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STRICKLAND, B. P.	Hamiota	Hamiota, Man.
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WATT, J. D.	Arthur	Reston, Man.
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WRIGHT, Arthur E.	Seven Oaks	4 Lord Glenn Apts. 1944 Main St., Wpg. 17



THE LEGISLATIVE ASSEMBLY OF MANITOBA  
8:00 o'clock, Thursday, March 9th, 1961

MR. CHAIRMAN: You're on 3(a)(6) - The Veterinary Science Scholarship Fund - Passed.  
(b) Dairy Branch - (1) Salaries - Passed.

MR. CAMPBELL: I notice in the case of the Dairy Branch, Mr. Chairman, there's a reduction in staff if the figures as I took them down last year were correct. Is that right?

MR. HUTTON: The staff is as it has been, yes.

MR. CAMPBELL: I wondered about that because as I took down the figures from the sheet that was handed around this year it said seven. Is that correct? I'm quite sure it was seven on that sheet, and I had nine down as being here last year. Does the Minister have which figure it is?

MR. HUTTON: Seven.

MR. CAMPBELL: ..... myself got last year's figure put in, because I certainly had nine down last year. That might have been .....

MR. HUTTON: It might have been an established position. Where did you get the figure of nine? Did you get it from the .....

MR. CAMPBELL: I'm going from my estimates of last year. We've been marking them in as we went through and it's possible that I made a mistake in putting it down. If the Minister says it's seven, it's the same, that's okay with me.

MR. HUTTON: That's what it is -- it's seven.

MR. CAMPBELL: Mr. Chairman, I was going to ask on this item though if the Minister has anything to report with regard to the Milk Board. I believe there have been some changes in personnel; certainly a new chairman. Was there another change during the year? I think there was a price increase to the producers during the year.

MR. HUTTON: Yes, the new chairman is Mr. Paxton. That is the only change in the Board. There was an increase in the price of fluid milk. It was felt that it was justified in terms of maintaining a sufficient quantity of milk, a safe margin because not only the City of Winnipeg, but a great deal of the Province of Manitoba, is dependent upon the fluid milk producer today. It was felt that the increase was justified. I might say that a great deal of the work of the Board at the present time is and has been over the past year has been concerning itself with the revolutionary change in the transportation of fluid milk from the producer to the processing plants. It has posed many headaches; it incurs in some cases -- I wouldn't say it's hardship -- but it presses in on the producer where he is compelled to make this change, and the milk producer is no different from any of the other farmers in the province. He hasn't any money to throw away at all and he finds it difficult in financing this changeover. It costs anywhere from \$2,000 to \$4,000 to make this changeover; it necessitates an exchange of shippers in some case from one receiving plant to another. There have to be adjustments made. In some cases the Milk Board assigns shippers from a plant where they have gone over, say 100 percent to receiving milk in bulk they will endeavour to assign them to another -- re-assign them to other distributors. Sometimes this can be done, sometimes it can't be done, sometimes the shipper, the producer after thinking it over decides that this is a good time for him to get out of fluid milk production. I think at times there may be some complaints that the transition is a little slow. I would suggest, however, that the time element has been very important to a lot of producers in allowing them to make the adjustments that are necessary. It gives them time to dispose of their herd, gives them time to finance this change if it's required, and I think the Milk Control Board -- and I might say that they have to work very closely with the Motor Carrier Board -- I think they are making fairly good progress considering the awkwardness of the situation. We're just fact to face with technology and it can be awkward.

MR. CAMPBELL: Mr. Chairman, I wasn't being critical, I asked only to bring out the information. I thoroughly agree with the Minister. Then there's a question that has traditionally been asked on this item in the agricultural estimates. I think I don't need to ask it of the present Minister -- his stand on the colouring of margarine.

MR. DOW: Mr. Chairman, would the Minister have a percentage of surplus milk that is delivered over the quota and the possible price below the quota price on surplus milk -- just percentages, Sir.

MR. HUTTON: No, I don't, although they attempt to maintain about 10 percent. The price was \$2.40 before the increase. I don't believe the increase affected the price on surplus production; I think it's still that -- I'm quoting Winnipeg prices, of course.

MR. NELSON SHOEMAKER (Gladstone): Mr. Chairman, while we're on the subject of Milk Control Board, there is a rather unique situation at Neepawa in that all of the milk that is sold in Neepawa is processed, bought and processed in Brandon, then brought back from Brandon, sold in Neepawa. Now I understand that the Milk Control Board sets out the area in which they can buy the raw product and also another area in which they can sell the milk within that. Now this is a unique situation, but some two months ago there was a hearing held in Brandon which established the price that the processor must pay to the shippers, but it didn't set the price that they had to sell the milk in Neepawa. They did set the price that it was to be sold at within the selling area, if you get what I mean, then eventually and subsequent to that, a month later they held a meeting in Neepawa and boosted the price there one cent. Well, I argue that it wasn't actually necessary to hold the hearing in Neepawa, that inasmuch as all of the milk that is sold in Neepawa is bought, it's shipped too by the shippers in Neepawa; purchased in Brandon. We don't know whether we get the same milk back; not likely we do, we get milk back, but all of the milk that is consumed in the Town of Neepawa is processed and sold by the Brandon firm. I think it's a unique situation, but I wonder if there's any way of changing the boundary, so to speak, of the producing area and the selling area.

MR. HUTTON: There is machinery to do it; the only onus upon the distributor is to buy his milk at the designated price, and there is no minimum that he must sell at. There is a maximum, however, to protect the consumer. There is a minimum price that he must pay to the producer and a maximum price that he can charge the consumer, but there is no minimum price. There is in some jurisdictions, and I suppose there's some feeling in Manitoba, that the fluid milk shipper enjoys a privileged position. Some people advocate a milk pool where all the milk for various purposes is pooled and then a schedule of prices is worked out, but the fluid milk shipper in that case would get undoubtedly a lesser price than he does today. I'm not going to say that there isn't any merit in the idea; however, I would suggest that the fluid milk producer, over the years, with the understanding that he had protection under the Milk Control Board, has invested heavily in his milk production plant, and that you could dislocate his operation pretty badly if you were to withdraw the protection that we have given. When you go back to the beginning of the activities of the Milk Control Board -- the Honourable Leader of the Opposition much more than I will recall the chaos that existed before this method of regulating the production of fluid milk in Manitoba was established. There's always room for improvement however, and I'm not saying there isn't room for improvement here, but it has, this system has over the years guaranteed an ample supply of good quality milk to the consumers and it has given the producer that measure of protection that he needed in order to supply the milk.

MR. TANCHAK: Mr. Chairman, probably this isn't the right government to ask, but I hope the Minister knows something about it; I'm sure that the Minister is closer to the source of reliable information than I am. I wonder if there is any truth to this? We hear that -- there are rumours regarding the change in the price support of butterfat. I wonder if the Minister knows if this policy has been changed; and if so, were there any recommendations from the Province of Manitoba?

MR. HUTTON: I think it's more than rumour; I think it's established that there is going to be a change in the method of support. I can't say, because I'm not informed, that it will result in a diminishing of the price to the producer, but I have made strong recommendations that it result in a reduction of the price to the consumer. Because one of the big reasons we're in trouble with butter is that the price to the consumer is unrealistic. You can't sell butter at 70 cents a pound. I'm not saying how much it should be reduced in order to attract the consumer. There are those who are much better qualified than I am to know that point at which butter would become more attractive. I suggest that butter doesn't have to become too much more attractive to solve our problem. I believe that the consumption of butter in Canada is something like 15.9 pounds per capita per year and that our production is 17 and some digits per year. If we had any kind of any increase in consumption, we might find ourselves out of the woods, but as a matter of fact we have -- the figure that is in my mind is 130 million

(Mr. Hutton, cont'd.) . . . . pounds of surplus butter -- and we are losing sales, that we're losing sales to a large extent because the price is out of line, and I feel that it would be realistic and beneficial not just to the producer but to the consuming public, if a new policy was inaugurated that would make butter available to the consumer at some reduction, but I'll leave that to the experts.

MR. J. M. HAWRYLUK (Burrows): Mr. Chairman, at the time that there was the suggestion that the price of milk was to go up I know that there were quite a few delegations went down at the time protesting because of the fact that, oh, on behalf of large families that have to use milk and old age pensioners in many cases rely on it as a source of food value and everything else. Now how does the price compare at the present time with the, say the western provinces, Saskatchewan and Alberta, and when was the last time that there was an increase in the price of milk?

MR. HUTTON: I don't like talking off the top of my head. I believe the price compares favourably with that in other provinces. I think you have to go back two or three years. There was no increase -- if you will recall the producers applied for an increase a year ago and it was denied -- so it would be two or three years since the last increase. The increase was given because the evidence in terms of cost of production was substantiated by concrete evidence that the costs of production had gone up to the producer. I don't think that there can be any argument about that, and that's about as far as I can go in commenting on this question.

MR. PETERS: Mr. Chairman, talking about the price of milk and the increase that was introduced because of the fact that the producers stated that their costs had gone up, we are given to understand that they're going back to putting milk in bottles because one of the factors for increasing the price of milk was the cost of the cartons that they're putting it into. I understand it's about two and a half cents a quart, and they're going back to bottles. Would they then reduce the price of milk seeing that they would be saving that money? Would the Minister look into that aspect of it if they go back to bottling milk instead of putting it into cartons, that they should reduce the price then.

MR. CHAIRMAN: 2 - Supplies, Equipment - passed; 3 - passed.

MR. A. E. WRIGHT (Seven Oaks): This grant for cream grading services has remained stationary for the last two or three years. I wonder if the Minister would be good enough to explain -- tell us something about this grant and to whom it's paid.

MR. HUTTON: The grant is paid to the processors, that is the dairy plants across the province and it is given to help defray the cost of inspection. When you go back a number of years before this inspection was brought in, the dairy products in Manitoba suffered some in quality and so a system of inspection was brought in and the costs of it were defrayed by a levy of so many cents per hundred pounds of butterfat. Then the government was approached and asked if they would make a contribution towards this because the dairy products are the only products where the producer or distributor or processor is required to foot the costs for inspection. The grant for cream grading was gradually increased until we hit \$25,000 and it hasn't been increased this past year. The dairy industry itself is assessing, I believe at this time, six and three-quarter cents per hundred to defray these costs; that is their share. I think this compares fairly well with what they are paying in Saskatchewan and Alberta. We were lower until the latter part of this past year, but I think now, at the present time, our dairy plants are paying approximately the same levy as the dairy plants in the other prairie provinces. Now, I may be out a quarter of a cent or something like that, but I think that it's comparable.

MR. WRIGHT: The chaps that are doing the cream grading in the creameries I take it then are working for the creameries and the government is helping to defray their costs?

MR. HUTTON: They are responsible to us.

MR. WRIGHT: Oh, I see. I wondered why it didn't show here as inspectors in this important industry and why it has to be shown as a grant to the dairy plants, which I take it are creameries.

