

THE LEGISLATIVE ASSEMBLY OF MANITOBA

8:00 o'clock, Monday, September 22, 1969

COMMITTEE OF SUPPLY

MR. CHAIRMAN: The Honourable Member for Arthur.

MR. WATT: I think I was pointing out at that time that the Minister of Agriculture, in his remarks this afternoon in reply to some of the speeches that had been made, had indicated what the government intended to do in the direction of credit so far as the Government of Manitoba Agricultural Credit was concerned, and I believe I'd asked him the question what the source of the money was going to be since the supplementary capital supply had not indicated any money for agriculture. And the question I think I was asking at that time was where the money was going to come from and what direction they intend to go.

The Member for Rhineland is not in his seat but he had indicated this afternoon, and several times during this session and the last, that we should be continuing in the Province of Manitoba in credit insofar as capital supply is concerned for the loaning of money to long-term loaning for purchase of land. And I just want to point out here again, as I did in the last session, when we changed our direction insofar as we were concerned as a government in the loaning of money for capital supply. Our credit corporation was instituted originally for the purpose of long-term capital supply for the purchase of land particularly, and at that time there was a necessity -- and I'm repeating myself here, Mr. Chairman, because I did point this out at the last sitting of this session of this Legislature. The Federal Government has upgraded their program after the institution of the Manitoba Credit Corporation for long-term loaning which was followed by both the provinces of Manitoba and Saskatchewan. Subsequently the Federal Government did upgrade their program to the point where we felt that it was no longer necessary.

When our change in direction was decided, Mr. Chairman, it was for the purpose of production credit designed basically on a credit system that had been instituted by the United States, many States in the United States, through federal guarantees to the banks some 20 years ago. We believe this change in direction was right; I still think it is right. With the agreement of the banks, all banks concerned in the Province of Manitoba, we set up a loaning system which would guarantee over a period of three years \$150 million, which the government guaranteed loss to the extent of 10 percent, or in total over a period of three years, \$15 million. Agreement by the banks, and agreed under the regulations established by the banks and the government of that time, the loans would be on the basis of simple interest. The question came up of course, Mr. Chairman, from time to time in the last session that we were not subsidizing the farmers insofar as production loans were concerned. I pointed out, and I think I made it fairly clear at that time that the subsidized was really there in the fact of simple interest and based on, I think I gave an example of what it would amount to over a period of ten or fifteen years.

However, the Minister of Agriculture has announced a change in direction, but at the same time no capital supply. So the reason that I am raising this question at this time, when he suggested in his answers today to some of the questions that have been asked in regard to the direction of credit, where would the capital supply be coming from? However, Mr. Chairman, I don't want to dwell on this further. I'm repeating myself when I explained our credit system when I was Minister of Agriculture at the last session, and anything that I might say now would be simply repeating what I said at that time and I'm sure that my honourable friend the Minister of Agriculture, the present Minister, understood it clearly.

I don't intend to belabour this situation insofar as our agriculture estimates are at the moment, but there is one thing that I want to ask the Minister, Mr. Chairman, the First Minister, the Minister of Finance, and in fact the government, exactly what does socialism mean and how does it apply to agriculture? What direction are we going in agriculture under a socialist government? Now the socialist government have for -- the present government and there were socialists in opposition for years and years, and again the Honourable the Minister of Labour is shaking his head, but I point out to him that for years and years he has simply berated us for lack of agricultural policies, and I want to know now what socialism, or Marxism as some have said, or Communism, call it what you like, but what is the direction that we are going to go insofar as agriculture under the present government, under the present socialist government -- (Interjection) -- no, I'm saying socialist - so-called wackey Bennett

(MR. WATT cont'd) from up in British Columbia, he calls it Marxism and Communism and I'm not saying that, I don't know the difference if there is any difference - but what I want to know, and I call it socialism, what direction are we going. I want to ask my honourable friend the Minister of Agriculture, is the constituency of Arthur going to be changed into one big state farm? And he shakes his head, yes. That is what I want to know. All kinds of questions have been asked from this side of the House on the grain situation, on the cattle situation, and I just want to know - just sit down, my little friend - I just want to know what does it mean to my farmers, what does it mean to my sons out on my farm right now, socialism.

I would like to ask the Minister of Labour, what does it mean, the increase in salaries to labour out at Simplots Fertilizer plant, mean to me as a farmer, or to my sons, or to all the farmers that are sitting in the backbench here. I would like this explained. I don't care what he says about the wheat glut because I know he doesn't know anything about it and can't do anything about it, but I want to know, I want to know tonight, Mr. Chairman, what socialism means to agriculture in this province. We know what it means to 43 percent of our taxpayers now, they have no longer the responsibility of looking after medical care, or practically no responsibility. What does it mean to agriculture? I don't care if he answers any other questions in the House if he just will get up and say, under a socialist government, what happens to agriculture in the Province of Manitoba, and I ask him that now.

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

MR. McKELLAR: I'd like to bring to the attention of the members of the committee here a problem that was brought to my attention during the dinner hour and it involves a milling company in my constituency, the Harrison Milling Company at Holmfield. This milling company, Mr. Harrison being the third generation and the two boys, Eric and Bill, are the fourth generation. The milling company started in 1878.

The policy of this milling company up to now has been that when a farmer delivered four bushels of wheat he got in return 100 lbs. of flour, which two and a half bushels of this wheat went for flour and a bushel and a half went to cash tickets to pay for the labour and the cost of manufacturing this flour. Now this is a method where each person who wanted to go and get flour in return had a 50-bushel quota which they could use during the year. It's a bartering trade; they took flour in return and the milling company manufactured in the neighborhood between 3,000 and 10,000 bags of flour in a year depending upon the volume as the need arose. But regulations by the Canadian Wheat Board, after the two-price wheat was brought into existence in the first part of September, meant that they can no longer continue this policy and it's created a real problem, especially in a year such as we have where farmers are short of money and they were quite anxious to take their wheat to the milling company and get flour in return.

I thought I'd just like to bring this problem because I think it does point to a real problem where the farmers are short of cash. It's quite true that you can buy your flour, but many people haven't the money and they're quite willing to take their own wheat and trade it in lieu of flour, and this has been the custom in the southern part of Manitoba for many many years, in fact since 1878, since the existence I guess of the very early settlers of that country, that southern part of Manitoba. And I thought I'd like to bring this too because it brings a point where I think there's a flour mill in Virden, the Kent Flour Mills, a similar problem and I would hope for the support of all members of the committee to try to do something about this because I think it will mean that this flour mill will be closed down, I'm quite sure of that. I only bring this information to all members of the government and all members of the Opposition here for the benefit of their knowledge in case they're contacted in the future. -- (Interjection)-- I mentioned that, the two prices.

MR. PAULLEY: I wonder if my honourable friend the Member for Souris-Killarney, if he's reading from a prepared statement, whether he would kindly table the same for the benefit of the members of the committee. It seems to me to bring into the deliberations of the committee something that we may not . . .

MR. McKELLAR: I'll be very glad to table it.

MR. PAULLEY: Thanks.

MR. CHAIRMAN: The Honourable Member for Lakeside.

MR. ENNS: As the Minister of Labour has expressed a keen interest in the point that my colleague the Member for Souris-Killarney raised . . .

MR. PAULLEY: The Minister of Labour is keenly interested . . .

MR. ENNS: I'm sure you are, as you are in many things. Let me just add slightly to the points raised by the Member for Souris-Killarney . . .

MR. CHAIRMAN: Excuse me. Just before you continue, I'd like to point out that these are simply the notes of the honourable member who is speaking.

MR. PAULLEY: Oh, I thought it was the tabling of a document. Oh, I don't want his notes; good gracious, no.

