation actions as soon as the Honourable Leader of the CCF Party did. In fact I heard about them quite recently. And to say that I was astonished that the job had been done in that way, was to put it very mildly. I too know Mr. Joslyn very well. I had a lot to do with him at the time -- following the famous flood of 1950. I found him to be a very capable and honourable intelligent gentleman, and I could hardly believe when I found out the first indication that these farmers received was the letter that the Honourable Leader of the CCF Party has read in this House. I simply cannot conceive why people administering a huge undertaking as the acquisition of land is in this regard -- I think it's supposed to amount to something like 9,000 acres of land with a tremendous number of individuals -- I can't conceive how people who would be doing this job not making an effort to discuss it with the farmers in advance. Anybody who knows -- and I'm sure the Honourable the Minister of Agriculture does know the feeling that every farmer has for his land particularly if he has grown up on it or had it a long time -- to think of the feeling that he has when he receives a letter like that and is baldly told that he now is a tenant. I think it's a desperate thing that has been happening. Surely there was a better way to do it than this, Mr. Minister. Surely they could have gone out and consulted with the farmers first. And even though some information would have leaked out undoubtedly in that way, it perhaps would have given an opportunity to some speculators to rush in, and I suppose that's the only justification there is for trying to do it this way. But suppose that had been done, it could still have been expropriated, and when the question came before the Courts then I'm sure that those few cases that had been dealt with in that way, the Courts would give them very short shrift, because they would say that the value of land was established by the others not by the ones who had dealt in that way. So I think that this is a misfortune all around. I too read the Act in this connection and certainly my interpretation of it was the same as that of the Honourable Leader of the CCF Party. I think that there has been a mistake made in the legal proceedings here when an offer of the compensation did not accompany the filing of this expropriation regulation. Well now that has been forcibly brought before the House by others already and I don't need to say any more about it now, but I'm sure that the Minister will be wanting to give his side of the story and I certainly think he should be prepared to do that.

Then I wanted to mention a subject that I also dealt with briefly on the occasion of the address in reply to the Speech from the Throne, and that's with regard to the recent Wheat Board regulations re coarse grains marketing, and here is the question that I want to -- or questions that I want to ask the Honourable the Minister deal with the same ones that I mentioned when I was speaking on the Throne Speech. I would like the Minister to tell us, because he hasn't done so yet, I would like him to tell us what he did say and what the First Minister said when the Manitoba Farmers' Union delegation met the Cabinet to present their brief. Did the Minister agree with the report that I read into the record some little time ago here? Was it a correct report? If it wasn't, I think we should know. I don't intend to discuss again the question of there being complete unanimity that federal agricultural policies to date have been inadequate. If the Minister would like to comment on that and tell us to what or which policies they were referring, I'd be interested in that. But that isn't the point that I'm making at the moment. This is the interesting part. Premier Roblin is quoted as saying, and this was in quotation marks: "No Manitoba legislation regarding the operation of the Canadian" -- (excuse me) "no request from the feed mills of the Federal Government has been received to date to change

(Mr. Campbell, cont'd.) Manitoba legislation regarding the operation of the Canadian Wheat Board Act." I would appreciate knowing from the Minister if that's a correct report, because if the Minister says that's a correct report then, of course, we accept it as being correct. If the First Minister says it's correct, we accept it. But I'm wanting to know if the report of the Manitoba Farmers Union was right, because this is what they said. And then this is not a quote from what the First Minister or the Minister of Agriculture says; "That confidence was expressed by the MFU that no legislative changes in Manitoba would be made even if the provinces requested to do so." Is that a correct report? Is it a fact that the Manitoba Government has not been consulted with regard to this change? Is it also a fact that even if they are consulted at this late date, that they still do not intend to co-operate with the change that has been made I presume by authority of the Federal Government even though the Wheat Board itself is capable of passing the regulations? These are very interesting questions to me, Mr. Chairman, because I think the Minister would agree that one of the reasons that this change was asked for was because of the fact that not only the feed mills were getting grain in without it going through the account of the Canadian Wheat Board, but in addition to that some dealers and others, were taking grain in on accounts or sales or trades and were disposing of it in one method and another. I take it that the Minister agrees that that was one of the factors there. My submission is, Mr. Chairman, that so far as that factor is concerned that the Federal Government must have the agreement of the Manitoba Government to a change being made. They can't do it without, so I would like to hear his answer in that regard. Then I quoted, on the other occasion, the fact that the Federal Minister of Agriculture as quoted by the Manitoba Farmers' Union, seemed to be saying one thing about the stand that the Honourable the Minister of Agriculture in this province took, and the Manitoba Farmers' Union seemed to have another interpretation of what he said. And so since that time, I have the next month's issue, the present month's issue of the same periodical from which I read before - The Voice of the Farmer - this is the February issue. No doubt, my honourable friend has seen it, and this is in the issue of February, 1961, and the caption is "Who's Who on Feed Issue" and a lot of people are quoted here, Mr. Brownley, President of the United Grain Growers, Mr. Parker, President of the Manitoba Pool Elevators, Mr. Gibbins, President of Saskatchewan Pool Elevators, Mr. Harrold, President of Alberta Wheat Pool, Mr. Halmrost, Alberta Minister of Agriculture, Honourable Thomas Douglas, Premier of Saskatchewan, Honourable Toby Nollet, Saskatchewan Minister of Agriculture, and then Honourable G. Hutton, Manitoba Minister of Agriculture said in an interview that he had not spoken to Mr. Hamilton suggesting that the Manitoba Government supported the feed mill exemption at any time, any place, anywhere. Later in a written reply he said, "Let me assure you that the Government of Manitoba and this Department of Agriculture has no intention of advocating a policy which would undermine the strength or position of the Canadian Wheat Board in marketing our western grain," and I take it that there's a little bit left out there because there are a few dots, and then: "I can assure you that if any widespread abuses arise out of this change in policy, the Provincial Government will be prepared to act in the interests of the producers." Now I would like to have the situation brought up to date as far as the Honourable the Minister is concerned because I'd like to know exactly what his position is in this regard. We have two honourable members of the House who have already spoken on it, one the Honourable Member for Springfield, the other the Honourable Member for Fisher. Their views are entirely divergent as I listened to them, and I think it's something on which we are entitled to have the stand at least of the Minister of Agriculture of this province.