MR. WAGNER: Mr. Chairman, can the Minister tell me, or tell the committee here, since these inspectors are more around checking, has the quality or grading improved or is it at the same level as it was before?

MR. HUTTON: Ninety-eight percent of the butter produced in Manitoba in 1960 was Canada First Grade.

MR. CHAIRMAN: 3 - passed, Extension Service 1 - passed.

MR. SHOEMAKER: Mr. Chairman, is this the item under which we could discuss ag reps, or where do we reach that item?

MR. HUTTON: Agricultural Development.

MR. SHOEMAKER: Agricultural Development. Thank you.

MR. CAMPBELL: Again I may be in error, and this is one of the reasons that I think it's a mistake to have the number of persons put down in the way we're doing these times rather than having them inserted right in the estimates, because we have to depend on our own copying them down or taking them down when they're given to us, because here I again have, according to the figures as I took them down last year and as they're given on the sheet this year, a decrease of five people. Is that correct?

MR. HUTTON: We have quite a few vacancies in the Extension Service from time to time — I had all these figures corrected from the list that you were working from and I don't know what happened to it. I have a habit of getting so much information that I sometimes lose some of it. Yes, here I have it. There are 47 established positions and there are five provisional positions, which would be a total of 52.

MR. CAMPBELL: Fifty-two is the figure that I have down for last year and I'm quite sure that this year it's -- unless I've made a mistake in copying it down -- it's certainly shown as 47, I think. Yes, it's shown on this sheet as 47.

MR. HUTTON: Well, that's 47 established positions.

MR. CAMPBELL: Then last year the extra help was given as well, I presume?

MR. HUTTON: Yes.

MR. FROESE: Mr. Chairman, could the Honourable Minister define the duties of an ag rep?

MR. CHAIRMAN: That will come under Agricultural Development which comes a little later on in the estimates.

MR. HUTTON: Mr. Chairman, I would just like to answer before I forget. I'd like to make the correction, and I'd like to answer the Honourable Leader of the Opposition. The \$500 item that I couldn't recall was the grant to the Threshermen's Reunion at Austin, and the figures on the breakdown on the Purebred Sire policy was \$71,000 for the Purebred Sire policy and \$124,000 for the brucellosis vaccination program.

MR. CAMPBELL: Mr. Chairman, may I ask the Minister if a grant is being made this year to the Agricultural Museum?

MR. HUTTON: Do you mean in the past year?

MR. CAMPBELL: Is it a continuing grant?

MR. HUTTON: Well, it has been made last year, and would be systematic another year.

MR. CAMPBELL: That we can expect.

MR. FROESE: Mr. Chairman, the item we're discussing and the amount of salaries -- did that include the people in the office only?

MR. HUTTON: \$231,000? No, it includes a lot of people. It includes a director, the assistant director, a chief of agricultural representatives, a chief of agricultural services, a supervisor of 4-H Clubs, a 4-H Club specialist, an assistant 4-H Club specialist to be appointed; it includes a specialist in poultry who has a desk but who is often times all over the country; an entomologist, an assistant entomologist, an agricultural engineer, an assistant agricultural engineer, another assistant agricultural engineer who's stationed at Dauphin; a provincial horticulturist, a horticulturist a specialist in potatoes, Mr. Peters, who is now in the next year, as I've indicated is coming here, going to switch the major part of his work to small fruits; another horticulturist in the field of vegetables and potatoes, another horticulturist in vegetables, a rural development officer who is our sociologist and who heads up the sociology and horticultural economics section; an agricultural economist at Brandon; two other agricultural economists working out of the Winnipeg office; it includes the home economist section, the directors, specialists, home design, food and nutrition, clothing; it includes the district home-economists -- 14 positions there. That about covers it.

MR. DOW: Mr. Chairman, I imagine that possibly grasshopper control may come into this department? I was wondering if the Minister had any possible forecast of 1961. I notice that in Saskatchewan they are forecasting quite a heavy infestation; does it apply into the

(Mr. Dow, cont'd.) . . . . western part of the province, or is there any up-to-date forecast on that?

MR. HUTTON: We have the same forecasts as Saskatchewan. I haven't seen the Saskatchewan forecast; I have seen the one for Manitoba. Of course these forecasts hinge on the type of season that you're going to have. If we had a dry warm spring we could have a bad infestation of grasshoppers in certain areas. If I recall the map, however, it doesn't apply to Western Manitoba. The largest area is concentrated in central Manitoba, and of course again I must emphasize that this depends upon the type of season that we have.

MR. CHAIRMAN: (1) - passed; (2) - passed; (3) - passed.

MR. CAMPBELL: Mr. Chairman, with regard to (3), I think the Minister mentioned that there were a lot of -- did he say vacancies? I presume it's not just a case of vacancies, these are just short-term employees at any time, are they?

MR. HUTTON: Well, when I quoted you established positions, of course I gave you the positions that we are asking the committee here to pass and we have some vacancies within those positions. We have two vacancies in our home economist staff and we have an assistant -- we are asking for an assistant 4-H Club specialist who won't be appointed until May. Then of course we have 30 people who operate under Item 3, six of these are with us at the present time. The others will come on when the duties or the work-load requires it.

MR. CHAIRMAN: (3) - passed; (4) - passed.

MR. SCHREYER: Mr. Chairman, in (4), would the Minister give us a breakdown as to how much is for the short courses and how much for the camps and how much for the 4-H Clubs? What are Club Camps? Would the Minister explain that as well?

MR. HUTTON: Well, there are 4-H Club Camps; there are trips into Winnipeg; each year we send down a group of people of young 4-Hrs to the Toronto Royal. Each year we bring in over 100 young 4-Hrs into Winnipeg and call it Winnipeg Week -- these are the winners. . . .

MR. SCHREYER: Mr. Chairman, the club camps referred to -- these are 4-H Clubs, I assume?

MR. HUTTON: Club Grants, yes. Now these take -- their camps, their grants and short courses are covered in this. I don't think I have a breakdown of this. We're asking for a little more here -- we're asking for some more but also it represents a transfer of monies out of another appropriation into this one. Yes, I can give you some breakdown here. We have a 4-H Club Camp at Dauphin, 4-H course at Brandon, 4-H Club Camp at Brandon, 4-H Club Camp at Gimli, 4-H Club Camp at Clear Lake, 4-H Club Camp at Killarney, one at Crawford Park; we have a 4-H Club contest at the Toronto Royal; we have 4-H leadership courses and elimination contests, 4-H Club public speaking contests -- it's all broken down here and I have no total of just what the -- yes, I have here I think -- the total here is \$18,700 for short courses, Club Camps and 4-H Club grants.

MR. CHAIRMAN: (4) - passed.

MR. SCHREYER: Mr. Chairman, the Minister gave me a sum which we have read in the estimates; I was wanting a breakdown of the three, but if he hasn't got that I would ask him this: the short course here, will he tell us what the short courses are, the number and the type. Would I be right in assuming that this is the plumbing courses?

MR. HUTTON: No. I gave you a breakdown of the \$18,700. Those are the items I gave you there. Now the Federal Government makes contributions in respect of 4-H Club work and these, to a large extent, and also to short courses, these two will represent the other \$10,000. This all applies to the 4-H -- the whole thing. The short courses are those that are held in conjunction with the 4-H program. They have nothing to do with the other short courses, as I read this.

MR. TANCHAK: Mr. Chairman, you being younger, I think your reflexes are a little quicker than mine. I was going to get up on No. 3 and then the honourable member also, although he's . . . . . his reflexes are better than mine too so far. I wonder if I could go back with one question on No. 3?

MR. CHAIRMAN: Go ahead.

MR. TANCHAK: I'm not going to talk about turkeys, although I could, and I suppose if I wanted to I could even stump the Minister on some of these items; it wouldn't be fair to him because he couldn't be expected to know everything concerning diseases and so on. But there

(Mr. Tanchak, cont'd.) . . . . is another bird that I think is more beautiful even than the turkey and that's the pheasant. I wonder if we could discuss it here, raising of pheasants under confinement and commercially, or would it be in the Minister of Mines and Natural Resources.

MR. CHAIRMAN: It would be.

MR. TANCHAK: Thank you. I'll take . . . .

MR. CHAIRMAN: (4) - passed, (5) passed.

MR. SHOEMAKER: Mr. Chairman, I wonder if the Minister would care to make a comment on farm labour service. Isn't that the item we're under now? This department, I understand, is a kind of a non-employment insurance department in that it is intended to provide help for the farmers. Is it serving any purpose at all?

MR. HUTTON: Yes, I think it does. One thing that has happened in the past year was the tremendous increase again in the employment of the Indian and Metis in the beet fields, and our department did have something to do with that. The situation with regard to farm help is pretty difficult and maybe the numbers that we are able to place are relatively small, but I think that it's worthwhile keeping it up, and I think the Federal Government recognizes that it is worthwhile maintaining this because you'll note from the estimates that we -- I think it shows in the estimates -- that we receive a substantial contribution or recovery from Ottawa in respect of this department or this branch. I have some figures here if I can find them. Yes. Pardon me, the figures aren't here; I did have the figures but I just haven't got them at hand. I would say that the justification for continuing this service is that the situation in regard to farm help is rather desperate and through our agricultural representatives we do have contacts all through Manitoba and with an officer in the Extension Service he is able to capitalize on whatever help is available and to place any help that is available in open positions.

MR. CHAIRMAN: (5) passed.

MR. TANCHAK: Mr. Chairman, I suppose here we can discuss unemployment insurance again. I don't expect the Minister to answer this, and in fact I'm not asking him the answer, but this is something that was brought to my attention even today. A good progressive farmer from my area around Letellier and this is the problem he has; he raises cattle, he's a beet grower and also a grain grower; he hasn't got a son; he was unlucky to have his family consisting mostly of girls. Now this involves an awful lot of machinery -- his farm; therefore he decided to get the help of a mechanic. He did find a mechanic in the City of Winnipeg, made arrangements with him to come down; in fact he was willing to pay him higher salary than he was getting here in Winnipeg because he needed him and couldn't take care of the machinery himself. After he hired or made an agreement with this mechanic, the mechanic inquired about his insurance, his unemployment insurance; he said he hasn't been unemployed for several years but he doesn't know when. Now he went down to the Unemployment Insurance Bureau and they told him that the minute he is employed by a farmer he does not qualify for unemployment insurance and therefore this farmer lost the services of this mechanic whom he needed very, very badly. And just in case the Minister brings this matter up again with Ottawa there's a point here, probably he's aware of that situation anyway, but this was brought to my attention today, and I think it's regrettable that farm labour does not qualify for unemployment insurance benefits.

MR. HUTTON: Mr. Chairman, I'll sit down again if I have given this information to the House -- (Interjection) -- I know, but I just wondered if I had made the House aware of the fact that the question of unemployment insurance has been under study of an inter-departmental committee at Ottawa for some months now; that they do expect to come up with some proposal in the not too distant future. This is the last word that I received -- it was received just about a week ago.