MR. CHAIRMAN: . . . report that it's only the speaker's notes, and I just wish to . . .

MR. PAULLEY: Oh, well give them back to my honourable friend. I don't want his notes. It's going to be bad enough having to read it in Hansard tomorrow.

MR. ENNS: Mr. Chairman, it should have been evident to you by now that all those on this side of the House follow the true parliamentary method of speaking, as it were, extemporaneously without the benefit of prepared statements as the Minister of Agriculture so often used to read to us chapter and verse of prepared speeches when he was on this side, so you have the benefit of the notes.

But to the point, let me put it clearly and distinctly in the way that all members, whether they be farmers or grain growers or otherwise, can understand. As a hog grower or as a cattle grower, I can load up a load of barley and get it milled at my local mill and bring it back to my hogs to feed it. Up till now the same privileges existed, known as gristing privilege, for a wheat farmer - gristing privileges - an ancient custom which goes back to the year 1100 some-odd, for a farmer, a wheat farmer. And this is the ironic part about it. At a time when the wheat farmer is faced with a situation of having wheat coming out of his ears, he is now being prohibited by bureaucratic action from taking the requirements that he needs for his family to his local - and there are only a few left that will do this - to grist or to mill the wheat into flour for the use for his table. There's a change, as a result of the policies supported by the Honourable Minister of Agriculture when he called for the two-price system of wheat, and that change came out, came out in a short two-line sentence which few of the independent millers really appreciated last September but has further been elucidated upon and clarified to the point where they now understand it, and the hard facts of the matter are is that they are now in an illegal position, and as such I want to seriously challenge the Minister of Agriculture.

We have heard him this afternoon and he talked about all the things that he wants to do in agriculture, and I think he wants to do a lot of these things in agriculture, but you know I think all of us on this side will be prepared to just give up on many of the things that he wants to do, but will he undertake to do this one thing, to seriously investigate, and indeed support, the very livelihood of the last remnants of independence in the milling industry.

Now surely this is something from a group opposite that has some feeling for that vestige of family enterprise -- (Interjection) -- Well, I would ask you very seriously, Mr. First Minister, before I accept your off-hand challenge here, to investigate the facts, because I suggest to you that while you may not choose to believe me, I do rise on facts and I rise on them on the basis that these are some of the implications that were not fully appreciated when the policy of the two-price system was adopted.

One of the reasons why when I was Minister I did not adopt it, one of the reasons why when the Honourable Member for Arthur was Minister of Agriculture we didn't adopt it, one of the reasons why the Honourable Alvin Hamilton didn't adopt the two-price system of wheat was because the ramifications, when put into effect, cause these very same kind of situations I'm now describing. We now have the situation where a farmer has lost his gristing privileges, and it is the farmer that I'm talking about - I'm not worrying about Abe Harrison's Mill because Abe Harrison and his boys will look after themselves, or any other independent miller, the few that are left - but the fact is that up to now, and I'm not so sure that too many people appreciate it, up to now it has been the privilege of a farmer to take in four bushels of wheat in exchange for 100 pounds of flour. It only took two and a half bushels to make the 100 pounds of flour, the business took the one and a half bushels of wheat as their cost of milling the flour.

Now this has been a long-standing practice in Canada and this has now been effectively cut off. I now inform the government and I would suggest - I do not want to presume, it's not for me, I'm not the Minister of Agriculture any more - this is a serious change. I would hope that the Minister of Agriculture in this province should be telling us that in this House and not the member in opposition who is more involved with cattle than with grain farming should be telling him this.

Nonetheless, this is a fact and I would ask, I would ask the Minister and the government

(MR. ENNS cont'd) to consider very seriously whether or not at this time they cannot choose to intervene on behalf of the independent millers - and I might add one of the biggest ones is Sask. Pool who have done a great deal of the gristing business - they've just gone out of it because of their efforts to comply with the last. Now when I say just gone out, I speak about a week or eight or nine days, but they're very unhappy about it and their clients are very unhappy about it. Essentially since September, the 5th of September, something like that -- (Interjection) -- I wasn't government when this came into effect. I did all I could. I did, my dear friend the Attorney-General, I did all I could against this by resisting the two-price system of wheat.

MR. SCHREYER: Would the honourable member permit a question?

MR. ENNS: Yes, certainly.

MR. CHAIRMAN: The Honourable First Minister.

MR. SCHREYER: My honourable friend, Mr. Chairman, is giving us the benefit of his views on agricultural policy. I would like to ask the following question. Inasmuch as he and his colleagues, the Member for Morris who used to be the Honourable Member for Provencher in the federal House and others of his party, worked so hard for amendment to the Wheat Board Act, amendment of Clause 16 in particular, so as to allow for off board sales of feed grain, could the honourable member indicate whether his party in Manitoba provincially supports the position taken at the policy conference of the Conservative Party about ten days ago in Saskatoon wherein a statement was made to the press that the Conservatives favoured now the establishment of a Feed Grain Board. I think, you know, it would help to get clarification on that. If you fought to get the sale of feed grain out of the Wheat Board, off board directly to the mills, why do you now favour feed board regulation?

MR. ENNS: Well, Mr. Speaker, firstly, I'm not at all sure that the First Minister's interpretation of the Conservative policy gathering at Saskatoon is correct.

MR. SCHREYER: . . . headlines. Front page headlines.

MR. ENNS: But then I'm sure the First Minister will be the one to agree with me that sometimes headlines have a way of being incorrect. Secondly . . .

MR. PAULLEY: We're well aware of that but they make resolutions in this House nonetheless.

MR. ENNS: . . . the point that we also want to remember is that while one might well embrace general policies to cover a certain situation, you always choose - at least in this society and I would hope as long as possible - to allow for a reasonable degree of flexibility where it does not harm the principle, and the amount of wheat that is gristed in this country amounts to peanuts, to use a phrase that my friend the Minister of Transportation is more familiar with from time to time. But the amount of wheat -- in other words, if you're suggesting to me that I don't appreciate the fact that some of the product by-passes an orderly marketing board establishment, you know, I do appreciate that. But I'm suggesting that, and particularly in view of the current agricultural situation, shortage of cash, abundance of wheat, a serious problem in facing day to day bills which include grocery bills, here you have an arrangement whereby a farmer can convert some of those redundant bushels of wheat that he has on his farm and is paying storage for, to provide flour for his table at an average cost of \$5.00 or \$6.00 per hundredweight, and by an action now we have to -- and you have people in the business, very few mind you, that are still prepared to carry out this service of gristing - you're telling him that he can no longer do that; he has to buy his flour from Ogilvie and from Robin Hood at \$8.00 or \$8.50 or \$9.00 a hundredweight . . .

A MEMBER: He can buy it from Sam. -- (Interjection) --

MR. ENNS: Well, Sir, I expect, as you would expect us if we were in your position, to be on top of the situations, to be concerned about the things that happen in agriculture, and I'm only suggesting, I'm not making -- I'm suggesting to the Minister of Agriculture right now and I'll sit down and be quite, sit down and be quiet right now. But if the Minister of Agriculture will stand up and say that he will undertake to personally investigate this situation, and what's more, that he will in fact in principle declare himself as being opposed to seeing the eradication of the independent family millers - I think we only have four left in the province, and so really don't accuse me of pleading a political cause. You know, four will hardly swing the next election. Four independent millers will hardly swing the next election so don't accuse me of pleading a political cause, but there is a principle involved here in the sense that it involves many hundreds, many hundreds of farmers who have enjoyed this privilege of being able to convert at

(MR. ENNS cont'd) least part of their surplus wheat into a product that they can use. Thank you.

MR. CHAIRMAN: The Honourable Member for La Verendrye.