Then I was going to say something about the notable omission in the Speech from the Throne this year and in the statement of the Honourable Minister, regarding the government program for putting water in the farm homes of this province, but that has been rather well covered by others, and I trust that the Minister will give us some fuller information when he replies. Incidentally, I understand that a return or answers to questions dealing with that has been laid on the table this afternoon but I simply have not had time to look at it in the meantime. And I would like to ask the Minister if he would comment on the general situation. He has mentioned that -- it's rather disturbing in some ways because he says that the, if I understood him correctly -- that cost price squeeze is worse than it was a year ago. What I'd like to know is what does the government propose to do about that? My honourable friend, the Leader of the

(Mr. Campbell, cont'd.) CCF Party has been saying that the former administration didn't do very much about it, he's beginning to think that this one isn't doing very much either. Well, I remember that the ones of the present administration who are here now in the government benches used to be very critical of us when we were sitting over there and say that we used to say that we were trying to pass all the responsibility to the Federal Government and to say that we hadn't any major areas in which we could help the farmers of this province. We, of course, didn't say that but we did try to be realistic and point out all the time that the areas in which we could operate were of much smaller importance than those in which the Federal Government operated. I still believe that to be true, and I have the impression that my honourable friends have now arrived at that conclusion themselves. I notice that a couple of years ago, or was it just a year ago, in the Speech from the Throne that that was rather underlined, that statement. And recently -- once again, quoting from the report of the Manitoba Farmers' Union, "it would appear that the Minister of Agriculture in this province has now arrived at the conclusion that price is the important thing." That's what the Farmers' Union paper said. Now, has he; is that his conclusion? If it is, I agree with him, because I have said that right along. I'm not a recent convert. -- (Interjection) -- Oh, for him, yes, because just a year ago, I think it was, in this House he was arguing that it was not the important thing, that these services that the Province of Manitoba had instituted were, if I remember his words, "were of equal, at least equal value with the question of price." Well, has he come to the conclusion that price is the important one now? Does he agree with the statement of the Farmers' Union with regard to credit in the brief that they presented at the time that I was speaking of? The brief presented to the Cabinet December 22nd last has this paragraph with regard to credit: "On previous occasions, Mr. Premier, we indicated to you and your colleagues that farm credit alone without adequate prices could do us more harm than good. From all indications of statistics on farm data, we fear that such a situation has already developed. Figures on the farm debt position for 1959 are not available as yet. We can, however, give you a general picture of the trend." Has the Honourable Minister got some figures to give us with regard to farm debt? There are many other matters in this Farm Union Brief that I had intended to refer to; some of them have already been covered and I don't intend to delay the House in that regard. But I was referring to the Farm Union Brief in particular -- what answer did the Minister make to them in connection with marketing boards? That has already been raised this afternoon, but I believe there's a quote here that perhaps should be used. On Page 12 of their brief we have this paragraph: "We wish to reiterate our appreciation of the fact that the Minister of Agriculture has expressed the opinion that the time is coming when farmers will ask for marketing boards to be established to assist in orderly and efficient sale of their products. We feel this amendment" -- that's one they are talking about to our Act -- "is a necessary first step." And once again: Is that a correct quote, is that what the Minister has been saying, and if he really believes that; is he thinking of introducing legislation along the lines that they suggest and sponsoring some more activity in regard to marketing boards? As I understood his answer, I believe it was to a question this afternoon, to a point rather raised by the Honourable Member for La Verendrye, I though he said that the regulation re the vote is to be changed. Could we have from the Minister, the particulars of the way in which it is to be changed.

Then Mr. Chairman, I have a few questions that I would like to ask with regard to the Manitoba Credit Corporation. Here again I recognize that there was a return or answer to questions laid on the table this afternoon, that brings the situation more up to date than the report that we have, but I had to depend upon the report that was distributed a few days ago when I was preparing these few remarks, and so even though there is later material available now, I must confine my remarks to the Annual Report of the Department of Agriculture for the year ending March 31st, 1960 and the first report of the Agricultural Credit Corporation itself for the same period. That's on Page 97 of the Annual Report. I'm sure the Minister has it before him, and if I read the report correctly the Agricultural Credit Act was enacted by the Legislative Assembly of Manitoba, November 7th, 1958, to meet a pressing need due to the rapidly changing conditions of agriculture. The purpose is to make long term loans to farmers with special regard to young farmers, etcetera. Now this was to meet a pressing need and it seems to indicate to me that there were, for the year under review, more than 2,000 applications received and 355 of them got their money. Now, was there really so much urgency about this

(Mr. Campbell, cont'd.) . . . if with 17 months from when this Act was passed, only 355 farmers succeeded in getting their loans through. And if "on hand" in this report, means applications not dealt with, then there were three times as many not dealt with as the number of farmers who received money from the corporation. The report mentions that four and one quarter percent of the estimated number of farmers in the province made application. Well if you'd carry that figuring on through you would find, I think, that less than three quarters of one percent of the farmers of Manitoba received a loan in that 17 month period. And what were the reasons that they didn't get them, Mr. Chairman? According to the report there were 266 of those applications were rejected. I would like to ask the Minister some of the reasons for the rejections. I can understand that there would be rejections, particularly if the Board took what might be termed a tough attitude; but they weren't supposed to take a tough attitude, Mr. Chairman, they weren't supposed to, because this was the Farm Credit Act that is supposed to be based on the philosophy of my honourable friend the First Minister when he used to write editorials for one of the daily newspapers and he told the farmers what to expect of a Farm Credit Arrangement Act. They weren't going to be tough; they weren't going to be tough at all and this wasn't going to be a case of people having to have faith loans to get them; they were going to get them on character. This is the -- when these actual editorials that appeared in the paper, the Tribune, April 16th, 1958 -- just a short time before the election of 1958 and the then Leader of the Opposition, a politician-turned-journalist, was writing for public consumption telling why he wanted agricultural credit instituted in the Province of Manitoba. I've put this on the record before but it's worth repeating. I think it should be repeated now, and this is quoting from the editorial, the author being my honourable friend the First Minister: "Why is it necessary for governments to move into the general field of long-term farm credit? Briefly, because the need is critical and is not being met. Banks of course are not allowed to extend long term credit on farm property; mortgage companies do not do so to any substantial extent because they are able to locate more attractive investment areas. Private people hold mortgages and agreements of sale but this is frequently done reluctantly simply to facilitate a sale of a farm. And the Canadian Farm Loan Board is not meeting the needs of the farming industry, primarily interested in faith loans. It extends credit where by definition it is least critically needed. Modern lending agencies extend credit on the security of the borrower's character and record to a substantial degree. The Farm Loan Board want saleable assets." Now, Mr. Chairman, why were there 266 rejections? Did these folks not have character and records? Were we primarily interested in faith loans; were we giving these loans whereby definition they weren't needed? That's what my honourable friend said was being done before. Is it being done now? I remember the Honourable Member for Birtle-Russell making a speech in the House and he told us that we had to safeguard this money, safeguard it; but that wasn't what my honourable friend was saying when he was writing editorials and I suggest to the Honourable the Minister that the people of Manitoba were misled into believing that the credit agency that was set up was going to operate on a different basis. And what are they doing? Well I can understand the rejections because a lot would come in, as my honourable friend's predecessor said, they'd come in hopefully. If a tough attitude was displayed they'd be sorry that my honourable friend the First Minister hadn't lived up to what he'd suggested to them before he was elected, but their applications would have to be rejected. But what about the withdrawals? 293 withdrawals? Why did they withdraw? Did they withdraw because they got tired waiting? But this was supposed to be urgent. This legislation went in because the need was critical and it wasn't being met in my honourable friends. That's what my honourable friend the First Minister said; and isn't that why the government got into it? And yet with the need so critical and not being met, and after my honourable friend gets their Act that the Minister's predecessor assured us was the very best Act in all of Canada, probably in all the world, after all that, they managed to get out 355 loans and they leave more than a thousand not dealt with at the end of the year. I think the return that was laid on the table today perhaps gives me the answer to the next question because I was going to ask how many are there now at the end of March '61. Perhaps that gives it -- not to March '61 of course but to a later date at least.