MR. CHAIRMAN: (5) - passed, (6) . . . .

MR. HUTTON: Mr. Chairman, I would like to speak on this. We've mentioned the fact that diversification of Manitoba's agricultural industry is of extreme importance and during the past two or three years we have seen a phenomenal growth in the production of vegetables in the Province of Manitoba, a jump of about 50 percent, and we have modern warehouse facilities for potatoes all over the Province of Manitoba, a phenomenal development in the past two or three years, and it's apparent that the production of vegetables is going to be of major importance. Certainly it can be of major importance to the economy of the province. Now we



(Mr. Hutton, cont'd.) . . . . are asking the Legislative Assembly here to approve of a grant, an annual grant to defray the costs of the inspection of vegetables at a central grading and processing station. Over the years there has been a substantial improvement in the quality of Manitoba vegetables, but we're not satisfied yet. Manitoba can produce quality vegetables, tasty vegetables; in fact they taste better than a lot of stuff they bring in from these hothouse plants. We can produce nutritious vegetables but from time to time we lose a little bit by the fact that somehow or other some of our product gets into the market place and it isn't just up to snuff. Now over the years we have had compulsory grading in the Province of Manitoba and we have federal inspectors operating in the province, carrying out these inspection services. But it has been very difficult to regulate the grading of vegetables when every man is his own grader. We had compulsory grading but we didn't have compulsory inspection and you could imagine what would happen in the seed grain business if we had compulsory grading and just hit and miss inspection. We'd lose our reputation in a hurry because oftentimes it costs money to get your product up to spec. The department has been studying a means by which we could maintain our quality and improve our quality and we are prepared to advocate a program which would provide for the licensing of registered grading stations. Now, if you bring in a program of registered grading stations this means that the producer, before he can sell his product, must bring it to a registered grading station and have it inspected. We're not interfering with the rights of the individual to sell where he wants to and he can sell at any price he wants to, but he must have his produce up to the specifications. Now if you do that we feel that you are morally obligated to provide a central grading station where the government of the province, or the people of the province through the government, have some control on the costs of handling this produce. Although the agreement isn't finalized, we are negotiating with a local group here in the City of Winnipeg to supply or build in facilities into the new plant they are contemplating which will be available to all growers, large or small, to bring their produce. If they haven't the facilities at home to do the grading and the washing that is necessary, they can bring it to the central grading station and for a price that is determined through negotiations between the government representatives and these people, they can get their produce washed and graded and where, in some instances, maybe quick cooling is required, these services will be available. And this is what we're asking for this money for. It will be an annual — I think "grant" is the wrong word. It's paying for the provision of services to the producers and it will extend over a number of years, 15 or 20 years. The people involved, this whole thing is possible through co-operation between the government and the group that we are dealing with, and we trust that when the negotiations are completed that we'll have a beautiful modern vegetable warehouse in Winnipeg. I think you'd have to go to the coast before you'd find anything to compare with it. It must give a substantial lift to the vegetable industry in the province and we feel that by following this new program that we can build up the vegetable trade in the province; we can maintain the reputation and build up the reputation of Manitoba products; we can extend our market both in the province and out of the province. Now all the details haven't been worked out but I'm asking you to okay this item because I think that it is in the interests, not only of the vegetable producers, but in the interests of all of us here in Manitoba, that this program moves ahead and that the vegetable industry continues to increase in importance in the economy of the province.

MR. DOW: Mr. Chairman, just as a matter of interest from the Minister in regard to this, will that mean that the stations will only be in Winnipeg or will they be in other points throughout the province? What I had in mind was the small vegetable grower, say in the western part of the province, who does make a certain portion of his livelihood by selling his vegetables from house to house in the smaller towns, will he be compelled to come to Winnipeg to have his vegetables graded and take them back or will there be something set up so that he can take advantage of that, Sir?

MR. HUTTON: We expect that because in Manitoba better than half of the domestic vegetable market exists in the Greater Winnipeg area that this will apply to produce flowing into commercial channels in the Greater Winnipeg area only and into the inter-provincial trade. We are not going to interfere with anybody even in Greater Winnipeg who wants to peddle his produce, but he's got to peddle top-notch produce; he's got to peddle good produce; he's got to meet these specifications. He can't go around with a second best product and undersell a man

(Mr. Hutton, cont'd.) . . . . that's trying to maintain the reputation of Manitoba vegetables. This is what happens too often and as a result the chap who's trying to maintain the reputation of Manitoba vegetables does it at cost to himself, and he finds himself forced to lower his grade in order to compete. It won't apply to our producers outside the Metropolitan area unless they want to ship into the Metropolitan area or out of the province. To those people who want to or who have the facilities, they can apply for registration and as long as they put out a top-notch quality product they can ship into this area. If they offend then they stand to lose their license. It has this advantage, that oftentimes a producer will ship a good product to a wholesale at the present time; it may not be looked after but his tag is on it; it goes on to the retail outfit. Who gets blamed? The producer. Sometimes the blame was the wholesalers; but you'll be able to trace it right through. We're not endeavouring to interfere with the rights of anyone anymore than the procedure that is followed in respect of registered grain interferes with the rights of the farmer, but we do want to make sure that Manitoba enjoys the finest reputation possible for a fine produce that we can produce. It's my firm conviction that after this has been in operation for awhile that the producers in the rural parts of the province will want to share in the fruits that will come from the reputation that we hope to establish. I should also mention that we are not only doing this, but in conjunction with this, we intend to put on a promotion of Manitoba vegetables and make our consuming public aware of the excellence of our products.

MR. SCHREYER: Mr. Chairman, I would like to commend the Minister for this action, although I must confess I really don't -- I can't seem to understand the mechanics of how this will work. The Minister said that the man who wishes to peddle produce will have to peddle good produce. I assume that all produce sold in the Metropolitan area will have to be graded and inspected. I just don't see how this will operate, however. The second question is, the Minister said that the increase in vegetable production was approximately 50 percent. Would the major part of this increase be in the area outside the Red River vegetable area -- outside, as for example, the Carberry area and so on?

MR. FROESE: Mr. Chairman, I have a number of questions that I'd like to pose the Minister on regarding this matter. First of all I understand there's only going to be one grading plant. What about when the big season is coming on and all the growers want to deliver, are they going to take turns or how are they going to manage it? Are they going to provide enough storage space to handle all the produce that will come in at the time? Just what vegetables will come under this grading system; will it apply to all the vegetables, even to corn on the cob and so on? What about imported vegetables, will they have to meet the standards and come under this rigid inspection too; and also just what function is the government going to take on in regard to these grading stations? Will it be more or less the way the egg-grading stations are functioning today, that they will be more or less just supervising it and that the cost will be borne by the station itself, or the growers?

MR. HUTTON: The Federal Government inspectors do the inspection of vegetables in the Province of Manitoba and they will continue to do so. Actually, the Federal Government is very much in favour of this because it simplifies their work. Instead of trying to keep tab on produce, and it's very difficult to do so today, because there's no regulation whatsoever except that if an inspector finds a product that isn't up to standard, he tries to find the person who is responsible. Now there's going to be more than one registered grading station, there's going to be many of them, but we feel that we must supply a central grading station, and I might say that a year ago last fall, when we had that terrible experience with the early snow, that a great many of our potatoes came out of the ground and they weren't in very good shape, and many of the producers found difficulty in getting their products up to standard because they didn't have the equipment to deal with it. They didn't have washing facilities, they didn't have proper grading facilities, and at that time I had a request from the smaller growers, I had petitions asking the government to set up a central grading and washing facilities in respect of potatoes. This is what the central station will be there for; it's to offer service to those people who don't want to go to one of the registered grading stations. Now, there's nothing wrong with a registered grading station at all, but the government is offering a service -- and don't get me wrong, it's not going to be a give-away service -- but it's a pilot service, if you like, which will make sure that no one is taken advantage of because they are compelled to go to a privately operated registered grading station. I don't think that there's going to be nearly as much difficulty through

(Mr. Hutton, cont'd.) . . . . organizing our inspection services as there is at the present time when it's a hit and miss affair. If we had set up the central grading facilities and washing facilities and operated them as a government service it would have cost us a minimum of \$25,000 a year, and for substantially less than that, through co-operating with the local growers, we are going to be able to offer better facilities, much better facilities and make available to the growers facilities that have never been available in the City of Winnipeg or the province or, in fact, all of western Canada until the vegetable warehouse was built in Vancouver, B. C. — It isn't in Vancouver, but a suburb of Vancouver, B. C. about two years ago. I visited that plant and I was greatly impressed with the contribution that it was making and I can tell you I'm very enthusiastic about the prospect of having such facilities here in Manitoba.

MR. WAGNER: Mr. Chairman, I just want to be reassured. Do I understand -- for example, I bring a truck load of potatoes to the inspection station and they are disqualified. Well then, I have to take this truck load of potatoes home or if the man across the street says to me, "I'll buy", am I entitled to sell them when they are disqualified by the inspection station?

MR. HUTTON: You're speaking of your own home at Fisher Branch?

MR. WAGNER: In the city here. For example, if a market gardener is going to bring a truck load of potatoes to the inspection station and then the inspector tells him that they do not pass through the inspection that he has no right to sell them through the inspection station, well then, he has to take them home. Well, what happens?

MR. HUTTON: Well, he can take them home and regrade them if he likes and bring them up to the specifications that are required. He can take them to a registered -- if he's at a registered grading station he can have them regraded or he can take them to the central grading station and have them regraded to a point where they come up to specification. If you were to allow this produce, that is below quality, to go into the market, then you've nullified any effects. What happens when you have registered wheat and the inspector finds that there is the odd wild oat in it? You have to reclean it, and this is exactly what we're trying to do with vegetables. I don't know of a better example than to compare what we're trying to do with what has been done with pork, for instance, in Canada. If you bring in a hog in a Grade C, it grades B, you don't try and peddle it off for an A, and the same thing applies to potatoes. If you have a bag of potatoes and it's Manitoba No. 2 and you try and sell it for Manitoba No. 1, you're going to destroy your reputation. It's going to, naturally, it's going to interfere maybe with the practices of some people. You don't bring in any program where you don't step on somebody's toes or interfere with what they've been doing. I can't think of a better example, for instance, than Idaho potatoes. Idaho potatoes sell for premium price in our stores and yet taken on field run they're no better than our potatoes. The only reason that they've got this reputation is that the Idaho grower won't let any potatoes out of his state and into the commercial trade unless they are up to those high standards that they have established -- and they get a reputation all over North America. Our people can do the same thing. We can get a reputation for quality vegetable produce. There's no reason why vegetables have to come into Manitoba from California, from all these other places, from B. C. Why should they come in here? We've got markets; we'll go in there; we'll establish our reputation and we'll go in there and take some of their markets. Why should we be flooded and suffer for it? This has been the history of the vegetable industry in Manitoba, and we hope it's a history of the past.