MR. LEONARD A. BARKMAN (La Verendrye): Mr. Chairman, it's rather too bad, with all this eloquence around this House this evening, that the press isn't present but I guess that can't be helped. I wish just to enter this debate on a very short basis. If this is true, and I have not heard it before and I'm sorry to hear it, I feel that somehow there must be an oversight on either the Wheat Board or the Federal Government, and I'm not trying to protect the Federal Government because if it is true this is serious. For the first time last year the flour mills were selling more flour to across than the year previous, and I thought this was quite a consolation to the extent that wheat wasn't moving the way it ought to. However, I do hope before the Minister -- or if the Minister wishes to answer - as the Member for Lakeside said a little while ago, I believe there are four mills left, perhaps the one at -- the Harrison mill, I believe one at Tuelon, and of course one at Steinbach, and which is the other one? -- (Interjection) -- I see. Okay. But just the same, I can't imagine that if this is taking -- you say as of the first of September? I can't realize that any government including our Federal Government or this government, would -- this must be an oversight I hope somewhere, and I hope the Minister will, in his way of approaching people, find his way perhaps first to Ottawa, then to Japan, and help settle this issue because it is of great importance to those farmers that depend on -- that are short of cash as it is, but more so it will hurt the flour mills from this end that this was part of their business and that wheat that was being sold abroad will perhaps be cut off. So I wish the Minister has . . .

MR. CHAIRMAN: The Honourable Member for Morris.

MR. WARNER H. JORGENSEN (Morris): Mr. Chairman, I'd like to rise for a few moments to deal with this matter that has been raised by the Honourable Member for Souris-Killarney, in my view a very serious situation, and I was - and I am right now - somewhat . . .

MR. McKELLAR: They're laughing about it.

MR. JORGENSEN: . . . somewhat surprised at the attitude of honourable members opposite, the jeers, the laughter that come from that side of the House over a situation that, insofar as the farmers are concerned, is a very serious one, is an indication of the attitude of honourable members opposite to serious problems that are developing in the agricultural industry.

MR. SCHREYER: On a point of privilege, Mr. Chairman . . .

MR. JORGENSEN: An attitude that is going to be exemplified on more than one occasion by statements made by honourable members opposite.

MR. CHAIRMAN: Order, please. Order. Has the Honourable the First Minister a point of privilege?

MR. SCHREYER: Yes. The point of privilege is that it was suggested by honourable members opposite that my colleagues were laughing at this serious matter. Well, if he must know the reason we were laughing is that some of my colleagues happen to think - rightly or wrongly - that the Member for Morris when he rises to speak resembles a miniature John Diefenbaker, not because of the issue.

MR. JORGENSEN: I really don't care what my honourable friends think of my manner of expressing myself. I will do it in the manner that comes quite natural to me, even before I had an opportunity of meeting the Right Honourable gentleman -- (Interjection) -- Now that I have the attention of honourable members opposite, perhaps we can deal with this subject, perhaps we can come to grips with it, and I hope that we can get enough attention from the Minister that he will undertake to consult with the Wheat Board and to bring to their attention the very serious situation that has been created. But perhaps the members opposite don't realize - and I am looking now at my honourable friend the Minister of Transportation who sits there in his Buddha-like posture and smiles away and thinks that there is a lot of humour attached to this situation. And my honourable friend the Bugs Bunny of the government, who is here, there and everywhere, continuously interjecting into every statement that is made and every comment that is made . . .

MR. CHAIRMAN: I would caution the honourable member to avoid using a certain kind of language which . . .

MR. JORGENSEN: Mr. Chairman, if the honourable members opposite would just refrain from interjecting into my remarks, I will deal with this, and this is what I intend to do but I

(MR. JORGENSEN cont'd) can't allow some of the comments that have been made opposite to go unnoticed, and I hope that you'll understand my situation, Mr. Chairman, because I know in past occasions you have been prompted by the same sort of tactics. -- (Interjection) -- Well this is typical, Mr. Chairman, this is typical of the attitude of honourable gentlemen opposite. They're going to lay down the law and it is quite obvious that this is their intention. We know exactly, and my honourable friend from Arthur was asking about the state of farms, what we can expect under a Socialists government. He has had his answer from the attitude of honourable members opposite. It's going to be a laying down of the law and let there be no mistake about that.

This situation, and I don't want to suggest for a minute that I anticipated this would happen as a result of the application of the two-price system because there are many things that we might have thought of that -- and I think that in one of the first speeches that I made in this Chamber I outlined many of the difficulties that I could see as a result of the implementation of the two-price system.

A MEMBER: Tell us of your off-board sales.

MR. JORGENSEN: I think I made a speech on that too, and if the First Minister will undertake to look through the records of last year, the last session, he will find, and I'm sure that the Minister of Health and Welfare will acquaint him with my arguments on that particular situation. I won't go into them now.

My honourable friends opposite are continuously attempting to distract me and I don't want to be distracted on this occasion because I think the situation is far too serious, far too serious to play lightly with. I'm merely saying that the application of the two-price system, as I indicated during the session just passed, carried with it many ramifications, some of them of which we knew, others we could not foretell. This just happens to be one of those things that we did not even know would happen. What have you got? And I'm told that, and in fact I know because I happen to be old enough to have gone through the last depression and I remember some of the things that we had to do during that depression in order to just keep a family surviving. It seems to be that some of the things that are happening today are reminiscent of what happened during the Thirties: farmers bringing wheat to a flour mill and, rather than paying cash for the service rendered by that mill, they bring sufficient quantity of grain extra to pay for the gristing and the milling privileges. In a day when there is such a shortage of cash it would seem to me that every -- and the First Minister himself, now he said he was misquoted and that he did not make this statement, I'm not criticizing him -- in a day when there is such a shortage of cash one would have expected that every encouragement would be given to farmers to enable them to get rid of a quantity of grain to pay for those things that are necessary.

A MEMBER: Bread.

MR. JORGENSEN: Bread. Those things that are necessary to keep a family surviving. I don't have to tell the Minister of Agriculture how short that cash is on the farms today. Surely if he hasn't learned anything else he has learned that. And the ability of a farmer to be able to take a quantity of grain to a mill and get it ground into flour and pay for that service by delivering an extra quantity -- a bushel and a half, in this case, for every hundred pounds -- seems to me the sort of thing that could be encouraged rather than being discouraged at this time. We're not asking for anything unreasonable when we ask the Minister . . .

A MEMBER: Who says we're opposed to that?

MR. JORGENSEN: Well then, what's all the argument been about? My honourable friends have been criticizing, condemning, jeering -- (Interjection) -- They have been laughing.

MR. CHAIRMAN: Order please.

MR. JORGENSEN: And all we're asking is that the Minister take this matter very seriously, approach the Canadian Wheat Board and ask them if this policy is really necessary. It's very much the same as the policy as it applies to the feed mills, and the difficulties that are involved in attempting to place the feed mill operators in a straitjacket. And all we're requesting, all we're asking and all we're hoping for, is that the Minister will stand in his place tonight and say, "This is a problem; we agree with you and will try and do something about it." And if the Minister will do that, he won't have a great deal of difficulty in getting through on this particular item.

MR. CHAIRMAN: The Honourable Member for Virden.