The Annual Report of the Manitoba Agricultural Credit Corporation, year ending March 31st, 1960, is almost identical with the report that's given in the Annual Report of the department, but there are some additions that I would like to mention. I notice on -- it's a very short

(Mr. Campbell, cont'd.) . . . report and I guess the pages aren't numbered, but what appears to be the second or third page, I notice this paragraph that does not appear in the other report. "At the request of the Treasury Board, interest was accrued to March 31st, 1960, on all outstanding loans though such interest is not payable until November 1st, 1960. This accrued revenue for the period under review was \$42,000 odd." So it looks like as though if you took the total sum, something like three months of interest would be added, but it would be, of course, the interest on each loan up to that time. And the manager says that throughout the year all disbursements on approved loans were pre-audited by the Comptroller-General's audit staff; we received full co-operation from them at all times which enabled us to make our capital disbursements with a minimum of delay. Now I'm sure that once they got to that stage they did make them with a minimum of delay, but there certainly had been lots of delay before they reached that stage. Now why were they asked by the Treasury Board to -- "at the request of the Treasury Board interest was accrued to March 31st on all outstanding loans although such interest is not payable until November 1st, 1960." Was it so the statement over on the next page wouldn't look quite as bad as it would if that interest hadn't been accrued because the statement on the next page even after that has happened shows the excess of expenditure over revenue to be \$105,000 odd. That makes me come to the question as to the cost of administration, and my honourable friend the First Minister is pointing at me and saying something to his colleague -- did he want to make some remarks?

MR. ROBLIN: You're doing fine, just keep it up.

MR. CAMPBELL: Well, fine. As long as my honourable friend is enjoying it why I'd like to go ahead.

MR. ROBLIN: I was just remarking I can hardly believe that you were once Treasurer of the Province, asking a question like that.

MR. CAMPBELL: Well I'm quite convinced of the fact -- my honourable friend is now in the Treasury Department and he's desperately in need of money and he's having quite a time so he's got to scrape up every little bit that he can get from every nook and corner. Now would the Minister figure out for us or get his friend the Honourable Provincial Treasurer to do so, what the cost of administration would be to pay out this amount of money; and would the Minister tell us if they have received any money from the Federal Government in connection with this scheme. He will remember I'm sure, Mr. Chairman, that his predecessor in office told us when he was putting this legislation through the House, that he had had talks with the Federal Minister of Agriculture who had told him to go right ahead with his Act and then that later on if Federal Government found that they could make the money available they would do so, and the former Minister said that that's why that section was put in allowing this to be correlated with the Federal Act. Has any money been received?

Mr. Chairman, I turn now to the report of the Farm Credit Corporation of the Federal Government, because I used to tell the House even when I was sitting over on that side of the House that I thought it would be better that we should leave this farm credit field to the Federal Branch that was already operating there, had been operating there for a long time, had the personnel, the experience to do a good job; and what we should do was to get the Federal Government, persuade them to make their Act meet the needs of Manitoba and of other provinces of course, and to liberalize their Act. If the amounts that could be secured under it were not sufficient, get them to be raised; if the term wasn't long enough get them lengthened; if the interest rate was too high, let's make it lower; if there was something necessary for the young farmers, get them to do it, they were in the field. My honourable friends didn't agree with that, they said you're just trying to pass the responsibility to the Federal Government. You don't want to do anything yourselves; you're wanting the Federal Government to do this. Well the interesting thing was that even when this Act was going through this House I continued to tell my honourable friend and I can quote from the record to prove it, that the Federal Government on the very best advice that we could find, the Federal Government was planning to modernize their Act, they were planning to bring in exactly the kind of things that we'd been talking about, to make it fit the needs of this province and the other prairie provinces -- and they did that. And Mr. Chairman, I commend to all of the members of the committee the report of the Federal Farm Credit Corporation because it has changed its name for the year ending March 31st, 1960. And whereas the Minister's predecessor in this House was telling us that one of

(Mr. Campbell, cont'd.) the reasons that we had to get into this farm credit field ourselves was because the Federal were not making large enough loans, the fact is that now, so far as young farmers are concerned, there's a higher ceiling on the loans than there is in the Manitoba Act. And many of the others -- many of the other criticisms that had formerly been made have been removed, and this act, this corporation is loaning more and ever more money. And it's interesting to note, Mr. Chairman, that last year -- this year ending March 31st, 1960, that in the Province of Manitoba they made only 309 loans, and I'm quoting from the disbursed column, 309, whereas the year before that, 1959, they had made in Manitoba 426. So this I would judge and incidentally they made 50 percent more loans in Alberta this past year than they did the year before in Alberta. They made 16 percent more loans in Saskatchewan this past year than they did the year before; and in Manitoba they made 37 percent less loans in Manitoba than they did the year before. And I suggest to my honourable friends that that means that the Federal Government even with this improved Act -- and I suggest to my honourable friends it's now a better act than the Manitoba one -- that even with it that they have cut down the loaning because of the fact of the entry of the Province of Manitoba into this field. And will anybody tell me that that isn't duplication? Exactly what we prophesied. Now my honourable friend, tell me that it isn't. I'd be glad to hear his comments in that regard.