MR. WAGNER: I understand then, for example, if it's not No. 1, it's No. 2, and then it's No. 3. I believe the Minister understands the farmer just as equally as I do because the farmer, when he doesn't get his grade, some of them get disgusted and he says - "The dickens with it -- how much will you offer me -- and here take these darn things" -- that's how I understand some of the farmers. So again coming back to my question, if the potatoes do not Grade I, then they will Grade 2, but will they go through the inspection. And for example, if they don't go through the inspection, so I'm pulling out from the registered grading station with my vehicle and one bag or two bags of potatoes, and a man on the street says: "Pete, what are you doing, where are you going?" "Well, my potatoes didn't go through the inspection." He says, "Well, I'll give you an offer." Well then, will I be allowed to sell to that man on the street or do I have to take them home?

MR. HUTTON: Well, we're concerned about the commercial trade. We're concerned about a store like Safeway or any of the big stores, the contracts for potatoes; we want to be

(Mr. Hutton, cont'd.) . . . . that the potato that they bought is the potato that's delivered. This is what we're primarily concerned about.

MR. M. E. MCKELLAR (Souris-Lansdowne): Mr. Chairman, I would like to say a few words. I'm partly mixed up with potatoes this fall through the Souris Producers Limited and I was led to believe and I think the way the Deputy Minister read the Act — according to the Act if it doesn't grade No. 1 or No. 2, you're not supposed to sell, offer for sale, or in fact they can't be put on the market at all, and I was just wondering if there's any change with regard to that.

MR. HUTTON: No, there's no change, but what goes on between one man and another one in respect of two or three bags of potatoes I don't think that we're concerned about this. This doesn't make the reputation or break the reputation of Manitoba products because the man who bought those potatoes and who knew that they weren't up to scratch isn't going to go and complain about it; but the housewife who goes to the store and buys a bag of potatoes and they aren't just what she thought they should be is going to say — "Well, I think I'll buy Alberta Gems or Idaho's or Prince Edward Island or something else." It's this that we're trying to safeguard against.

MR. FROESE: Mr. Chairman, just what vegetables will be covered under this system, and does it preclude that all the vegetables will be washed — all potatoes have to be washed that go through the station?

MR. HUTTON: No, it doesn't. It doesn't necessitate that all vegetables have to be washed. If the potatoes come out in such a condition that they don't require washing, that's fine, but sometimes potatoes are dug during weather where they do have to be washed. It depends on what is required to bring them up to the specifications that you want.

MR. FROESE: Does corn on the cob come under the regulations?

MR. HUTTON: Well, it could. I know of a case where — our local vegetable growers tell me of a case where corn was selling for a pretty good price here in Winnipeg, and somebody came in here with a trailerload of corn, sweet corn that had heated, and it was turned down at the location or the store, its destination, and what did they do with it? They dumped it on the market, down at the vegetable market, and they just knocked the bottom out of corn just like that. This shouldn't be permitted to happen. And I'd like to answer your question about produce coming in from other jurisdictions. It has to meet the same specifications.

MR. SCHREYER: Mr. Chairman, I understand now that this will apply to the regular commercial channels, but the Minister said something about producers peddling produce from door to door. This wouldn't apply to them then, would it?

MR. HUTTON: We're not particularly concerned about this type of operation. We're concerned with the commercial channels of trade.

MR. TANCHAK: Mr. Chairman, it seems to me — I'm not quarrelling with this idea — it seems to me that it might be a great service to the consumer and probably to the producer, but it seems to me that the station itself will be quite an elaborate building. It will involve washing facilities, grading, culling, storage and — does the Minister say that this appropriation of \$12,000 would cover the cost of construction of the building?

MR. WRIGHT: Mr. Chairman, I think the Minister has explained that this was a pilot project and I think it's a very worthy one. The word "grant" being here, though, makes me wonder whether this will be a grant to some other private concern who would set up the building and do the inspecting, or should the word "grant" not be left out and simply call it a vegetable grading and inspection service, a service of which the ordinary market gardener could avail himself if he wished, if he wanted to keep his grade up?

MR. HUTTON: It might be if the grant covered the — if the amount here were to cover the service that it's going to perform, you might change the word "grant" to that of "costs of vegetable inspection". However, this amount of money, and I might point out that this is a tentative amount, it may be more than that, but at the time the estimates were printed we didn't know exactly what it would be, so we put it at that figure. The amount of money that we pay does not reflect the amount of service that the producer is going to receive. He is going to have to pay a charge for grading and washing facilities. But this group of people — and the reason I don't name them is because of negotiations with Ottawa, but I'll explain the whole deal. Under PC 2017, the Federal Government makes grants for potato warehousing. Before the

(Mr. Hutton, cont'd.) . . . . Federal Government will make a grant, however, the Provincial Government has to make grants. In fact, the Provincial Government puts up all the money, that is, three-quarters of the cost of the project, of the approved costs of the project, because not all aspects of the building qualify for a grant. The Provincial Government receives half of the 75 percent, or 37 1/2 percent of the approved cost, from Ottawa, which leaves us with 37 1/2 percent and Ottawa with 37 1/2 percent. The people involved pay back without interest, half of that amount to Ottawa, half of the 37 1/2 percent to Ottawa, and half the 37 1/2 percent to the Province of Manitoba, without interest. The rest is a grant. Manitoba doesn't make grants to co-operatives, and this concern is a co-operative, but we do want to offer service, and so this is being financed by the Manitoba Development Fund which has come in for some criticism in the past, and they are lending the money. The Department of Agriculture, for services to be performed by the group involved and rendered to the people of Manitoba, is picking up the amortized payments in respect of the half of the 37 1/2 percent, principle and interest, and the interest on the remainder of the principle that is paid back by the group without interest, and we amortized that over a 20-year period, and these monies are paid by the department over that 20-year period each year, in respect of the service that is to be provided, and I must insist and emphasize that this agreement is not consummated as yet, but we're very close to it, and I wouldn't want to have the thing stalled off for another year until we met, before I asked for an appropriation, and that's why I'm bringing it before you at the present time. This co-operative group will offer this service; it boils down to this, that this plant would not be available to the growers in Manitoba and especially to the growers in the Red River Valley; it wouldn't be available if it weren't for the grants that are available from the Federal Government and for the negotiations and agreements that we are entering into with these people. That's number one, and it seemed like an economic way in which to get the facilities that are required and maintain them over the years that are required to carry out this program of inspection that we feel is necessary. I think that that covers the situation.

MR. STAN ROBERTS (La Verendrye): Mr. Chairman, the Minister seems to be drawing a very fine line here of whether or not this is a grant to a co-operative. I can remember a discussion in his office one day on a problem of a grant to a co-operative, and he seemed to be in quite emphatic terms that no grants were made to co-operatives, and yet while this is not taking the form of an outright grant to a co-operative, as I understand the Minister -- and I stand to be corrected on this -- assistance will be made to pay back the borrowing from the Development Fund by the co-operative. Now, am I correct?

MR. HUTTON: That is the form in which we pay for the services that they will render to us, to the government. If this agreement were not available, in order to introduce the program that we want to introduce, it would cost us a minimum of \$25,000 a year to maintain these services, and this is a minimum, and the services wouldn't be nearly as adequate or modern as what will be available when this plant is constructed. Now, the Honourable Member for La Verendrye feels that this is a fine line. But we are paying for services each year that will be rendered and we're getting a bargain. If we had to put up facilities of this kind, even if you subtracted all the other facilities that will be available, the crispers and cold storage and so on, I feel that it would run possibly to \$50,000 or maybe \$100,000 a year -- \$50,000 anyway. It would be double. Because when we arrived at this \$25,000 figure we were thinking in terms of a building that was rather obsolete in terms of modern-day mechanization of the vegetable industry. So I don't think this is true; it's not a grant to a co-operative, but it is a grant towards vegetable inspection in the province. And just a grant, because it doesn't cover the cost of vegetable inspection. The producer will still have to pay, according to a schedule, a fee that is yet to be determined. It is also subsidized, I might say, by the group of people who are putting up the building, and there can be no doubt about that, because you wouldn't get these facilities available anywhere else.

MR. ROBERTS: I was, of course, not questioning the necessity of this. I believe that this is a very fine program that the government has assisted in seeing come about, but I do question the Minister's statement that this is not a grant to a co-operative, for the vegetable producers, of course, have a co-operative which has been in operation for some considerable length of time. They have requested assistance from the government in the form of a grant, and the government has said it is impossible to give a co-operative a grant, but a way has been

(Mr. Roberts, cont'd.) . . . . found in which to do it, and this, I think. It's only fair to point out, that in my opinion at least, that this co-operative is being assisted by the government under the premises, and a true one, that it will be of service to the vegetable industry in the Metropolitan area. I think the Minister knows of the reference which I made just before this regarding the Bothwell dairy or cheese co-operative, which, in my opinion, had a very legitimate request for a grant and an equally worthwhile organization which was in need of a grant, and yet which was turned down because no method was found in which to give this co-operative a grant. I think there is -- that the Minister is drawing a pretty fine line between whether or not he is giving this co-operative a grant and whether or not he's using it, his argument being that the vegetable industry will be better because of this grant, and of course in the case of the Bothwell Dairy Co-operative, I assure him that the dairy industry in southeastern Manitoba would have been better because of the grant, and that the farmers would have benefited by it, and our cheese factory in Manitoba would have benefited by it, our last and only cheese factory in Manitoba.

MR. HUTTON: Mr. Chairman, this is not a grant to a co-operative, it's a payment for a service rendered. One of the major, I think, points in this is that a grower does not have to be a member of the co-operative to make use of the facilities. They are being provided to any grower regardless of whether he's affiliated with this organization or not. All he has to do is take his produce there; they can't turn him down regardless of whether he's a member or not. We had examined, and were working upon the possibilities of introducing this registered and central grading station set-up, and this opportunity presented itself, and I can't deny that the agreement is of material assistance to the co-operative involved. But at the same time the reason that the payment is made by the department is for services rendered in making facilities available for a central grading station.

MR. ROBERTS: . . . . . discussion as to whether or not every member who does business with the co-operative must be a member of the co-operative, of course, this stands true for all the co-operatives. I can deliver my eggs and have them custom-graded at the Dairy and Poultry Co-operative in Winnipeg without being a member of it, and I quite happily can ship my milk and sell it to the cheese factory in New Bothwell without being a member of the co-operative. I'm sure that this hasn't any bearing on whether or not this is a grant to the co-operative.