MR. MORRIS McGREGOR (Virden): Mr. Chairman, I would just like to take a few

(MR. MCGREGOR cont'd) minutes as one of these plants are in my constituency. I think it's a real hardship on the local farmers but this Kent Flour Mills was quite a bit bigger than just from the local farm because they do deliver flour to many other companies throughout that part of Manitoba. And it is, as I said, a local problem but it is employing six or eight people, and we're having, over the few years I've been around here, a desperate time to get a small industry, a little addition to the working staff in western Manitoba, and this is defeating this very thing that we're trying to defend, is keep more people in rural Manitoba because I think over the years, for various reasons, we've seen the trend of people to the city and this has taken an unbalanced feeling, the feeling in Western Manitoba, "Let's do anything Greater Winnipeg gets because it's everything for Winnipeg, and rural gets nothing." I said this on the Throne Speech and I'll repeat it again. I know this plant. I believe they're in at least the third generation, and that is going to be closed down. When they close, Sask. Pool, they're an awful lot bigger with the ownership all over the province of Saskatchewan, and therefore . . . How does the little plant like the Harrison, the Kent and the other two in Manitoba fight if we don't fight for them? And I think it's for our Minister and that side and this side to unite to fight this very cause, because to me it's big and it's just starting another trend, another move to shut down a few more smaller plants. Because when the big sale went to China, those plants were going night and day because they were making the flour that was being shipped over there, and there was a lot more than six or eight men involved, but now it's down to somewhere in that area. I thank you, Mr. Chairman.

MR. CHAIRMAN: The Honourable Member for Rock Lake.

MR. EINARSON: Mr. Chairman, this debate has been a very interesting one up to this point. There was a matter, too, that I think I'd like to bring to the attention of this House, that I believe is almost of equal importance, and I'm sure that if the statement is correct I'm going to hear from a good many areas. And that is the regulation insofar as seed grain is concerned.

There has been a policy by the Wheat Board as being allowed farmers to sell up to \$600.00 worth of grain in order that they might purchase seed grain, and I'm given to understand that this is another situation that has arisen due to the two-price system that is going to be cut out. Now if this is the case, Mr. Chairman, and I want to bring this to the attention of the Minister of Agriculture, that he also look into this matter while he is looking after the other matter that has been discussed here, because while there may be some occasions where there might be some areas where the rules aren't altogether abided by, but I don't think that it's a situation where action of this kind is required and I feel that this is something that is very important, and I can see that if this is cut out completely this is also going to have a very serious effect on the marketing of certain grains so that farmers can purchase their seed grain, because without this policy, it's going to cut this out completely and they will not have the funds in order by which to buy their seed grain.

I also -- in listening to the comments, when the First Minister particularly said, "Well, who said we were against this?" They supported the two-price system of wheat and now we're come to realize that this is one of the complications, if it's true, that is coming out of this. Does this mean, Mr. Chairman, that they're going to suddenly take a change of heart insofar as the two-price system of wheat is concerned? This is something that I'm very interested to know and would be delighted to hear how the Minister of Agriculture now stands on the two-price system of wheat insofar as being able to take wheat to be turned into flour is concerned.

MR. CHAIRMAN: The Honourable Minister of Agriculture.

MR. USKIW: Mr. Chairman, a number of people opposite have made certain remarks and no doubt they require some answer on my part and perhaps some exploration, if you like, as to the intent of those remarks. I want to first of all deal with the question which the Honourable Member for -- is it Rock Lake - posed to us this afternoon dealing with the question of PFAA.

MR. WATT: Mr. Chairman, is the Honourable Minister questioning the intent of the remarks or the questions that have been asked?

MR. USKIW: No, I'm not questioning it. This has been under consideration for, well, since we've taken office. There are certain measures being undertaken at the moment to study the question of whether we should continue with PFAA or whether we should encourage the Federal Government to scrap the idea in favour of a broader crop insurance program, and indeed it may very well be the subject matter at the Prairie Economic Conference at the end of this month. This is something that my department has been watching very closely.

(MR. USKIW cont'd)

With respect to what is the long-term effect of farm equipment being bought overseas, I want to point out that perhaps if enough of this was done, perhaps the power structure down east may recognize that there's a problem in the prairies and that the situation would resolve itself. That would be my only comment with respect to that particular problem.

The Honourable Member for Emerson expressed certain concerns with regard to marketing - the fact that farmers do not have the adequate marketing research available to them, no information on long-range sales and the likes of that, no projection. I can only concur with his views because this is the very point that I have been making for three years, and I want to say to you that it's my hope that we will do something about it. We are reviewing the whole apparatus of the Department of Agriculture, and that review takes into account what we will be doing with respect to establishing a marketing research branch and the extent of its role, something that is still policy to be announced at some later date, but certainly the question is taken very seriously and certainly it's quite consistent with my position since I've entered this Chamber.

I am sure my honourable friends opposite can appreciate the fact, as I said once before, a revolution is not in the making that will accomplish itself within a month or two after attaining office; that it does take some time to make the changes but that we are approaching these changes very carefully, very cautiously, to make sure that these are the kind of changes that we desire and that would require less amending later on.

My honourable friend from Pembina continued to make remarks with respect to outlawing strikes and the likes of that. I don't know how he would attempt to do this. I've made certain points on this earlier today and I'm not going to repeat what I said, excepting that certainly we can appreciate the fact that Manitoba has very little leverage in dealing with labour disputes in other jurisdictions. We certainly have within our own province, but when it comes to areas outside of the province, we can only use the good offices of various departments in trying to get some consensus favourable to the nation as a whole.

MR. HENDERSON: With reference to your last statement, you were saying that we can't do anything about them. Is it your opinion that we should stand by and let them continue when they're detrimental to the whole continent?

MR. USKIW: Well my answer to that is, obviously we haven't much authority over another jurisdiction, have we? We have a Minister of Labour at Ottawa and we have Ministers of Labour and Ministers of Industry and Commerce in every province and certainly -- (Interjection) -- That's right. In Manitoba we will deal with Manitoba problems, but we cannot extend our jurisdiction into British Columbia or Ontario or the east coast, as you can appreciate. I don't think that Manitoba has that kind of supremacy at this stage that we can overrule the jurisdictions of the Federal Government or other provincial administrations, excepting to say that only in the area of public relations and the good offices of our various departments can we accomplish something that may be beneficial to everyone concerned, and this is the only position which we can pursue in all sincerity and honesty. To say anything more than that is to be absolutely presumptuous, and I am sure my honourable friend from Pembina knows it and he's just having fun with me when he raises the point from time to time.

The Member for Souris-Killarney talked about necessary action that we must have immediately. He said that we can't wait for four or five months to solve the economic problems in agriculture, the low income problem that the farmers face, and I'm beginning to wonder how serious he is because, after all, he was a member of the government body only a couple of months ago and it wasn't that acute at that time - at least he didn't think so. When I raised the question sitting on the opposite side where he now sits, I think I got that friendly grin from this side suggesting to me: Well, is it really that bad? I want to say that I recognize the seriousness of the problem but I don't think it is one that was created in the last month or two.

MR. CHAIRMAN: The Honourable Member for Arthur.

MR. WATT: . . . government we indicated from that side of the House in answers to a question from this side of the House that there was not a problem in agriculture.

MR. USKIW: You didn't do a darn thing about it though. And I think I made that point more than once when I was sitting on that side of the House.

I want to say that I do appreciate the problems that we may enter into, that is with respect to feedlot operations that may be jumping into those operations at a high price level

(MR. USKIW cont'd) as far as beef is concerned, one that certainly is not consistent, that may vary quite substantially, and I think when we adopt credit policy I think we have to have the kind of expertise within our credit corporation and within our department, to properly caution producers and groups of producers, if you like, in entering into these agreements or these arrangements, because it is a high risk area and this is where I believe that a good farm management consulting service may have some ideal results, and this is another area which hopefully with time we will develop so that we can provide for the farmers of Manitoba the kind of expertise and the knowledge which they indeed will require, especially when they are entering into this kind of operation.