Now, Mr. Chairman, I have a lot of other matters that I had intended to deal with, but some of them have already been covered, and I have tried to give the Minister some questions that he can answer when he replies and I'd be delighted to hear the answers.

.Continued next page.

MR. FROESE: Mr. Chairman, a number of the matters that I was going to raise have already been raised by other members and discussed. However, there are a few points that I wish to comment on and also to question the Minister on. In the annual report of the Department of Agriculture and Conservation ending March 31st, 1960, I note that they have assisted 183 farmers in supplying them with farm help, and that 156 placements were made. Then last year I raised the matter of unemployment insurance for farm workers, and I'm just wondering what the situation is today, whether anything is being done, whether the government has made any request to the Federal Government to provide unemployment insurance for farm workers. Presently under the Act I think it's only specialized help that would qualify under the Act for unemployment insurance. I also say that the government has done some work in supplying the farmers with help for sugar beets -- beet work and so on, which I think is commendable and which should be carried on in the future as well, because for periodical work of that type we need additional and extra farm help. Another matter, I think with this unemployment that we have today, I think the government should find ample help to provide them with extra staff on the Agricultural Credit Corporation so that they can rush the applications through much faster, and that the farmers will be accommodated in a faster and a better way. One other matter which I would like to receive a clarification on is the matter of getting assistance for farmers when building farm dwellings. Are farm dwellings eligible to come under the Credit Corporation, or would they have to be confined to the Farm Improvement Loans Act? Under the Farm Improvement Loans Act the limitations, I think, are a maximum of \$7,500 repayable over a ten-year period. Then if the farmer does make loans for implements and other purposes, that amount, I think, is deducted and the balance would only be available then for any farm dwellings. Maybe the Honourable Minister could also tell me whether the former farm loan board which is now reconstituted, or has a new name, whether under it farmers can lend money for farm dwellings only? I think there is a need, there's a definite need for this, because we see that under National Housing the city dweller is able to build a new home with all the new improvements and can arrange to have it repaid over a long term, whereas the farmer is not in such a position and has no place to go for those funds needed to put up new dwellings with the new facilities.

On the matter of crop insurance it has been raised by other members, and I raised it also in the reply to the Speech from the Throne, I hope the plan is not made compulsory at any time. Indications have been made that the plan would be extended this year to cover more municipalities and larger areas. I still maintain that the subscription in the past year is not indicative of the support for the plan because many farmers have calculated what they would have to pay would they not subscribe to it and have to pay the one percent to the PFA Act, and found that they would have to pay less if they subscribed to the Manitoba Crop Insurance, and as a result they subscribe to it. But should at some future date it not be compulsory to pay the one percent, I'm sure many of the farmers would not subscribe to the Crop Insurance Act.

Another matter I want to raise is the matter of water for our towns and rural communities. I also touched on this matter previously. We need water in our rural towns in order to attract and establish industry. If we don't have water our opportunities to attract industry are very limited and we are restricted then to industries which do not require water in large amounts. I would be interested to know from the Minister just what the plans are regarding the Pembileer dam and the Joint International Commission, what they propose to carry on, and what our government would have to do in order to push the matter, and how long it will take before we can hope to have water in the towns in southern Manitoba. We appreciate the fact that the government has helped the towns of Gretna and Altona in getting the water piped down there from Neche and I know it will be a big boost to those towns where they need water so very badly. Although the price of water that they would have to pay is much too high to attract industries into the town, I think some thing should be done in the matter; probably the government could subsidize water in those towns to some extent, because, I think the price of water presently would be about three times what the industries would be prepared to pay.

I notice from the estimates that they did not use any of the funds allocated to seed cleaning plants in the province last year. Thirty thousand was allocated and none was used, and apparently that same thirty thousand is allocated for this year. I had two people see me the other day regarding the establishment of seed cleaning plants in their area but apparently they were told that they would not receive assistance and that they didn't have to bother. I'm just wondering

(Mr. Froese, cont'd.) why are we carrying on, why do we allocate money for seed cleaning plants if we do not want to assist these farmers in trying to get that help? I also noted that the Minister mentioned that the bright spot today was diversification in rural communities in agriculture. Then I also notice that the only crop mentioned under special crops is tobacco. Surely there must have been other crops worth while mentioning, because in the canning business of which we have one locally at Winkler, we're thinking of expanding into other branches, whether it is feasible probably to go into asparagus, rhubarb, or some other berries and we naturally would like to see things explored and whether something suitable couldn't be found which could be made use of through our industries that we have at present.

I would also like to mention soya beans; I did this previously. we have the market that is awaiting us. Presently we are importing practically all the soya beans that are processed at Altona, the vegetable oils plant, when we could supply them ourselves. But because we have no suitable varieties, the varieties that we have are either too late or they're too poor in yield, and therefore are not being used, and as a result we do not grow soya beans in Manitoba, what we should be doing. Presently I think they are importing better than 600,000 bushels a year, which could be grown locally and be put to use. I would like to see a speed-up program on trying to get a new variety into Manitoba that would be suitable to grow and at the same time would be suitable for processing.

The Honourable Minister, I think, also mentioned the cost price squeeze and also the revenue retained from our agricultural production. I still maintain that we do not have over-production in Canada. As long as we have hungry people in the world who require our food stuffs and cannot get it, we do not have over-production. It is a matter of distribution only, and if it weren't for our present monetary system and the way credits are being provided, I'm sure those surpluses could be eliminated very fast, and I hope that at some future date, not too far away, that our governments will come to realize and that they will provide the other countries with credits so that they can purchase our grain and make use of it. That is all I have to say at the present time. I'm going to raise some of the other points as we go through the estimates. I thank you.

MR. CHAIRMAN: 1 (a), (b).

MR. GUTTORMSON: Mr. Chairman, isn't the Minister going to answer those questions?

MR. HUTTON: Well, I'll possibly answer some of them in the next hour. I think probably one of the first things I should deal with, Mr. Chairman, is the question of the procedure followed in the case of acquiring the properties for the Greater Winnipeg Floodway. I just wonder what my honourable friends opposite would have said had I followed what they seemed to advocate

MR. ORLIKOW: follow the Act?

MR. HUTTON: It appeared to me that they weren't advocating that I necessarily follow the Act; they seemed to be concerned with the relationships that were established between the property holders and the government. And I want to assure them, Mr. Chairman, that this was a matter that received the greatest consideration. I know that my honourable friends opposite consider this rather insignificant matter a matter of acquiring property for a floodway and doesn't amount to very much. A fellow can do that in the evenings

MR. PAULLEY: Mr. Chairman, I'd like the Minister to understand that we don't, as far as I'm concerned, think it is an insignificant matter. As a matter of fact I said so; it's a very important matter.