MR. HUTTON: There's a great difference. You cannot go to the egg grading station and say to them, I want you to grade my eggs but I'm not going to sell them to you. They will determine, if they do it for you, they will determine the price that they will charge. And here is the difference. -- (Interjection) -- Oh, no - the price will be determined through negotiation between the vegetable growers and the co-operative involved and the government. We, that way, can have some control, not only over the price that is charged at the central grading station, but that which is charged at the other registered grading stations, and this is a mighty big difference, a mighty big difference. I would like to correct a statement that was made that this was a pilot project. It's not a pilot project, it's a might big project. I referred to the fact that the, I believe, that the rates that were established for the service would tend to be a pilot to the rate charged by other grading stations. This is not a pilot project; it's a might big project.

MR. FROESE: Mr. Chairman, I have two other points on which I wish to comment. One is that I hope and trust that the powers and responsibilities of and for inspections will not be delegated to any other board or to a board over which this government has no authority. Secondly, I would like to question the Minister; supposing there was another group later on coming on that offered the same services, that were going to provide the same services, would the government be able to assist them as well in such a project?

. . . . . Continued on next page

MR. TANCHAK: Mr. Chairman, I don't know if I heard right or not but it seems to me that the Minister made mention of that and said it will be a government grading station in the first instance and now after some explanations it seems to me that it will be a government licensed station, but it actually isn't a government station; it will be a co-op. Now another -- in answer to the Honourable Member from La Verendrye, the Minister made a statement that there are stations where you could bring your produce, have them graded, but you are required to sell them to the people involved or to the grading station. I don't think it's true in all cases, because I know in my own case I had poultry killed at Manitoba Co-op Dairy and Poultry, I had them killed, I had them graded there but then they remained in my possession and I could sell them later, as I wished. I wasn't required to sell to the company. So am I right in saying that this isn't actually a government grading station? It happens to be a co-op where the government is simply assisting.

MR. HUTTON: In the first place I'll answer the first point that you brought up. It's true that you took your turkeys and had them killed. You paid the price and they determined the price that you paid. --(Interjection)-- Yes. They said what you would pay. That's fine. In this case, however, the Department of Agriculture will have something to say about the price that is charged for these services. This makes quite a bit of difference. The government has nothing to say about the rates that are charged for killing turkeys. You make that deal yourself. The vegetable grower that goes to a registered grading station will make the best deal he can for these services. He won't have the government backing him up, but if he takes them to the central grading station the government does have something to say. The Department of Agriculture will have something to say about the schedule of charges that are made for these services -- a great deal of difference. The central grading station will be under the -- if you like to say, the supervision, certainly, a measure of supervision from the Department of Agriculture, insofar that we will see that this service is available to the growers that want to use it and that it is available at a pre-determined schedule of rates, and so I think that there's quite a bit of difference between the central station and the registered grading station.

MR. ROBERTS: Mr. Chairman, . . . . .considerable point of a great difference between a registered station and a government station but I can't see where the advantage lies. Surely just because the government is involved in setting the rates doesn't mean that the rates are going to be ridiculously low or are going to mean a great saving to the vegetable producers. I can't conceive the Honourable Member for Emerson delivering turkeys to the number of processing plants there are in Winnipeg to process turkeys, and not being able to shop around and through competition find the lowest possible rate to have this work done. Surely this is not a great advantage to have the government involved in the setting of the rates. Surely the advantage would be in competition rather than having the government set the rates.

MR. HUTTON: The question involved here is simply this: that when you introduce a new program where people are compelled to take their produce to a registered grading station, I think there's an onus upon the government to give them an alternative. I think there's an onus upon the government to see that everybody gets a square deal. I'm not saying that they wouldn't get a square deal, but I wonder what the Honourable Member for La Verendrye would say next session, or the session after, if he found an example where somebody was rooked. He would be talking a great deal louder and stronger than he is now. I'm not very clever but I think I'm clever enough to anticipate what the Honourable Member for La Verendrye would do, and he'd be justified in doing it. He'd really be justified in . . . . ., for not making provisions to see that the interests of the producers are safeguarded. This is rather a radical departure. It's another first in Canada -- it's a first in Canada. And when you do things, when you're pioneering, I think it's good business to take all the precautions that we feel are justified in safeguarding the growers' interests.

MR. TANCHAK: . . . . .criticizing, you're opposing this. I wish to commend the Minister in introducing a project like this, but I'm still not clear, and I would like a line drawn between this, is it a co-op or is it a government station? How would you classify it? Is it a government station? I understood at first it was supposed to be a government station, purely a government, and no co-op mixed in at all.

MR. HUTTON: No, I think the Honourable Member for Emerson is a little confused. The only way that this thing is possible at all is through co-operation. I'm taking a lot of time

(Mr. Hutton, cont'd.) . . . . I know, but this is an important step, and I don't want the Honourable Member for Emerson, or to be quoted in the newspaper and leave the wrong impression, because it's going to require the co-operation of the wholesalers, the co-operation of the growers to make this thing work, and I think it should be clearly understood what we are trying to do. These facilities are only possible through the co-operation of the government with the co-operative involved. The co-operative involved is willing to lend itself to a certain measure of supervision on the part by the Provincial Government in order to make these facilities available. And I've outlined the field in which we will supervise this operation. We're not going to interfere with the commercial trades of the co-operative. We're not interested in that at all. We're interested that they provide these particular facilities that will assist the growers to meet the demands of the new system of inspection of vegetable products in Manitoba. I think that sums it up.

MR. TANCHAK: . . . . then I was confused, I still am confused, because I still can't draw the line between whether this is a co-op or whether it's a government project. I agree with the Minister that this is absolutely necessary, but I understood right from the start that this was a government project. Now it seems to me that the government is simply assisting, but it isn't. It is a government plan but the government in the actual construction of it, the government is simply assisting the co-op.

MR. HUTTON: . . . . government owned plant, but the co-operative signs an agreement with the government to offer this service for a specified number of years to all growers. The government doesn't own the plant; the co-operative owns the plant. The government helps them to get the plant. In return for the help that we give them, they agree to offer to the vegetable growers marketing their produce in the metropolitan area or in the inter-provincial market, they offer to provide these services at agreed prices.

MR. FROESE: Will the non-members of the co-operatives have the same privileges as the shareholder members of the co-operatives?

MR. HUTTON: In respect of the services that are covered in the agreement.

MR. SCHREYER: Did I hear the Minister say that this would not have been possible if it were not for the grants from the Federal Government? I think I heard you say that this wouldn't be possible if it weren't for the grants from the Federal Government. You said that. Now could you tell us approximately the amount of the grants from the Federal Government involved here -- put in dollars and cents?

MR. HUTTON: In dollars and cents? I don't think that I should do that at this time because as I said the agreement isn't consummated, but it's equally true that it wouldn't be possible without the grants from the Federal Government, that it wouldn't be possible unless we had reached an agreement between the province and the co-operative either, because the province by one means or another must put up all the money in the first place, and then the Federal Government reimburses the province for 50 percent of the costs which qualify for grants, not all the costs in the building. For instance, things like office space do not qualify under the grants. I'm speaking in respect to the grants for vegetable warehouses, potato warehouses. And this is what we're interested in for the most part, is potatoes. This is our biggest thing right now. The Federal Government in addition to making grants for potato warehousing makes grants in respect to cold storage, and I believe the co-operative has applied for these grants as well. But in respect to potato warehousing the Federal Government will pay half--will accept responsibility for half the grants that the Provincial Government accepts responsibility for. In other words, if the total grant were \$200,000 the Federal Government would reimburse the province for \$100,000. The co-operative must pay back \$50,000 to the province and \$50,000 to the Federal Government, with no interest.

MR. FROESE: Mr. Minister, will they be accepting frozen vegetables as well at this plant?

MR. HUTTON: I didn't catch that.

MR. FROESE: Will they be accepting frozen vegetables as well at this plant that you're talking of. Did they provide for a cold storage?

MR. HUTTON: As I said, our principal concern at the present time is in the field of potatoes. There are other facilities that are available and details of the agreement such as the question of frozen vegetables hasn't been considered. Where would the frozen vegetables come from?



MR. FROESE: They have been freezing at Winkler and we also had custom freezing done at Portage la Prairie last year, and we're providing frozen peas to business concerns in Winnipeg at the present time.

MR. HUTTON: You would have facilities out there for a registered station. Why would you send them to a central station here?

MR. FROESE: Well, for storage, because we have not got the storage facilities.

MR. PETERS: Mr. Chairman, I listened to the Honourable Member from Emerson speaking about taking his turkeys to a plant to get slaughtered, and the Honourable Member from LaVerendrye mentioned that he should be able to take them to where he could get them done at the cheapest price possible to him, and all I wanted to pass on to the House is this, Mr. Chairman, that we usually follow the trend that goes on in the United States, and as we all know, in the United States they now have mobile units for killing chickens and turkeys, where they go right into the farmer's yard, do all his killing for him, process them for him and freeze them for him, and I think that we should keep this in mind, that in a very few years from now this will probably creep into Canada, and keep this in mind when we talk about setting up.

MR. FROESE: Mr. Chairman, I do not wish to infer that I in any way do not commend the government for this action, and that they are proceeding with this matter. I think it's very timely that we do so. We need proper handling of our fresh vegetables very badly in Manitoba today.

MR. CAMPBELL: Mr. Chairman, just one question to ask, and I've been a long time getting into this argument because I've been deferring to the vegetable experts which category does not include me, but I've a practical question to ask because I understood that the Minister said that it is not the intention to least enforce the regulations with regard to the direct sales of a producer to a consumer. Is that correct?

MR. HUTTON: We're not too concerned about it. I'm not going to say that -- there may be future developments. We're going into something new and I think it would be wrong for me to say to them that we're not going to do this and we're not going to do that. We may find that we'll have to do many things that we haven't contemplated as yet, and we're not going to just rush head-on into this thing. We're going to -- after all we're rather experimenting, you know, but at the present time it doesn't look to us that the transactions between a producer and a consumer directly are very important. It's the product in the market place, in the store, that determines the reputation of our product.

MR. CAMPBELL: In other words, Mr. Chairman, it's the big commercial operations that are the first to be considered. That's right. Well then, the question I was going to ask was will it have any effect in the early days on the farmer's market? So-called local farmer's market of Greater Winnipeg?

MR. HUTTON: This is a very good question and it's one that I know our staff have looked at, but I wouldn't want to comment on it -- except for this, that we hope that the results of this program will be such that the farmer's market, who do a tremendous amount of business, will want to share in it. I would say that, because products that are subjected to compulsory inspection will carry a trade mark; they'll be recommended products; they'll have a trade mark of their own, and they'll be promoted, and I think that other producers will want to enjoy the reputation that this trade mark carries with it.

MR. CAMPBELL: And the other one point that I wanted to raise, Mr. Chairman, was that the Minister spoke about us getting in a position so that our vegetables for export as well would command a premium position. I agree with that, but I think it is the fact, isn't it, that as far as grading for shipment outside the province is in the hands of the Federal Government rather than provincial?

MR. HUTTON: . . . .of course will be true of all our operations. We don't contemplate setting up a provincial inspection. This is all being done with the co-operation of the Federal inspection staff and in close collaboration with the Federal Government. They are completely aware that negotiations have been going on for some time, and we all recognize that there are problems inherent in a program of this kind and it's too early to try and assess what is going to actually happen, but we do feel that it is a step in the right direction.