The Member for Souris-Killarney also mentioned that he has 30,000 bushels of grain in storage, and I don't doubt it one bit. I know that many farmers have grain that is two and three years old, and it would be desirable, as far as I'm concerned, if the Federal Government were persuaded to change their cash advance policy so that provinces like Manitoba would get the benefit of the whole \$6,000 maximum cash advance legislation. I think Manitoba is a province which has more intensive farming practices as compared to Saskatchewan, and most of its land is in production all the time and so produces a greater return in terms of bushels per acre than does the Province of Saskatchewan. I think our cash advance legislation is designed mainly for the Province of Saskatchewan as I see it today, and it is my belief that it would not pose a great problem to the Federal Government to improve the cash advance legislation. As a matter of fact, if the Federal Government was to decide to introduce some half a billion dollars into the prairie economy through advances on grain in storage, I'm convinced that they wouldn't lose a penny. I'm convinced that they would realize most of the cost of interest of that money. They would realize it out of the economy, that the federal taxes in one form or another would bring back to the federal Treasury more than the seven or eight percent which that kind of money would cost the Federal Government, and that's why I said a few days ago that I wondered whether or not the government at Ottawa was refusing to put cash into the prairie economy because of its fiscal consideration, because of its restraint on putting money into the economy, because of their interest in controlling inflation and the likes of that, and I was just wondering out loud whether this was one of the reasons why they have not come to the fore with some financial input to solve the problems of the prairie economy, which are substantially as a result of the lack of grain sales. This is my observation and I still hold to that observation. I don't know why the Federal Government is not doing more than they are, but this is one of the areas that perhaps they may be considering - and I'm guessing on that point.

What are the guarantees in diversification? I think we all know what the guarantees are. There really aren't any guarantees except that once having established a diversified economy in agriculture, eventually you do away with the ups-and-downs in the rural economy; you bring them more into a level position. The only thing at the moment that one might say is a safe bet, is that one would realize some dollars out of the grain that is in storage, through conversion into beef, pork or poultry products, but whether or not one would make a profit on both ends of the business, I'm not at this point prepared to say. I think it's a very risky area depending on the extent of one's involvement and the extent of one's investment.

The Honourable Member for Rhineland made mention of the restoration of the Agricultural Credit Corporation to its original status or position. I again want to say that I certainly concur with him and this is something that he will be asked to support in a very short time. Along with that, I am going to point out that the credit policy will be one of direction and that it will not be one of those blanket approaches wherein everyone can come and get it, it's there. That isn't going to be the policy; the policy will be one which will attempt to redirect Manitoba's production of agricultural commodities into areas which lend themselves more to the well-being of Manitoba as a whole rather than the continuance of production of surplus commodities. This is something that will be explained in greater detail when the Bill is before you.

Now, my honourable friend the former Member of Agriculture has asked me where the money is coming from. I think I have to remind him of the statement that my honourable friend the Minister of Finance made some time ago wherein he stated that the Province of Manitoba was able to find sources of capital at a very favourable interest rate so from that point of view I don't anticipate any problem. When the Bill is introduced I will outline to the House exactly where the money is to be found. I'm not overly concerned about it at the present time. I don't see any problem there at all. But this will be revealed in due course along with the Bill when it's presented for your consideration.

(MR. USKIW cont'd)

The Honourable Member for Arthur went on further to ask me what Socialism means in terms of agriculture. I want to point out to him that to me social democracy is one of cooperation, one which enhances the well-being of all people at a more or less equal rate, wherein we try to minimize the advantage of some groups over others, a matter of distribution of wealth through government action, whether it be through taxation or other forms of government involvement. I think my honourable friend might appreciate a very recent example of what social democracy is all about, because in agreeing with him and members opposite that we do have a serious financial situation as far as the farmers are concerned, farmers having very low incomes, farmers that can't even earn enough money to pay income tax in many instances, because of the lack of sales, I'm sure the farmers will appreciate the measure of social democracy which this government has introduced so far in this Session, and that is the saving of \$104.00 in their Medicare premiums. There is an example of social democracy. I'm sure that every farmer who can't sell his wheat today appreciates the fact that he doesn't have to pay \$17.00 a month for his health benefits. That's one illustration. If my honourable friends will be patient over the years, they will see many illustrations of social democracy in action. -- (Interjection) -- January? I'm not afraid of January. I know that January will cost me more money but I think I'll be in a better position to afford it than 40 or 50 percent of the people in Manitoba and I accept that responsibility, and I would hope that you people opposite would accept that kind of responsibility, and if you did we would indeed have the kind of forward and social democracy that we have never seen in history. This is something perhaps too much to expect from my honourable friends opposite.

In listening to the comments that were made this evening, one would almost expect that members opposite truly represented the interests of the farmer, that they were almost a farmers' party, and listening to the moans and groans of the previous administration, one would not believe, as I believe, that I don't think that administration that went out on June 25th even saw a great need for a Department of Agriculture to exist, and I say this because I believe it; I believe it because of the action which I saw taking place before my eyes. Even as Opposition I made the charge that it isn't really agriculture that is running agriculture in that department, but that the influence of Industry and Commerce is overbearing. And I still, I still maintain that that is so. And I want to ask my honourable friend the former Minister of Agriculture: who devised, developed and sent a dairy policy brief to Ottawa? Was it the Minister of Agriculture or was it the Minister of Industry and Commerce? Who spoke for Agriculture? I would ask my honourable friend.

MR. WATT: Agriculture. The Minister of Agriculture did.

MR. USKIW: I would be glad to believe it. I want to tell you, I want to tell my honourable friends opposite, that the habits of civil servants have not changed on election day. We did not fire the civil servants on election day, and because their habits were not about to change, they continued in the same fashion as they have done for years; and on my desk came reports from different departments, and on my desk came different memos from different departments -- and in particular from the Department of Industry and Commerce -- suggesting to me concern about my department's action with respect to certain legislation, with respect to dairy policy in Ottawa. This is the kind of approach that that administration had to agriculture up to June 25th. I'm not at all prepared to accept the fact that you are truly interested in the well-being of the farmers as we know them today, but rather that you were promoting as fast and as rapidly as possible the entrance of corporations that are not farmers, corporate people that have money invested in other areas of endeavour, and that you were promoting them into the field of primary production at a pace the like of which we would have never dreamt to this day.

MR. CHAIRMAN: The Honourable Member for Arthur.

MR. WATT: Well I'd just like to -- (Interjection) -- Yes, the truth is coming from that side. I don't know where that came from but the truth is coming from that side right now, that they don't know any more about agriculture than they did when they took over, and that's not saying very much.

I just want to make a few comments, Mr. Chairman. You know, we've heard a lot from the Honourable Member for St. Boniface since he crawled over into bed with the Socialists, and he's been pretty smug and pretty snug over there in bed with them because he thinks because Sterling Lyon isn't in the House to pull the covers off that he can get away with anything, but he'll find the covers will come off one of these days, and the miscarriage that will come out

(MR. WATT cont'd) of that will be -- well it will be . . .

But I want to talk to the Minister of Agriculture for a few minutes. I just want to thank him for his answers and his remarks, but I want to point out to him, first he talked about research that was being developed in the Department of Agriculture, and it's pretty difficult on this research as far as marketing is concerned, and long before he came into agriculture as Minister, the Department of Agriculture, and we have some pretty competent people that were working on research and were attempting to the best of their ability to find personnel who would be knowledgeable in marketing research, and I don't think that when he announced this to the House tonight that it's anything new.

And he talks about management and -- (Interjection) -- If you'll just sit down I'll let you talk. I didn't . . .

MR. USKIW: Would my honourable friend show me in the estimates his budget for agricultural market research?

A MEMBER: That's no privilege.

MR. USKIW: It sure is.

MR. WATT: . . . haven't had any changes.

MR. USKIW: That's right.