MR. HUTTON: Well, I think it might not have applied to you but it certainly has been inferred by members opposite that the

MR. CAMPBELL: Mr. Chairman, is the honourable gentleman referring to me? Because

MR. HUTTON: I'm not referring to any particular person, but on the matter of acquiring floodway property

MR. CAMPBELL: Is he referring to me, because

MR. HUTTON: I'm not referring to any particular person. Will you hear me out?

MR. CAMPBELL: Because, Mr. Chairman, I mentioned the fact

MR. HUTTON: You're afraid of the charge before it's made, Mr. Chairman.

MR. CAMPBELL: 9,000 acres of land involved; I wouldn't consider that insignificant.

MR. HUTTON: Well, Mr. Chairman, the inference has been here, not only in these estimates, but in criticisms of the government's progress in getting construction under way, that the progress we have made has been almost insignificant, and I can only gather that they don't consider that the acquiring of the floodway is a major step towards the final construction of this project. But I want to assure them, Mr. Chairman, that this was and did receive a great deal of consideration. Now, in answer to the Honourable Member for Selkirk, and once again I must plead my position in relation to him being a man well-acquainted with the laws, at least in comparison to myself, and I think you'll have to agree to that, the answer to his question was that the Act, the Expropriation Act, Section 15 reads that the Minister may, in lieu of or in addition to serving the notice by registered mail, upon depositing the plan, cause a notice to be published, and that is the answer, but I didn't know it at the time that I was questioned. But I was certain that taking into consideration the calibre of the people that we had charged with the responsibility for acquiring this property, that certainly they would make every effort to not only acknowledge the letter of the law but to do so in such a way that they would interfere with the interests of the citizens of this province to as little a degree as possible.

Now, if we had followed the absolute procedure to the letter of the law, as the honourable members opposite asked us to do, on the filing of the plan, I, as Minister, would have made an offer and given the party involved 30 days. We didn't want to create an atmosphere like that; we don't want to give somebody 30 days. Instead we gave them notification of the expropriation and made it clearly, as I think that letter does, it states clearly that we want to negotiate, we want to cause as little -- and mind you even if we put ourselves out as far as we can, as a government, as a department, even if we put ourselves out, we know that we're going to put these people out a great deal more in their personal lives, in their interests -- we want to alleviate or modify the impact of this move that they must make as much as possible, and so when we notified them we told them that we wanted them to stay on as our tenants. And I think it was only natural to point out to them that they should notify their insurance companies. Why should they continue to pay insurance on property that had become the property and the responsibility of the Provincial Government? I don't think that my department has erred here. Certainly if we have erred, it's only a question, I think, in a difference of opinion between the Opposition and the Government, as to which is the best policy to follow and which will cause these people the least inconvenience. And once again I want to emphasize that we realize that the over 1,500 people who are involved in the purchase of the floodway property are going to be very much inconvenienced. We do hope that the arrangements that we are making with them will permit them time, a maximum amount of time, to make the adjustments to relocate, and to, in some cases, dispose of the remainder of their property if they feel that this is what they want to do. I cannot see that there is justification for the attack that has been made on the procedure that we have followed with regard to purchasing this property. I have sat here and listened with a great deal of interest to philosophies on agriculture and some of them I agree with, some of them I don't agree with. I think I'll say a word about some of the matters that the Honourable Leader of the CCF dealt with.

MR. HILLHOUSE: Excuse me, Mr. Chairman, before the Minister proceeds, would he mind telling us how many people there are going to be dispossessed, that is, completely dispossessed as a result of this floodway?

MR. HUTTON: I can't give you that off-hand. I know that we are dealing with over 1,500 different properties. I couldn't tell you right off-hand, but I would be glad to get you the actual figures. Of the number of people actually dispossessed, who are compelled to move out of the area? No, I couldn't do that.

MR. CAMPBELL: Mr. Chairman, the Minister says 1,500 properties. Does he also mean 1,500 individuals?

MR. HUTTON: These are individual properties.

MR. CAMPBELL: Yes, individual properties, but are there also 1,500 people involved?

MR. HUTTON: I can't -- I wouldn't want to give you -- I'll give you that information tomorrow when I can give it to you accurately. I think I should mention this too, that the government in acquiring this property had to be very careful that the location of the property, the location of the floodway, did not leak out before we were able to file the plan, because it's obvious that there could have been some fairly large scale speculation. And I think it was in the interests

(Mr. Hutton, cont'd.) of the people of the province that this floodway location was kept as secret as possible. And I know that it has led to a different kind of speculation and uncertainty, but I think, all things considered, that you'll have to agree that it was the only course of action that we could follow under the circumstances, because it's going to run into a multi-million dollar figure, even if we are able to acquire the land at going prices. And if speculation had entered into it, it would have complicated the situation, made settlements a great deal more difficult, and I feel satisfied that the only course of action that could be followed was followed.

I appreciate the Honourable Leader of the CCF's great concern with agriculture. He did state that he felt that the Minister tended to blame Ottawa for the conditions as they exist in agriculture today. He seems to doubt that the farmers were receiving the support of the Government of Manitoba or Ottawa in their present difficulties. He went on to say that he felt that the solution lay in the international field and there was a lot the Province of Manitoba could do if we would only impress Ottawa on the gravity of the situation. Well, Mr. Chairman, I have, in my capacity as Minister of Agriculture in the province, I endeavour to speak out on every available occasion on behalf of the farmers, not only in Manitoba, but of western Canada. I recognize that I differ here a little bit with my honourable friends in the CCF group, I still maintain that markets are the secret for not only the welfare of the farmers of western Canada, but for the growth of this great region here in the prairies. I think that without markets we'll just wither on the vine out here. I don't think -- and I agree with my honourable friend that the west hasn't really come into its own. We have a fantastic future ahead of us in the agricultural industry in western Canada, and to a large extent it hinges on finding available markets, and it was because of my conviction, and the conviction of my colleagues, that we issued an invitation to the other provinces and Federal Government, the farm organizations and other interested groups, to come here to Manitoba this spring to see what could be done about this question of farm policy generally and marketing problems, the broad problem of the distribution of our farm products. I think it's the most important problem that we have to face. I believe that it will pay the biggest dividends. I have pointed out on other occasions that we're spending 96 or 97% of every research dollar in the field of production, in related fields, and we're only spending about three or four cents of the research dollar in the field of marketing and agricultural policy research in general. It isn't a question that we've reached a stage where production or research into production methods is no longer important. It still is as important as ever, but we have reached the stage where it doesn't make sense to spend as little as three or four cents out of the research dollar in the field of marketing, and I don't think we want to cut down on the amount of money that we spend for research into production. I think we want to spend a little more on research into the fields of agricultural policy and the fields of markets.