MR. CAMPBELL: . . . .remember, Mr. Chairman, the names of the different organizations that are prominent in this field, but there's one -- the name that they used to go under

(Mr. Campbell, cont'd.).....comes readily to my mind. I'd like to ask the Minister does this program, so far as he is aware, carry the full endorsement of the peak of the market people?

MR. HUTTON: The Vegetable Growers Association? Yes, I said earlier that we couldn't without substantial support from both the wholesalers and the producers hope to introduce this program successfully. It's absolutely essential. The Vegetable Growers Association has been aware of our thinking along these lines; we have a strong indication of support, and it'll only be carried out through close collaboration with both the growers and the wholesalers.

MR. CHAIRMAN: (6) passed. (d) (1) passed. (2) passed. (e) (1) passed. (2) passed. (f) (1) passed. (2) passed. (3) passed.

MR. MOLGAT: Mr. Chairman, is this the point where the Minister wants to discuss the community pastures? What is the situation now in the Sleeve Lake pasture? I understand that the PFRA are extending the boundaries in Manitoba on PFRA. Could the Minister tell us what is going to be the new boundary? What will be included, and what is going to happen with the Sleeve Lake pasture?

MR. HUTTON: Well, at the present time we maintain a manager in the pasture and pay for temporary help, and we have some costs for fence, in maintaining the fence, and there has been some pasture improvements, work done by the Soils and Crops Branch. With respect to PFRA extension of boundaries, I understand it's to cover the total western area. It will include the Interlake and southeast of Manitoba. I haven't had the opportunity to see the new boundaries but I would expect that it would -- from the statements that have been made by the Federal Minister -- that it would include all agricultural land in western Canada. This is my understanding.

MR. GUTTORMSON: Mr. Chairman, how far north of the Interlake, could he tell us?

MR. HUTTON: It would take in all agricultural lands in the Interlake.

MR. GUTTORMSON: Mr. Chairman, this afternoon the Minister said he could find out how much money the Provincial Government is putting into the Sleeve Lake pasture this coming year. Could he tell us now?

MR. HUTTON: I can just outline -- I can't tell you the exact amount, but there is provision for the salary of the manager of the pasture and temporary help and some fencing. I can't tell you offhand whether they're going to carry out any more pasture improvement projects in the area this year, but they have in the past. I would expect it will continue but I can't say just whether this particular item is in this year's estimates -- that is pasture improvements.

MR. GUTTORMSON: Are they going to enlarge the pasture this year?

MR. HUTTON: No, not that I know.

MR. GUTTORMSON: Have you any figures as to how many cattle were on the pasture last year?

MR. HUTTON: No.

MR. MOLGAT: Mr. Chairman, in view of the fact that the PFRA are extending -- including that area, it seems to me that they should take over completely the responsibility for that pasture. Originally this was set up during the very wet years along Lake Manitoba when a lot of the ranchers had to move their stock away from their normal range area. This was built in co-operation with the PFRA. The only reason they gave us then for not taking it over was the fact that this was not within their normal boundaries. Now, they have built pastures since that time in other locations in Manitoba, in particular a very large one, the McCreary community pasture since the Sleeve Lake, and I see no reason why they shouldn't be prepared or why the government shouldn't insist that they immediately take over the operation of the Sleeve Lake pasture. It's certainly designed, as I recall it, exactly to their specifications; they built the fence, and it was their own equipment, and I can see no reason now why with this extension it shouldn't become a straight Federal responsibility like the others.

MR. HUTTON: I expect there's a close association between the introduction of the art of legislation and the extension of PFRA boundaries to cover the total agricultural area in western Canada, and believe me, we'll squeeze every penny out of the legislation that's possible. A lot of the programs that would be possible under the act of legislation are now being carried on by the Province of Manitoba, and we'll be endeavouring to get as much contribution from this federal legislation as we can, and certainly the point of having them take over community pastures in the new areas is one which offers us some income.

MR. GUTTORMSON: Mr. Chairman, west of Ashern a group of farmers have a pasture

(Mr. Guttormson, cont'd.)....they have set up themselves, and they're interested in improving this pasture by killing the brush and what not, and they'd be interested in knowing whether the Provincial Government will assist them in improving this pasture of their own. Can you tell me whether there are funds available for this purpose?

MR. HUTTON: Well, there are funds here under the Pasture Improvement Project, and I would suggest that the farmers up there who are interested should approach the Soils and Crops people and ask for assistance. Now, whether they can get assistance this year or not I couldn't say, but certainly if they make an application for a program they'll be given every consideration. There may possibly be some monies in this appropriation which are not committed for the coming year.

MR. CHAIRMAN: (3) passed; (4).

MR. SHOEMAKER: Mr. Chairman, the annual report that we have before us of the Department of Agriculture and Conservation for the year ending March 31st, 1960 on Page 44 reports that the pasture trials, and as you know, Mr. Chairman, they were initiated in the Gladstone area, they were most successful according to this report on Page 44. I wonder if this report has generally been made known to the farmers of this province, because it seems to me that here is a project that's well worth bragging about, and I think we could do well to give the results as registered on this page to every farmer in Manitoba.

MR. HUTTON: Mr. Chairman, we have a great number of soil conservation clubs. We went into this last year. I think there are about 800 people enrolled in these clubs across Manitoba. We have 400 people at the present time enrolled in our farm business groups; we have soil and crop management clubs, and our extension personnel from the Soils and Crops are on the continuous go all the time, through the province, and the information that they are giving is the information that is coming out of the experiments that they are carrying on. Possibly, we might carry out an indiscriminate publicity of these facts, but all the material that is gathered -- and publications are available, and most of the organizations and clubs can get these publications. The fact that it has just shown up here is the fact that we're always one year behind in our report.

MR. FROESE: Mr. Chairman, could the Minister tell us what services are available under this program other than the ones he has just mentioned, as specifically to the matter of soil erosion?

MR. CHAIRMAN: ...the Honourable Member from Neepawa-Gladstone. (3) passed; (4)

MR. FROESE: My question would be under (4).

MR. HUTTON: You'd like to know what comes under this program. Well, gully erosion. We have a program where we assist both in the mechanical levelling of gullies and we pay out, we pay part of the cost of seed to seed down these eroded areas. Also land that is subject to wind erosion and so on, will qualify for assistance for grass seed. A great deal of the monies that are voted here go towards the purchase of grass seeds and legume seeds for our soil conservation program.

MR. SHOEMAKER: Mr. Chairman, the Honourable Minister mentioned the gully program and the fact that if you have to use machinery to level off the gullies to reshape them and seed them down, that the grant would then be made available to farmers. Isn't it a fact that you must have to hire heavy municipal equipment or something of that nature in order to qualify for the grant? Is that not so?

MR. HUTTON: Yes, that's true.

MR. SHOEMAKER: Well, ....

MR. HUTTON: Well, you'd hardly pay a grant to a man to go out and use his own tractor. My goodness, they're using them every day in the year. Why should you pay him to use his own equipment?

MR. SHOEMAKER: Well, Mr. Chairman, the flooding conditions of last spring were such, as the Honourable Minister knows because he was out through the Gladstone-Plumas area, and in many cases I still think the farmer could probably hire a maintainer and pull it behind his tractor, and do a lot of the re-shaping and seeding down himself, but by thus doing he wouldn't qualify for the gully program perhaps.

MR. HUTTON: He wouldn't qualify for assistance for hiring mechanical equipment but

(Mr. Hutton, cont'd.) . . . . he would still qualify for assistance to seed down the eroded area. But it's only where the erosion is so extreme that any available equipment that he has is unsuitable to do the work and he is forced to go out and hire it done, then we will contribute up to \$100 towards the levelling and preparing of the gullies for seeding. Yes, up to \$100.

MR. SHOEMAKER: Well, on the seed required for the grassing of the re-shaped gully or the runways, isn't it a fact that you have to apply for seed, say, this year in order to obtain it next year. It seemed to me because of the early flooding conditions last year that possibly quite a bit of re-seeding could have been done if they could have got the seed say in June, upon making application for it, rather than waiting until the next year to get it.

MR. HUTTON: Well, of course there's a difficulty here. The department buys the seed by tender, and they have to have some idea of what is going to be used and so they require the farmer to commit himself to a program ahead of time so that they know what the requirements will be or else they might be buying far too much seed or too little seed. It's a matter of planning and programing the policy.

MR. CHAIRMAN: (4) passed.

MR. CAMPBELL: Mr. Chairman, this is very important work, and I think that it's something that should be encouraged, but I notice that not only is this item cut down from last year but last year it had been reduced from the year before, and more noticeable even that that was the fact that the year before only a little more than half of what was appropriated was used. Surely, there's lots of work to do in this field. It's extremely important. Could the Minister tell us why the appropriation was not used and is it being used in this current year that we're in?

MR. HUTTON: Well, we think it's important and so we voted the money, anticipating that the farmers will make use of it, and when you go out and promote a program we'd look a little bit silly if we hadn't made provision for funds to cover it, and the Honourable Member for St. George suggested here a few minutes ago that he has some people in his area that might want to come in under the Pasture Improvement Project. I can't answer him as to whether there are monies available or not; I don't know what the situation is. It would be pretty difficult for me to keep my finger on every single project, but we want the monies there because we feel it is important, and if the farmers respond to it, they could use up \$10,000 in a program like this very easily, or they could use up \$65,000 very easily. Any of these figures are not large in terms of the potential farmers that we have and can use it. In the case of the farmers who neglected to vaccinate their calves this year, I'm sorry they did neglect this. I'm sorry that these farmers haven't used some of these programs, but we keep on working away and we anticipate that they might call upon us for this kind of assistance, and we should be prepared to give it.

MR. CAMPBELL: There's a little bit of difference in the two policies though, Mr. Chairman, because in the case of calthood vaccination, I believe that the vast majority of the municipalities now have compulsory vaccination, do they not? You haven't yet instituted compulsory soil erosion control measures?

MR. HUTTON: Well, the compulsory vaccination of course comes -- the initiative for compulsion comes from the grass roots -- it's not imposed by us. They elect to do these things, and if they elect, in a municipality, to have a compulsory conservation program, I expect we would co-operate with them, but we have to wait for the people in this country.

MR. CHAIRMAN: (4) passed; (5) passed.

MR. FROESE: Mr. Chairman, before we leave the item, am I right in assuming that soil erosion taking place these last years has been more due to flooding than to erosion by wind. In our area particularly I think most of the soil erosion that has taken place is because of flooding.

MR. CHAIRMAN: (5) passed.

MR. ROBERTS: Mr. Chairman, on (5) -- I believe this is where we speak of tobacco. Would the Honourable Minister tell us how things are back on the tobacco ranch, and would he tell us how much money is appropriated for tobacco this year?