MR. WATT: The Honourable Minister has talked about management and consulting service, I think that probably we've got one of the best management and consulting service in the Department of Agriculture of any province in Canada. We've got two farm groups set up, management groups set up in the province of Manitoba that are a credit to this province, and that are being watched by all other provinces in Canada and it is not attributed to my honourable friend. They were instituted long before he came into the Department of Agriculture so he doesn't need to get up on his feet here tonight and take credit for establishment of management and consulting service as far as the Department of Agriculture is concerned. We've had competent people there long before he came in.

Now I just want to make a comment on the statement that he made about his press statement the other night, and when I pointed out to him that he had said exactly what he had admitted that he said here tonight, and he told me that I needed a hearing aid, and now he admits here tonight that he did make the statements, and I'm asking him what he's going to do to back up the statements that he has made, the charge to Ottawa, that Ottawa had been dragging their feet insofar as the cash position of western Canada is concerned.

MR. USKIW: They have . . . the proof is here.

MR. WATT: Take it to Ottawa. I say to you to prove it to Ottawa. But when I pointed that out to you in the House the other day you said I needed a hearing aid, but tonight you've changed your mind.

MR. USKIW: The honourable member said to me the other night that I was suggesting that the Federal Government was not selling wheat because it wanted to dampen the economy, and that was certainly not what I said.

MR. WATT: It's almost exactly the same thing. You were talking about cash in the pocket to the farmers of western Canada.

MR. USKIW: That's right - in the absence of grain sales.

MR. WATT: The honourable member talked about guarantees for conservation earlier today, and when I ask him where the money was coming from he says now that there is no guarantee for conversion insofar as agriculture is concerned. Now all I want is the Honourable Minister to make up his mind. Is it right what he said this afternoon, or is true what he's saying tonight, that there is no guarantee insofar as capital for conversion of agriculture from one produce to another? Read Hansard. There is nothing in capital supply so far as capital injection into the agricultural industry of Manitoba - correct? But my honourable friend says, don't worry about that.

MR. USKIW: On a point of privilege, Mr. Chairman.

MR. WATT: . . . the money will be found, but I'd like to see it on paper. What money is it?

MR. USKIW: Mr. Chairman, I indicated in my remarks a few moments ago that when the bill is introduced I will give my honourable friend all the information he requires.

MR. WATT: Well Mr. Chairman, I've just got a couple of other things that I want to mention to the Honourable Minister. Now I broached a question to him: what does Socialism mean to agriculture in Manitoba, and he says there's no change. Correct? Conservative

(MR. WATT cont'd) policies. There is no change insofar as agriculture is concerned. But my honourable friend came into this House as a member of a doubtful majority government, and I say "doubtful" when I look over at the Member for St. Boniface, and I say doubtful again now - a doubtful majority. But they came in - the Socialist government - to change the whole concept of life in Manitoba, and what I want to know, what the concept is; what is going to be the change insofar as agriculture is concerned; and I haven't got the answer.

He mentioned the moaning and groaning that's coming from this side insofar as agriculture is concerned. We're not moaning and groaning here - we're putting the same questions back to you that you put to me and you have no answers to them. Maybe the First Minister can answer. Maybe the Minister of Finance could answer if he was in his seat - which he should be. — (Interjection) — You'll have the blankets pulled off you one of these days. But I just ask my honourable member to get up and tell us what is the concept, Socialism as it applies to agriculture, and he hasn't answered me.

MR. USKIW: I think I should point out that I gave him one illustration of Social democracy and I don't think I should recite all evening.

MR. CHAIRMAN: The Member for Roblin.

MR. MCKENZIE: Mr. Chairman, before I enter the debate could I ask you one question? What is a point of privilege? Could you define that to me before I speak?

MR. CHAIRMAN: Do you wish to have one? You name it.

MR. MCKENZIE: Well I would like it defined because I hope I'm not going to be interrupted as the former Minister of Agriculture was interrupted in his contribution to the debate.

MR. PAULLEY: Mr. Chairman, may I suggest to my honourable friend that he start his oration and I'm sure it's going to be a most interesting one, and depending on what he says, there may be points of privilege raised. It's not possible for us to pre-determine whether what my honourable friend says may constitute points of privilege, not only from those of us on this side of the House but those on that side of the House as well. So, rather than attempt to answer my honourable friend, I would suggest that if he wants to take part in the debate that he does so. But may I entreat him to stick to the items under consideration and then there's no need -- (Interjection) -- You just keep quiet for a while -- (Interjection) -- You keep quiet too. Mr. Chairman, I believe that I'm standing on my feet. Unless my honourable friends opposite want to interrupt, then I suggest that they keep in their seats, not only keep in their seats but keep quite. And I'm surprised at my honourable friend the Member for Swan River who had the distinguished honour of being the Speaker of the House for so long, as interjecting the way that he is. So again I say to my honourable friends that points of privilege will arise from time to time -- (Interjection) -- My honourable friend the Member for Lakeside wants to know. I'm replying to a question from one of his colleagues and I can assure my honourable friend from Lakeside that even if he doesn't listen to his colleagues that some of us on this side of the House do listen.

MR. ENNS: Mr. Chairman, I feel a direct question . . . wasn't directed to the House Leader.

MR. PAULLEY: The question was raised and in my position I think that I am perfectly in order to answer it.

MR. CHAIRMAN: The Honourable Member for Rhineland.

MR. FROESE: Mr. Chairman, I think the Member for Lakeside was not in his seat when he spoke.

MR. CHAIRMAN: Order please. I'd like to say to all the members, I think that we should get back to the subject of agriculture instead of points of order. If you will proceed - the Member for Roblin.

MR. MCKENZIE: . . . the point of clarifying, Mr. Chairman, the House Leader . . . point of privilege. He elaborated at great length and it's well understood now that you have no jurisdiction over the House. The House Leader declares what is the point of privilege.

MR. CHAIRMAN: Would the member kindly stick to agriculture?

MR. MCKENZIE: Well, to get back to the debate, Mr. Chairman, I wasn't going to get on my feet in this debate again because I've already spoken twice, but I'm greatly concerned that this Minister in his answer to the questions that were raised from this side of the House this afternoon, has raised more questions that he's answered. What a Minister of Agriculture we've got in this government, and I would submit very humbly, Mr. Chairman, that he better look for a form where it says, "I resign" very quickly and find one, because if this is all he's

(MR. McKENZIE cont'd) got to tell this House tonight - the Holmfield Flour Mills - no answer. The questions that I raised - no answer. Where are all the answers, Mr. Chairman? This concerns me. -- (Interjection) -- Right. June 25th. Sitting around - the Minister may wonder and you may wonder, Mr. Chairman, why we're sitting around here debating these estimates day after day. We're sitting here waiting for the answers, and have we got one answer from that Minister? Not a one. Not a one, and I submit very humbly, Mr. Chairman, go and find the form and see how you resign. Go and find the form because he hasn't got the answers that I requested. He hasn't got the answers that my friend the Minister over here, or the Member for Lakeside answered, and other members raised in the House tonight. He hasn't got the answers. And if he wants some of the questions that you raised, I'll read them out to him loud and clear in his speech. I wrote them all down very carefully, Mr. Chairman. Study PFAA policy - he's going to study it. When was that Act revised last? About 35 years ago.

MR. USKIW: 1941.

MR. McKENZIE: Yeah, well so what? He's going to study that one. Is that going to solve the problem of the day - this wheat all over this province - study PFAA?

MR. USKIW: On a point of privilege, Mr. Chairman, . . . my honourable friends opposite whether or not we are going to entertain some discussion with Ottawa on whether or not PFAA is useful or whether we should convert completed crop insurance, and my answer was in reply to one of your colleagues.