I think that we're into a big field when we talk about reducing defence expenditures in order to use this money for "food for peace" programs. I am a great proponent of food for needy people in this country and in other countries. I think there are a lot of people right here in Canada that don't get as much to eat as they could, and I think there's room for a program here in Canada to make sure that our surpluses are being used, and I think there's a lot of room for -- there's a great big wide open field in the international area where we can use these surpluses better. At times we tend to let them get us down and actually they're the greatest asset we have. There never was a great country that didn't have a great agricultural industry that supported, and if you look back over history when their agricultural resources dwindled away, some of these great countries dwindled away with it, and so it's an asset; it's not a handicap. It's a handicap because we don't know what to do with it, but I think that we can find answers. Just as they've found answers through research for our production problems, most certainly they can find answers through research to our marketing problems and our problems of distribution.

I would point out, though, that when we talk about a world food bank and feeding the hungry peoples of the world, we want to make sure that we're not interested in these people, these poor people, underprivileged people, because we've got a problem. We've got to be interested in them for their sakes, and not for our sake, and I had a most interesting -- or I must say the Premier had a most interesting letter from a Manitoba farmer down at Carman, where he suggested that it might be a good idea if the farmers of western Canada were to allocate a certain percentage of their crop production to the underprivileged and the needy people of the world, and that the Government of Canada match this appropriation with a suitable amount. And there's

(Mr. Hutton, cont'd.) a very good reason for this, because the people who are in need in the world and who could use this don't need it just for today or tomorrow, and I think in all fairness to the Honourable Alvin Hamilton, this is what he was getting at when he said that if Canada ground up all its wheat into flour and shipped it to India it would only last a few weeks. I think what he was getting at was this, that those people are living with a pretty tight belt, and it would be a very terrible thing if because we had a surplus production we made these foods available to them, and then when we had gotten rid of that surplus production, we left them to fend for themselves. I think this is what he was getting at, because whatever arrangement is made it's not only the government but the farmers of Canada are going to have to commit themselves to a long-term program of helping these people. Not two or three years, not just five years, maybe ten or twenty years, because if these people are better nourished next year and the year after, there's going to be more of them stay alive, and there's going to be more of them there to feed, and so it carries with it, this program, the necessity of a commitment, both of the farmers, the producer, and the government, in order to carry out a program like this. And if, in time, and I would hope within a very short time, the farmers of western Canada get fed up and decide to march on Ottawa a thousand strong, and maybe have a million signatures behind them, I'd be glad to go down right at the head of them; I'd be glad to go right at the head of them, because here I think is a real crusade; here is a platform that is pretty hard to deny. It would have a great deal of appeal -- I suggest, a lot greater appeal than deficiency payments. I think we've all got to recognize that if we're going to carry out a program of this kind, and I'm in favour of it, that it's going to take some pulling in of the belt in certain areas in Canada in order to carry it out, but I do hope and trust that the progress that was made at the United Nations during the past year will be permanent, and that it's the first step forward, and I hope that they move from a crawl to a walk to a run in a short time.

My honourable friend, the Leader of the CCF, states that his party is not opposed to subsidies. Neither am I. The farmer isn't the only man in Canada that gets a subsidy. In fact sometimes he doesn't get as much as some of the others. He does state that farm credit, although it's necessary, isn't the answer, and the Honourable Leader of the Opposition said, "Hear! Hear!" We'd expect that. He said that research into agriculture spends much money. Although it's necessary it creates greater surpluses and he just questions the wisdom. Well, I think this question is posed in the minds of everybody once in awhile, but I think what we have to keep in mind is that our farmers here in Manitoba, in spite of the conditions, in spite of the prices, have to compete -- and I've said this before but it bears saying again -- our farmers have to compete with the farmers not only in Canada, in other parts of Canada, but in the United States and all over the world, and even more so because we seem to have so little control about the markets and prices, even more so we have to keep our farmers competitive. And there's no more efficient method of doing this than to put at their disposal the best research facilities that we can afford in this province and the best credit program to strengthen the agricultural industry.

Crop insurance. Well, he said the farmers welcomed it, but he discounts this policy we have of offering discounts for favourable crop yield to the farmers, and he said that it destroys the efficiency or the whole principle of crop insurance. I can't agree with him, because I think that a crop insurance program that ignored the contribution of the good farmer who must -- or the fortunate farmer, the good farmer, the fellow on the good land -- (Interjection) -- well, lucky -- but we have areas in Manitoba where they seldom sustain real losses, and sometimes these areas aren't very far away from the areas where they are rather less fortunate, but a crop insurance program that didn't recognize good management, good land, the luck of the draw, and so on, wouldn't be popular either, because the more fortunate farmer must subsidize to some extent the less fortunate. Now, if you're going to keep him interested in it you must give him some, acknowledge in some way the contribution that he is making to the program, and this is the principle upon which this policy of discounts is based. I think rather than destroying the principle of crop insurance that it has done a great deal to underpin the strength of the program.

As far as the Seine River Diversion is concerned, the Seine River, the excavation of the Seine River Diversion is completed. As I understand it there's a block in it which can be blown out in the spring. The diversion structure itself will be completed next summer, but in spite of the fact that the diversion structure is not there, there will be a natural diversion down the

(Mr. Hutton, cont'd.) new Seine River diversion channel, and it will double the capacity of the Seine in effect. The present capacity of the Seine River, the old Seine River, is 2,000 cubic feet per second, and the capacity of the diversion is 2,000 cubic feet per second. I know that the Honourable Leader of the CCF wasn't happy with the compensation. It wasn't compensation, it was assistance to the people who had suffered damage as a result of the overflow of the major rivers and streams in the province this past spring. The appraisers who were appointed by the province carried out to the best of their ability, and they're fairly experienced men. I would hate to challenge their findings unless I had pretty substantial evidence that I think they did a pretty fair job. I might point out that some of these properties have been damaged a number of times, and there is, I suppose, over the years, accumulated damage to the property, but they were only able to take into consideration the damage that actually took place this past spring. I don't think that I'll deal with the question of putting too much emphasis on the value of the Seine River diversion. I would point out, however, that when we get the -- we feel it is going to be very effective, and that when we do get the floodway, and it isn't going to be as long coming as some of my honourable friends across the way would think, when we do get the floodway it will cut off the Seine River, it will intercept the waters of the old Seine channel plus all the drainage that is now coming in from the east, and so it won't only protect the residents of St. Vital and other areas from the flood waters of the Red, but certainly it will eliminate any danger from even local floodwaters.