MR. HUTTON: I had a nice report on tobacco if I can find it. . . . Yes, but I have an up-to-date report which stated that there were several things lacking in our tobacco in Manitoba. One was aroma, the colour, the texture, some pretty important qualities in tobacco, were lacking. It doesn't mean that we can't grow tobacco in Manitoba but it does mean that we're

(Mr. Hutton, cont'd.)...at a disadvantage when trying to compete with an area like Ontario where they have curtailed the production of tobacco in order to maintain the price to the producer. They've got a tobacco-marketing board down there, and a man may have an 80-acre tobacco plantation and paid a big price for it, fantastic price for it, and then they agree that everybody will produce about 50 percent or 60 percent or 70 percent of their available acreage, and the fantastic prices, or what appears to be at one stage a good price for tobacco, doesn't look so good when you have to curtail production. This seems to remind us of another argument we had in this House. But nevertheless, we are continuing our project in tobacco, and you will notice that there is a reduction in the estimate for seed variety multiplication testing of special crop trials. Now that's because we bought a trailer for -- yes, we bought a trailer in order to have living accommodation down at Marchand and we also moved -- last year we moved our kilns and carried out some repair work and so on, and these expenses are not required in the coming year. The same chap who carried out our work for us this past year and did a good job we trust will be back. He is presently at the university with our help through the bursary program, and we expect, if anything, to have a larger planting next year than we had in the past year. We will be improving more ground for tobacco; we have no thought at all of dropping the experiment, but we're interested in some other things now as well. Not instead, but as well.

I don't think we want to tie our opportunities to one special crop. I had the opportunity tonight to speak to the Wholesale Vegetable and Fruit Association of Winnipeg, and I took the opportunity to remind them that we're going in to small fruits in Manitoba and we're going to put some real emphasis on it. Regardless of what my honourable friend from LaVerendrye thinks, we're going to grow some small fruits down in his country. We've got some of the best soil in Manitoba for small fruit production down in that country, and we've got water down in that country, and we can irrigate down in that country, and we're going to grow small fruit. Not only that, last summer we sent Mr. Peters and Mr. Weir on a trip down through the northern states, and they visited several commercial orchards and tried to make an analysis of the profit possibilities in tree fruits, and they came back with a very inspiring tale of the success of farmers in Minnesota and North Dakota in the production of commercial tree fruit, apples and crabapples and so on, and Dr. Morrison of Morden is an enthusiastic advocate of tree fruits for Manitoba, and we have some areas in Manitoba, especially in the Pembina area, the Pembina Hills, which are admirably suited for tree fruit production, and when you go to the store here in Winnipeg or any other centre, and have to pay the price that we do for apples, and when you've tasted some of our Manitoba-grown apples and you find that there's nothing that you bring into this province that will touch them for flavour, for crispness and so on, I think it's an exciting proposition and true, it takes a long time to get into production and we've got to figure out a program on this, and we're going to figure out a program to promote tree fruit production, but you can't run before you walk, and we think the small fruits is the thing to promote right now, and we're certainly not overlooking the opportunity to promote tree fruits in Manitoba either. But the exciting thing about small fruits is that we've got a culling plant out here in Transcona that requires small fruits for jams; it offers tremendous possibilities for the frozen food industry and the fresh fruit industry, and it doesn't only mean jobs for people in an area such as Hadashville but it means jobs for people in the processing plants, and it means keeping money in Manitoba, producing more money in Manitoba, instead of sending our money out of the province and in particular into the United States. I have some figures here, if you will permit me to outline, I don't think it's any secret -- certainly it is no secret now -- our hopes for a small fruits industry down at Hadashville. This is an outline of the potential; we were considering a 40-acre plantation to start with, with irrigation equipment and with spraying equipment, all the machinery that was required to do a first class up-to-date job, and it required an initial investment in the first year of \$12,000 and an investment in the second year of \$4,000. No, pardon me, an investment the first year of \$12,000 in cash and of \$4,000 in labour, and in the second year it required a further investment of \$4,500 in cash and a further investment in labour of \$4,000.

And I'd like to explain to the House what we had in mind. Naturally if you set out strawberries in 1961, for instance, you don't get any fruit, and if you want any fruit, a good crop in 1962, you pinch your blossoms off so that it won't bear. This meant that the local people

(Mr. Hutton, cont'd.)...would have to work for one year for nothing, but we figured in the costs, their labour costs, their investments, and in the first year we allowed for the purchase of land, their irrigation equipment, for spraying equipment, for fertilizers, chemicals and mulches, for plant materials for sixteen acres of strawberries that would be virus-free stock, and for four acres of raspberries, and we allowed for a manager's salary and so on, and it came to a total of \$12,000. In addition to this the local people would have to work in this vineyard -- vineyard, that's a good name -- and they would have to labour and put in \$3,340 worth of labour. That's \$167.00 an acre that they would have to invest in labour and they'd get no return that first year. In addition there would be power machines at \$40.00 per acre, which would come to another \$800. Now in that first year it required a total investment of labour and capital of \$16,000. In the second year you wouldn't have to buy your equipment; your expenses, your outlay of cash, would be reduced to \$4,500, but again there would be heavy labour costs of \$4,140. Of course the second year you would have some fruit. This is the year that you would take off some berries. And to make a long story short then, on strawberries -- (Interjection) -- do you think I should give them every detail -- the whole thing? Well, in subsequent years your major investment would be labour. But then we start to look at what the potential was for a profit in the strawberry industry. In 1960 for a 12-pint overflow pack California strawberries were selling for \$4.10 in Winnipeg, and in 1958-59 B.C. strawberries were selling for a 24-pint pack for \$4.75. And so they wanted to be sure that they didn't over-estimate what they might receive for these berries, and they valued them at 12 cents per pint laid down into Winnipeg. And then they said, "Well, you know things never work out the way you think they're going to work out; sometimes you don't get a crop", and so they cut out one crop in four. They said that you might lose one crop in four, so they didn't allow for that, but they arrived at an average annual return from 20 acres of strawberries at \$19,800. And then they amortized the total cost of the project which included all the labour that had gone into it, and they came out with a total cost of \$16,000, which left a net return after all their labour costs had come out, and of their investment, a very conservative estimate for returns they ended up with a net of \$3,494 -- on an original cash investment of \$16,000, which isn't a bad deal. And I'd like to say a word, and I was hurried yesterday afternoon in dealing with the strawberry project, on this question of co-operatives and the problem that the Honourable Member for La Verendrye raised, that the people didn't cotton to the idea of a co-operative. This co-operative in a sense is a variation, because the people involved would take their wages out on an hourly basis and they would invest in it -- they would invest in it. The way it would probably work is this: that they'll raise enough money to buy the land and whatever else they can purchase themselves, because it's to their advantage that they put as much into it as they can owe a little on it, but they would have to finance the remainder, and that once the vineyard bore fruit they would begin to be paid for their labour. Over the period of years they would take out all the labour they had put into it on an hourly basis, not on a membership basis, on an hourly basis, and then they would use their surplus to pay off the amount of capital that was owing. They could expand their projects. There's no reason why it would have to be 40 acres; it could be 80 acres, or it could be 120 acres, whatever they find is suitable to themselves. But at the present time we have a market for them, a firm market for them, and I think that it's going to go ahead. I believe sincerely that we are going to establish this project in that area. Certainly men like Mr. Prohdan are wholeheartedly in favour of it and are encouraging the people to go into it. The ag reps are working closely with them, and Mr. Peters and Mr. Weir have made I don't know how many trips into the area to discuss the matter with them, and here again I'm very enthusiastic about the possibilities. I want to point out that if this is established it will increase commercial acres of strawberries by 50 percent, because we've only got 50 acres in Manitoba.

MR. PETERS: Mr. Chairman, if he could tell us -- he's been saying a lot about the hourly rate that they would be taking out after they got into this project. I wonder what basis he was using as a calculation. Was he using the minimum wage of 66 cents an hour or are they using some higher figure?

MR. HUTTON: Well it isn't much over the minimum wage, but I'd like to point this out -- 75 cents an hour -- but I'd like to point this out, that a family that go into this project might have three or four children at school. Now these young people in their teens can make five or

(Mr. Hutton, cont'd.)...six hundred dollars in the summer working in the strawberry patch. Now you say that isn't very much money. The Honourable Member for La Verendrye can tell you that if, say, three children in a family could make five or six hundred dollars in a summer, it would be a windfall for them. It would be a windfall for them because it would mean fifteen hundred to eighteen hundred dollars. A lot of this work a teenager can do even more efficiently than someone who is older, because they're young and agile and so on.

MR. ROBERTS: Mr. Chairman, this was a very glowing description of the plans of this Department during the coming year. Quite terrific compared to the \$17,000 appropriation -- \$17,000 wouldn't provide the salary and the automobile expenses for two men, and so I suggest that perhaps this glowing description of the plans in the Seed Variety and Multiplications Branch is similar to the glowing descriptions we have had of tobacco-growing in Manitoba for each year of the past three years, at least, that I've been here. Each year we expect that next year some interest is seriously going to be shown towards attempting to grow tobacco, and now other products in Manitoba. We find this year that the appropriation is not only smaller but that we're trying to grow more products besides tobacco with the same appropriation. And I think that glowing speeches are fine, but we have to at least produce some little results. It's perfectly all right to say that tobacco is in surplus in Ontario, but this land is worth less than ten percent of the value of the land that's growing tobacco in Ontario -- in cash value if you went to buy it. And surely we can produce tobacco -- if we can produce it at all we can produce it more economically than they can. You Sir, are the Minister of Agriculture in Manitoba, not the Minister of Agriculture for Canada or Ontario, so you should be concerned about our growers in Manitoba, and if we can grow tobacco more efficiently than they can then we should be growing it and selling it even if they have a surplus in Ontario. I displayed a great deal of interest to the gentleman who was working on tobacco this past summer for the department about the tobacco plantation, and I use the word very loosely, and he -- I asked him when I could see the results and all the work he'd done, and he gave me a date in which he was going to hold a little field day, and he said, "I want you to be there because you're the representative for this district and I think it's a good thing that you should be there." So I marked the date down in my padbook and I made a trip in from the country where I was at the time, to get ready to go along on this junket, and when I got home I found that a message was there for me that I was not welcome, that the department had said that I was not to be there too. So I was not allowed to attend the field day for the Department of Agriculture.

MR. HUTTON: You must have made some bad friends somewhere along the Department. -- (Interjection) -- No. Oh no. It's the first I d heard of it.