MR. McKENZIE: He said he's going to review the philosophy of the marketing research - review it. My gosh, Mr. Chairman, you heard him over here last year. You heard his great orations on the review of research of agriculture. Even the Minister of Health got in the debate at that time but he had a lot of -- where is that philosophy today? We can't find it. Revolution not in the making. Revolution not in the making. How do you answer that one?

MR. USKIW: Mr. Chairman, I think I have to correct my honourable friend again. I said that the whole structure of my department was under review, which includes the subject of setting up marketing research within.

MR. CHAIRMAN: May I just say a word before the member raises his point. I think it's in order for the Member for Roblin to make his case, and after that time the Minister may in fact participate in debate and rebut, but I don't feel there's any useful purpose to have one sentence followed by a sentence from the other side and so on. Let the member make his case and then the Minister may make his refutation.

MR. USKIW: Mr. Chairman, on a point of order, if my honourable friend makes his case it's fine with me as long as he's not misquoting me in the process.

MR. CHAIRMAN: The Honourable Member from Morris.

MR. JORGENSON: Mr. Chairman, my point of order deals with precisely the subject that you raised, Mr. Chairman, and I agree with you wholeheartedly. The Minister has not raised one valid question of privilege all during the course of this debate. If he has any corrections to make in misinterpretations of the statements that he felt he had made, he can do so in due course during the course of the debate. They are not questions of privileges nor are they points of order, and this constant interruption of members that are speaking on this side of the House, I agree with you, Mr. Chairman, must cease.

MR. CHAIRMAN: I might say in general that some of the questions of privilege raised by honourable members are not in fact questions of privilege but are differences of opinion and should in fact be taken as such.

The Honourable House Leader.

MR. PAULLEY: Mr. Chairman, . . . the Honourable Member from Morris and I would suggest to him that he set the example.

MR. CHAIRMAN: Shall we proceed? Resolution 6 -- The Honourable Member for Roblin is still holding forth.

MR. McKENZIE: Mr. Chairman, . . . the privilege to continue with my debate?

MR. CHAIRMAN: Certainly.

MR. McKENZIE: Well Mr. Chairman, I go back again to my remarks and I took the notes down from the Minister as he made his speech, and if in fact I can't write and read my own writing I apologize but I read here that he said -- he said in fact that a revolution in agriculture is not in the making from this government.

A MEMBER: I wouldn't press that one too far, Wally.

MR. McKENZIE: He said it and I wrote it down and I put a question mark behind it. He said he needs more time for changes, Mr. Chairman, and I wrote it down and there it is and I put a question mark behind it - needs more time for changes. Write that one in the record. Write that one in the record. How much more time? Would you answer us tonight, Mr. Minister?

A MEMBER: Ten years.

MR. CHAIRMAN: The Honourable Minister of Agriculture.

MR. USKIW: I want to inform my honourable friend that we won't take twelve years to do nothing.

MR. McKENZIE: Again in my remarks he said "more cautiously." Now he realizes that he's a Minister of the Crown, he's going to be more cautious than he was when he was over on this side of the House. What does that mean, Mr. Minister - more cautiously? Are you going to stand up in the House today and tell the farmers of this province that this government is going to be more cautious, rather more cautious than what? Than the statements you made on the hustings, or what does it mean? And I ask you, Mr. Chairman, for the answer. The problem of agriculture - didn't do a thing about it - talking to the honourable Minister. Does he want to stand on the record and say that we didn't do a thing about it? -- (Interjection) -- Just let the Minister answer. Let the Minister - you didn't do a thing about it.

He's talking about a high-grade consulting service and I've got a question mark. Who? Yes, a high-grade consulting service. What does that mean to the farmer out in my constituency? The first thing he's going to ask me, Mr. Chairman - who are they? The second thing he's going to ask me - how many? The third thing he's going to ask - how many NDPs? Real quick, he'll just ask me like that, how many NDPs? How many NDPs on that high grade consulting service, I ask you, Mr. Chairman? Cass-Beggs maybe? Or Watson? Or Watkins? Maybe. "I don't know why the Federal Government is not doing more." That's the one that got me on my feet, Mr. Chairman. That's the one that shook me. That's the one that shook me. He just came back from a conference in - where was it? - New Brunswick? All the things - 21st of June - all the things that he was going to do and say down there, he made great statements on Manitoba while he was down there. What happened? Nothing. Absolutely nothing! I've got four pages of notes that I scribbled down from his speech - four pages. I'm not going to read them all into the record tonight, Mr. Chairman, because it would take me well after 10:00 o'clock. Pressure groups. He never answered my question about the pressure groups. I don't know why. I guess he didn't even know that there was a pressure group.

Agriculture and Socialism! Did you get the answer? The answer that I heard him say sounded to me it was absolute chaos, Mr. Chairman. If that is the answer to agriculture and socialism, I submit very humbly to this province we are in a very chaotic position. "Social democracy." And then I got a bar in there and a measure and a question mark. What does that one mean, Mr. Chairman? And then he got into the farmers of this province are getting great savings for Medicare. And this is going to tide them over the winter. My, oh my, oh my, Mr. Chairman. Industry and Commerce running agriculture! Fire the civil servants on election day.

..... Continued on next page

MR. CHAIRMAN: Order please. Is the Honourable House Leader raising a point of order?

MR. PAULLEY: Mr. Chairman, there's nothing I would like better than listening to the orations of my honourable friend, but I do want to raise a point of order. -- (Interjection) -- A point of order of the conduct of the House. When you were in this Chair, you had the right of asking me. That is gone. I'm speaking to the Chairman of this committee now. I don't need any admonition from you or anybody else in this House.

MR. CHAIRMAN: Order, please. May we have the....

MR. PAULLEY: I am rising on a point of order, Mr. Chairman. -- (Interjection) -- Well, just as soon as the belling ceases in order that my words of wisdom may penetrate even your skulls, then I'll raise it - and I would say that it's going to take a lot of penetration - but, Mr. Chairman,

MR. WATT: By leave, we'll accept the words of wisdom.

MR. CHAIRMAN: Would the Honourable House Leader....

MR. PAULLEY: You're going to listen to them anyway. I would suggest, Mr. Chairman, that we're dealing with the estimates of the Department of Agriculture - and I like to listen to my honourable friend the Member from Roblin, he has a lot of wisdom and I suggest that he use it - but we're dealing with the Department of Agriculture and what the relationship is with Medicare premiums, the Department of Industry and Commerce....

MR. MCKENZIE: Who brought up the Medicare premiums? It was the Minister of Agriculture.

MR. CHAIRMAN: Would the House Leader please continue.

MR. PAULLEY: And I suggest that the belling stop. I suggest that we have our functions in this committee and the matter of consideration at the present time is the Department of Agriculture, and I suggest to my honourable friend the Member for Roblin that if he wants to discuss Medicare premiums he does that under the Department of Health and Social Services. -- (Interjection) -- It doesn't matter what he did. I'm raising the point on the debate that we're having at the present time, and I respectfully suggest, Mr. Chairman, and make the appeal, that we do deal with the estimates of the Department of Agriculture. I do realize how important the agricultural industry is to Manitoba. We have a limited number of hours in this House to deal with the respective estimates and it does seem to me, Mr. Chairman, in all seriousness and in all deference to all of the members of the House....

MR. MCKENZIE: On a point of privilege, Mr. Chairman, am I not serious? Is he trying to tell me that I'm not serious as I stand before this House tonight? I demand a retraction of that remark.

MR. CHAIRMAN: I'm sorry, but on that point I do not believe that the....

MR. MCKENZIE: I demand a retraction, Mr. Chairman.

MR. CHAIRMAN: I do not believe the member imputed that motive.