Mr. Chairman, I was feeling pretty happy about the approach that most of the members on the other side took. Even though they criticized me and criticized my government and colleagues, most of them made a pretty fair contribution. I'm afraid I can't say the same for the Honourable Leader of the Opposition. He seemed to spend his time thrashing old straw and said very little that he hasn't said during every session that I've attended in this Legislature. He first of all spent quite a little bit of time exonerating himself and his stand on the floodway, and I won't go over that because I think I've dealt with the way in which we handled the acquiring of the floodway property, and then we got back into this argument about what was said in the MFU, or the meeting of the Cabinet with the MFU, and the stand of the government in respect to the feed mills. I thought that that was settled in the Throne Speech debate. Evidently he wasn't happy with the answer he received at that time. Evidently it wasn't the answer he expected.

He asks about farm debt in Manitoba. That's a very interesting question.

MR. CAMPBELL: not been conversant with the answer. What was the answer that was given?

MR. HUTTON: Well, if you read the Hansard I think it's there, but I'll reply again. First of all he was concerned, Mr. Chairman, about a statement here that the Farm Union delegates were encouraged to find Agriculture Minister Hutton talking about the price problem in agriculture. Now I believe I gave the answer to the Honourable Leader of the Opposition, and I said I was concerned about some of the price policies of the Federal Government and their effect upon provincial agricultural policy. The Honourable Member for Fisher today took a swipe at hog and egg support program and it isn't very often that I agree with the Honourable Member for Fisher, but I don't like the way it works either, because he's perfectly right. It solves the surplus situation but it doesn't do very much for the farmer, and this is true, but I expect that the Honourable Member for Fisher and I wouldn't agree even on that interpretation. The reason that I object to it as Minister of Agriculture is that it tends to frighten the producer of eggs or hogs out of the production, and even though I received some criticism from the Honourable Member for LaVerendrye today because the ag reps in the province were trying to encourage economic units, I still believe that it's a good policy to encourage economic units, and I think the only way the farmer in Manitoba can survive is for this government, by one way or another, to help him get an economic unit, and I don't like a Federal agricultural program that discourages this. It says to a man, if you produce more than 100 hogs in a year you're on your own; if you produce more than 4,000 Grade A large eggs, you're on your own. We're trying to establish young farmers on the land; we're lending them substantial amounts of money and this just doesn't jibe. And this is a very good reason for having a conference here next spring, to see if we can get some research done into this and find out an answer, that isn't at sixes and sevens with itself. So it's true that I do disagree with the Federal Government's policy in regard to price

(Mr. Hutton, cont'd.).... support. I disagree because it tends to discourage the very things we're trying to do in this province. There's nothing odd about the situation at all. I disagreed with it last session when we met here.

Then the Honourable Leader of the Opposition was greatly concerned about our stand on feed mills. It seemed that I had -- the Honourable Minister of Agriculture for Canada had said: "Although I've not received anything official from the Minister of Agriculture for Manitoba, I understand Mr. Hutton is supporting our stand on the matter." He was expressing an opinion. And then later on it says: "Already Mr. Hutton has informed the Farm Union that he has not made to anyone any statement supporting the feed mills." He was just giving his opinion and I hadn't made a statement. Subsequently I not only made a statement, but I wrote a letter. I wrote a letter to the Manitoba Farmers' Union and I did state my position, and part of my position is here, and there's nothing very out of the ordinary about it. It's what I would expect the Minister of Agriculture of the Province to say. He said that he had not -- later in the written reply he said "Let me assure you that the Government of Manitoba and this Department of Agriculture has no intention of advocating a policy which would undermine the strength or position of the Canadian Wheat Board in marketing our western grain." Now, there's nothing out of the ordinary about that. I think that's what you'd expect me to say, and that's the stand you would expect me to take, and that's the stand that I have taken, and further I said "I can assure you that if any widespread abuses arise out of this change in policy, the Provincial Government will be prepared to act in the interests of the producers." That's what you would expect the Minister of Agriculture for Manitoba to say, wouldn't you? And that's the stand you would expect him to take?

MR. CAMPBELL: Yes I would, Mr. Chairman, but the point that I would like to have clarified is that that's what everybody says, everybody says that. The Prime Minister of Canada says that, the Minister of Agriculture says that. Just everybody says that. I want to know which side does my honourable friend figure is protecting the interests of the Wheat Board?

MR. HUTTON: All right. I wrote to the Honourable the Minister of Agriculture for Canada, and I think I told you at an earlier stage in the meetings that I stated our position to him, and asked for a review of the situation prior to any extension of these regulations beyond the 31st of July, so that an opportunity would be had to assess any abuses that might have arisen out of it, and I reserved, naturally, the right to change my opinion at that time, depending upon what the results of that investigation are. I think that states

MR. CAMPBELL: Might I ask my honourable friend if he agrees with the program in the meantime?

MR. HUTTON: Yes, I do. And I think I've a lot of support for this point of view. As you have listed here, I think a good many of the men who are experienced in the grain trade share my view on this. Well -- Oh, yes! He mentions something about farm debt as it appeared in the MFU brief.

MR. WAGNER: Mr. Chairman, may I ask the Minister, because he lost me here -- I don't know where he is -- whether he approves of the feed mills tax or he's with the farmers -- he just lost me a moment ago. I thought for awhile

MR. HUTTON: for the farmers.

MR. WAGNER: Well, do you approve this feed mill exemption?

MR. HUTTON: On a temporary basis, yes.

MR. WAGNER: Mr. Chairman, what do you mean "on a temporary basis"?

MR. HUTTON: To see what happens. If it'll work, all right; if it doesn't work and the feed mills abuse it, and the farmers abuse it, and it has a detrimental effect upon the Wheat Board operations, upon the quotas or upon prices in general, then I would be against it. If this program can be carried on, if this policy can be carried on without any detrimental effects, then I think it should be allowed to carry on.

MR. CAMPBELL: Mr. Chairman, before the Minister leaves that, if he was going on to debt, I wonder would he comment on the question of legislation, whether they've asked for legislation, and the position that he takes as regards to legislation or does he prefer the Attorney-General to comment on that aspect? I think it's important; I'm not trying to embarrass my honourable friend, because I really think it is important, and if he answered before and I missed it in Hansard, I apologize, because I am interested in this.