MR. ROBERTS: Well someone was using your name in vain then. As far as strawberries are concerned, the problem in Hadashville, as the Minister has pointed out, and this is not necessarily his problem, this I think I would like to lay at the door of the Minister of Mines and Natural Resources in that the settlers' permits for cutting wood in the area, for one thing, have been so drastically reduced that there is virtually no cash in the area. Now this plan which you have just described to us involves two things. First of all that the local residents must put up some cash as their share of this co-operative. Secondly that they must be prepared to work for two or three years without any cash returns -- at least two years, more than two years from now. And this is a terrific thing to ask of these people, to put in their work for that length of time without return. Now, there are parts of Manitoba where the residents could afford that kind of an investment, but I don't think the people of Hadashville at the present time are in that kind of a position, because they have not been having good crops, those who are farmers. Those who rely on bush work cannot get the permits to cut wood, and those who normally work for the Department of Mines and Natural Resources cutting fireguards and trails through the bush and doing all the things that are necessary in the wooded areas, have been laid off for the last three months. And so there are more problems than the one that I mentioned the other day about the rather reluctance to enter anything that looked like collective farming. This is another problem, and one that has to be faced by the government, and I say all this can't be done with a \$17,000 appropriation. I think the government has to contribute a little more.

MR. HUTTON: In the first place, the Honourable Member for La Verendrye made a gross error in charging me with excluding him or giving directions for excluding him from any meeting

(Mr. Hutton, cont'd.)...that -- (Interjection) -- I don't even know; I'm not even aware of the field day that was held.

MR. ROBERTS: ....where the tobacco....?

MR. HUTTON: No, I was down on a tour -- (Interjection) -- Yes, three of us.

MR. ROBERTS: And I was invited on that tour until I was told that I was not to come.

MR. HUTTON: Three of us went. The Deputy Minister and the Special Crops man and I. This is the first I've heard of it, first I've heard of it.

MR. ROBERTS: That's the one.

MR. HUTTON: Well maybe -- maybe whoever told you had heard about some of the verbal spats we've had in the House, and just in humour suggested that we shouldn't meet in a secluded spot. -- (Interjection) -- There's no problem as far as the appropriation here is concerned, because insofar as the program for the promotion of a strawberry plantation at Hadashville because capital is involved down there not .... money. These people don't want us to go in there and give them a grant to get started. I was down there; I talked to them. There's good reason to believe that everybody down in that area aren't broke. They've got a lot of pride, and they want to do things for themselves. -- (Interjection) -- Well, I could say something about that too. These people down there realize that what they have relied upon in the past is almost gone. The sources of income that they have relied on in the past are almost gone. They told me so. They're looking for something else, and they're interested in this, and they also indicated that they could find a little money down there. They also indicated they could find a little money, enough to get started, and the rest of the money that they'll need will be capital, and they'll want to pay it back, and naturally it wouldn't appear in these estimates, but we have every intention, we have every intention of carrying on this program if the people of that area want it. -- (Interjection) -- That's good.

MR. PETERS: I was speaking a few moments ago on the minimum wage, and I hope that the Minister didn't take my remarks in a derogatory way. I'm sorry that we aren't able to calculate the hourly rate for these people at a higher rate than 75 cents an hour, and I heard someone say when he mentioned that teen-agers would be able to do it and their rate would be calculated at 75 cents an hour, I heard somebody say "child labour, slave labour," or something. I don't agree with that, Mr. Chairman, because we realize that what we are trying to do here is this: that you have small farm units that have to be economical, that they have to pay their way and make a decent living for themselves, and if the teenagers in the family can help in their spare time I think it's all very well, and while I'm on my feet I would like to say this, Mr. Chairman, that we've all got to realize, and I think we do, that unless we have a sound agricultural economy then the rest of the economy of the country is going to suffer unless we do have a real sound agricultural economy.

MR. FROESE: Mr. Chairman I think the matter of soya beans would come under special crops, and as I've already previously mentioned we have a ready market for soya beans in Manitoba. At the present time we are importing about between six and seven hundred thousand bushels a year, for which we have a ready market and which could be grown locally in Manitoba. But not having the right variety, either the early varieties that we have at the present times are too low in yield, later varieties are yielding better but there you have the matter of frost come in so we need a better suitable variety of soya beans for Manitoba, and I would like to ask the Minister what is being done about this matter. Could we speed up the program in any way to get a variety suitable for Manitoba?

MR. HUTTON: I want to answer this question Mr. Chairman. I have a very encouraging report from the Special Crops Division of Soils and Crops, and I'd like to -- if you'll stay with me, I'd like to put it on the record, because it is encouraging.

The total acreage seeded to special crops in 1960 showed a very slight increase from 1959, but the acreages of the various crops changed considerably. Growing conditions throughout the year were generally quite favourable. The exceptionally dry summer would have been serious for all crops had it not been for the moisture reserve due to the wet fall of '59 which carried the crops through the dry period and resulted in generally good yields. Farmers experienced one of the most ideal seasons for harvesting on record, the exact opposite of the '59 harvest when large acreages remained unharvested. Market prospects have also been strong, resulting in a renewed interest in many of the special crops for '61. It is expected that 1961



(Mr. Hutton, cont'd.) . . . will see an increased acreage of sunflowers, soya beans, rapeseed, field peas, corn, buckwheat, field beans, canary grass seed and mustard, all depending, of course on spring seeding conditions. Manitoba farmers planted an estimated 19,000 acres of sunflower seed in 1960, about 70 percent of the oil type and 30 percent of the large seeded type for roasting. Less than ten percent of the seeded sunflower acreage was lost due to weeds or insects as compared to 30 percent in 1959. An average yield of over 800 pounds per acre of good quality seed made the 1960 crop the highest yielding crop since 1953. A support price of four cents per pound 1960, No. 1 C.W. sunflower seed, oil type, was established by the Federal Agricultural Stabilization Board, which has undergone a great deal of abuse of late, with a prospect of a continued support price on seed of the new rust-resistant hybrid Admiral being available in sufficient quantity for 1961 and a considerable expansion acreage is forecast. Admiral is expected to out-yield the other oil-type varieties by about 20 percent under field conditions. Continued strong demand for large seeded sunflowers for roasting and bird feed means that contracting firms are looking for at least 15,000 acres of the large seeded type. The successful use of a herbicide for the control of wild oats in sunflowers is demonstrated in 1960 and Avadex will likely be used on larger acreage in 1961. The problem of weed control in sunflowers is possibly the most important factor which has kept many farmers from growing this crop. With the use of Avadex as a preplanting treatment weeds need no longer be a problem, even in the heavier soils. Sunflowers for 1960 would seem to be a good crop to grow. Farmers within the sunflower-growing area . . . south of No. 1 Highway would be well advised to seriously consider investigating sunflower production. Contracts are available for both types of sunflowers.

Rapeseed acreage more than doubled in 1960 as compared to the previous year. The 36,000 acres produced a good quality crop which is harvested under ideal conditions. An ever-expanding export market is rapidly absorbing the crop. The total Western Canada acreage set a record of 760,000 acres. Some sources believe this acreage might increase to one and a half million in 1961. Rapeseed is a crop adaptable to almost all areas of the province, particularly to those parts of the province where most of the special crops cannot be recommended. It is a tricky crop to grow but can be very profitable. It is the most sensible crop for farmers to try who are faced with an unmarketable grain surplus. Seed cost is less than a dollar an acre and therefore little risk is involved in the spring.

Soya beans:--The acreage in soya beans in Manitoba dropped to less than 500 acres in 1960. A good crop of about 15 bushels per acre was harvested. A sharp increase in price during recent months has created renewed interest in this crop, and the acreage is expected to increase sharply in 1961. The only limiting factor will be the supply of seed. At least 20,000 acres of soya beans could be grown and find a ready market in Manitoba. Present varieties, however, do not produce yields high enough to be competitive with other crops in the area, and also limit production to the lighter soil of the Red River Valley generally. I'm going to tell you when we get down to research grants about the program at the university and the astounding success that they are having in the breeding of soya beans and rapeseed for production in Manitoba.

Field pea acreage declined to 30,000 acres in 1960 due to the discouraging harvesting conditions of 1959. An excellent quality crop sold for \$1.75 to \$2.50 per bushel. With an average yield of about 20 bushels per acre the farmer received an excellent return per acre from field peas. One of the main factors ensuring a stable market is producing a crop of consistently high quality. There's a new variety, Creamette, which is continuing to outyield all other varieties in tests and has performed very well under field conditions. Sixty bushels of Creamette will be distributed to growers in 1961 as registered first generation seed.

Sugar Beets:--Sugar beets in 1960; sugar beets started with 26,000 acres planted and 25,000 were harvested. Ideal growing and harvesting conditions produced a crop of 10.31 tons, 16.79 percent sugar, 86.10 percent purity and 267 lbs. of sugar per ton. As a result of the quality, the price should also be higher than in 1959. The Indians, and I mentioned this before, that the Indians employed in the beet fields in Manitoba -- and this is a significant benefit to the welfare of our people -- 1,200 Indians found employment in the beet fields and their income from this work amounted to over \$110,000.

Buckwheat:--The 1960 crop of buckwheat of 25,000 produced a good quality crop, yielding

(Mr. Hutton, cont'd.)...16 bushels per acre and selling for 90¢ per bushel. A fairly strong demand will likely result in increased production for 1961, and so on.

Canary grass seed:--1800 acres were grown in 1960, and it looks as if 5,000 acres will be grown in '61.

Mustard:--About 450 acres of yellow mustard were produced in 1960; it gave a yield of 700 pounds per acre and brought five cents per pound, and it looks as if there will be 2,000 acres of this mustard grown in 1961.

Oh yes, and here is my report on tobacco. The 1960 experimental tobacco plots were located at Marchand and Hadashville -- 2 acres at each location. A total of 2,336 pounds were harvested, cured and graded. Of this amount 2,256 pounds were sold to the Imperial Leaf Tobacco Company for an average price of 52¢ per pound as compared to an Ontario average price of about 56¢ per pound. The Manitoba tobacco was described as bright but anaemic in colour with a greenish cast. It is very thin-bodied and inclined to be trashy, but this condition may be partially due to the lack of moisture in the tobacco when it was prepared for shipment. When compared to Ontario tobacco it lacks aroma, oil and stretch, which are very important points. These comments indicate Manitoba tobacco is not completely satisfactory. On the other hand, if the price they offered is an honest price it must be quite acceptable. Additional land at Marchand has been broken up for 1962 planting. A tractor and house trailer were acquired in 1960; the kilns were moved from Hadashville to Marchand Forest Ranger Station and a summer student, Mr. Lipsett, was engaged for 1960 and is expected back for 1961. And I think that within that report there is a great deal that is encouraging, and that in spite of the comments on the appropriation involved, I think I am justified in feeling that Manitoba is making real progress in the field of special crops.

MR. ROBLIN: Mr. Chairman, I suppose my honourable friend would be willing to make his contribution tomorrow. I move the committee rise.

MR. CHAIRMAN: Committee rise and report. Call in the Speaker. Mr. Speaker, the Committee of Supply is considering certain resolutions, has asked me to report the same and asks leave to sit again.

MR. ALEXANDER: Mr. Speaker, I move, seconded by the Honourable Member for Arthur 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 Friday afternoon.