MR. HUTTON: The answer to that is that the Manitoba Act, The Coarse Grains Marketing Act, can be brought into line with the federal legislation by regulation and this matter is in the mill at the present time.

MR. CAMPBELL: Has it been done?

MR. HUTTON: It isn't complete. On the question of debt; it's an interesting question, and I'm sorry that I haven't the Farmers' Union brief here with the figures, but there was quite a substantial increase in the amount of debt. -- (Interjection) -- Yes, I would appreciate it. I suppose it doesn't really matter what the actual figures are, but I think that when you look at those figures that you will note that the comparisons are made between a time when land was not nearly as valuable as it is today, and that the debt relative to the value of the farm plan in Manitoba in 1960 is not out of line with the extent of the debt that existed in the earlier

MR. SCHREYER: Would the Minister indicate whether or not he thinks that land value in 1950 was substantially lower than it is in 1960 - '61? Does the Minister think that land value has decreased substantially since 1950?

MR. HUTTON: Yes, in some places it has.

MR. SCHREYER: Has it increased substantially, Mr. Chairman?

MR. HUTTON: It has. There's a tendency for land to go up even if I know it's a conundrum; it's a difficult thing to understand, but the fact of the matter is that land in Manitoba -- that we are limited in the amount of the resource, and whenever you get a product, whether it's land or anything else, when there are more buyers than there's land to go around, then it goes up. And one of our difficulties today and one of the difficulties of our farmers in becoming established on the land, is that in terms of productivity, the land is really too high in price. Certainly higher in price, relatively higher, much higher in price than it was during the period when we consider we had -- I think this is the statement. Oh, yes, this is the statement: "We estimate that the total debt of Manitoba farmers has now reached 84.7 million, the highest in our history except for the years 1933, '34 and '35 when it averaged 85.9 million. This is an increase of 88% since 1950." Well, that figure can't be right because they're quoting 1933. But if you compare the figure 84.7 million for 1960 with a figure of 85.9 million for 1933, '34, and '35, I don't think that you can say that this is a fair comparison to make. Because you could buy land in my area in '34 and '35 for 20%, 30% of what it is worth today, and certainly the equipment of that day, the equipment on the farm in those years was only worth a fraction of what it is today. I am sorry that I haven't got the figures which compare the average investment in a farm during that period with the average investment today.

Marketing Boards. Do I think farmers will demand them? I think that there is a very good chance that farmers will demand marketing boards. I have long bemoaned the fact that the farmers were not aware of the pros and cons of marketing boards; that every time a marketing board is proposed in Manitoba, it gets lost in a jungle of conflicting points of view, and any similarity between the facts or claims of either of the protagonists to the truth sometimes is purely coincidental. And I think that this is a situation that is to be deplored; I think that we need education on this subject. I hope that this field of marketing is one that will be given real consideration by this body that many people in Canada hope will be set up to increase the emphasis -- this is part of this problem of marketing farm products. Here in Manitoba we are going to change the regulations under the Act which at the present time compel the advocates of a marketing board to achieve not only 60% of those voting, but 51% of the registered voters. So all the people have to do to defeat the scheme is to sit at home. It's not a very democratic means or procedure of arriving at a decision. We haven't made a decision as yet as to what percentage will be asked for. I suggest that it will be fairly high, because the experience has been in other jurisdictions that unless you have the majority of the people behind such a scheme it just won't work.

Farm Credits. Well, I'm running out of time, Mr. Chairman, but I must say a word about Farm Credit. At least the concept that the Honourable Leader of the Opposition has. Well, he complains, because the farmers in Manitoba aren't able to qualify. Might I suggest that one of the reasons could be that they were ground down so low under the previous administration that they have trouble qualifying today. It went just a little too far; it went just a little too far and too long. Now he says that there are too many rejections. He says that we promised -- that the First Minister promised easy credit. He says that the First Minister promised

(Mr. Hutton, cont'd.) that credit would be given on character, and let me assure the Honourable Leader of the Opposition that character is one of the prime considerations in granting credit. But the thing that I don't understand is this, that when the Credit Act was before this Legislature, it was spelled out pretty plainly in black and white what the qualifications would be for credit, and I'm not aware that the Honourable Leader of the Opposition or members of his party fought against it. I think they thought that it was a pretty good Act. They must have. I'd like to say in reply to the criticism that the Honourable Member for LaVerendrye mentioned this afternoon, that we didn't make loans to people on low value property. We're making loans in the Interlake. --(Interjection) -- Oh, not so many, but we're making loans up there to the people who've got an economic unit or who can establish an economic unit. It isn't necessarily that they must have high valued land, but they've got to be in a position when they've received the loan to be able to pay it back. The Honourable Leader of the Opposition maintains that he advocated before and he still advocates that we're duplicating a service given by the Federal Government. Well, I'm going to make a statement here, and I know you're not going to agree with it, but I believe that Manitoba has the finest credit program in Canada. -- (Interjection) -- Yes, but it's true. And certainly insofar as the young farmer is concerned, nothing can touch it in Canada. Yes, in 1960 this past year and 1961 -- 1961, yes, but there's two sides to a credit program; the amount of interest on one side and the amount of money you can get on the other. And in Manitoba in 1961, 44% of the loans made were to young farmers between 21 and 31, and they received about 47% of the money. And the average loan to the young farmers was almost \$1,000 more than it was to the older group. Now you can't deny any way you want to look at it, the effectiveness of this credit program to the young farmers in this province. I think it's safe to say that it's the most popular program that we have in the Province of Manitoba, not only with the young farmers but the parents really appreciate the fact that these young fellows can get a start. -- (Interjection) -- Well, we'll get around to sewer and water some other time. Well, I think that I have gone on enough tonight, Mr. Chairman. I'll answer more questions tomorrow.

MR. ROBLIN: I move that the Committee rise, Mr. Chairman.

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

MR. CHAIRMAN: Mr. Speaker, the Committee of Supply has adopted certain resolutions and directed me to report the same, and ask leave to sit again.

MR. W. G. MARTIN (St. Matthews): Mr. Speaker, I beg to move, seconded by the Honourable Member for River Heights, that the report of the committee be received.

Mr. Speaker presented the motion and after a voice vote declared the motion carried.

MR. ROBLIN: Mr. Speaker, I beg to move, seconded by the Honourable Minister of Agriculture, that the House do now adjourn.

Mr. Speaker presented the motion and after a voice vote declared the motion carried, and the House adjourned until 2:30 Tuesday afternoon.