MR. PAULLEY: Mr. Chairman, I certainly did not. I said in all seriousness we realize the serious problems of agriculture -- (Interjection) -- No, no, I was talking to members of the House, and what I do suggest to the House that because of the serious problems in agriculture, because of the limitation on the number of hours to debate the estimates, that we deal with the estimates at this particular juncture of the Department of Agriculture. That's my only appeal and I do know, and I said so at the offset of my remarks, that my honourable friend the Member for Roblin is quite capable of making contributions of the other areas as well. The only thing I do suggest, Mr. Chairman, and I say this in all seriousness, let's in these estimates deal with the problems of agriculture, under Health and Social Services with the matter of hospital premiums, and under the Department of Industry and Commerce with matters pertaining to them unless they're really correlated. That's all my appeal.

MR. CHAIRMAN: The Honourable Leader of the Opposition.

MR. WEIR: Mr. Chairman, on the same point of order, if the House Leader wants to pass these messages to us I think it's a good idea, but in relationship to the comments that he made about belling, if it would cease in the House everything would improve, I would suggest that an example by the House Leader rather than a suggestion would maybe even go further, Mr. Chairman, and I insist that members on this side have the same right to talk on matters of these estimates that apply on the other side. The rules of this House are for both sides and the medicare premiums as they relate to agriculture was brought up on the other side of the House; it wasn't brought up on this side of the House. So I insist, Mr. Chairman, that the rules are for both sides of the House.

MR. PAULLEY: I suggest, Mr. Chairman, that the rules apply to all members of the House. Now I've been in this House ever since it started this afternoon and I haven't heard the question of premiums from this side of the House. Now it might have been that they were raised, but Mr. Chairman, whether or not they were, it doesn't invalidate the point that I am raising. I agree with my honourable friend the Leader of the Opposition that if it was done it should not have been done dealing specifically with agriculture, and as far as I'm concerned, I agree with my honourable friend, the rules of the House equally apply to both sides. All I'm asking, Mr. Chairman, is that we deal with the problems of agriculture directly.

MR. CHAIRMAN: The Honourable Leader of the Opposition.

MR. WEIR: On the same point of order - and this could carry on for quite a while if we continue it - but the debate did take place and took place within the last 20 or 25 minutes, and I would suggest that you not having stopped, Mr. Chairman, the debate on this particular item, that it not be stopped on this side of the House when it was allowed to be carried out on the other side.

MR. CHAIRMAN: The Honourable Member for Rhineland.

MR. FROESE: On the same point of order, I think the Minister of Agriculture mentioned the Medicare issue because this was a relief brought in for the farmers.

MR. CHAIRMAN: I think we have now....

MR. WEIR: On the point of order, it was used in the same context by my colleague.

MR. CHAIRMAN: I think we have now established the point that the rules should apply to both sides of the House and that's a very valuable rule to keep in mind. I believe there's been some error on each side and some latitude shown on each side, so maybe we can direct our thoughts back to the original motion. We have now spent six hours on that item and I will ask the Honourable Member for Roblin to attempt to keep his remarks pure and to the point.

MR. MCKENZIE: This is again an example of government trying to close off the debate, you know. I will scrap two pages of my notes that I was going to bring to the attention of the House just to be onside with you, Mr. Chairman, but before I sit down I want to ask one question of the Minister, the answer to Abe Harrison's mill and I want it tonight. Thank you, Mr. Chairman.

MR. CHAIRMAN: The Honourable Member for Rhineland.

MR. FROESE: Yes, Mr. Chairman. I'm not quite finished with the Minister of Agriculture's department and the estimates. There's one further point that I wish to discuss and that has to do with the Potato Marketing Commission. I mentioned this on a previous occasion. I requested the financial statement from that commission in order that we as members can examine the operation of that commission and whether we are justified in allocating 55,000 to their operations to cover an apparent deficit. I would like to be quite satisfied that this is a deficit that was justly incurred and that there is need to cover this, and whether this could not be covered in future years by the Marketing Commission through its membership and through future volume. I don't quite see the need for bringing in a special allocation from the general revenue fund to cover such losses. If the Marketing Board is such a good venture and if it's such a good thing, I think it should be a matter where it should be paying its own way and should not depend on handouts from the government year after year. I would like to hear from the Minister on this very matter. What has been the record in the past, for how many years have deficits been covered, and what are the prospects for the future. Is this going to be a continuing condition that we will have to subsidize this commission through the covering of deficits over the years?

MR. CHAIRMAN: The Honourable Minister of Agriculture.

MR. USKIW: Mr. Chairman, in reference to my honourable friend from Roblin, I want to point out to him that I know nothing about Abe Harrison's mill. I don't know the seriousness of the problem. I haven't had one example of it displayed on my desk in letter form or otherwise, or not one phone call, so I'm completely unaware as to the problem. However, for the benefit of my honourable friend I will undertake to research the subject matter.

As far as the Potato Marketing Commission is concerned, I want to point out that the \$55,000 was approved by the previous administration just prior to handing over the reins of government, as I understand it, and it was a result of a lack of volume through the marketing facility, for two reasons as I understand it, one being that a substantial portion of last year's crop was destroyed due to the heavy rainfall throughout the summer; and the other, that the lack of enforcement allowed for a significant amount of what has been referred to on the other side so often as "bootlegging", which took away from the commission certain handling charges which

(MR. USKIW cont'd.)... they would otherwise have received. So those are the combination of factors that brought about the deficit in their operation.

I want to point out that in connection with the last point I made, the Natural Products Marketing Act amendments which you have before you, and which I hope you will approve, deal precisely with that problem in that in that Bill there is a provision for the setting aside of reserves to cover bad years. Up till this point under the Natural Products Marketing Act it was not possible to set aside reserves, that indeed at the end of a crop year all money in the pool had to be refunded to the producers, so therefore there was no build-up of funds within that marketing commission over the years. The amendments that you will notice provide for reserves to be set aside subject to the discretion of the Manitoba Marketing Board - or approval rather, and that hopefully in a year or two, if we get a couple of normal years, there will be sufficient funds established through that kind of a "set-aside" that will remove any responsibility from the Province of Manitoba.

I believe that covers the questions quite adequately.

MR. WATT: . . . concur with what the Minister has said in respect to the Natural Products Marketing Act that is now before the Legislature. I want to point out to him that I feel he has put the emphasis on the fact - and he refers to the term of "bootlegging" being used on this side of the House - I don't recall anybody using the word "bootlegging", I think there was "bypassing" we agreed to -- (Interjection) -- But I point out to members of the committee that actually it's not exactly the loss of crop last year that did cause the deficit; it's because of the lack of reserve actually that was not permitted under the regulations prior to the bringing the change in the Act into the House, and that of course I would expect that the regulation would necessarily follow. It is a fact actually that the deficit that the commission found themselves in last year is mainly because of the lack of the right to establish a reserve, which was in fact some years ago agreed to by both the producers and the commission.

MR. USKIW: I want to clarify that further, Mr. Chairman. The fact is though that the operations for the year did not - the charges did not sustain the cost for the year and there was an actual deficit for that current year, and the reasons for that were as I stated, Mr. Chairman. The fact that there was no reserve set aside only prevented them from handling it without coming to the government.

MR. CHAIRMAN: The Honourable Member for Rhineland.

MR. FROESE: Mr. Chairman, before we leave the matter, I requested I think on more than one occasion the tabling of their financial report. I would like to satisfy myself from this report that this is the proper way of handling this, and to find out too if the assessment that is being made on the producers in getting the necessary revenue to cover the costs of operating the commission, whether they are the right ones or whether there should be changes introduced. I think these are matters I would like to satisfy myself on in examining their financial statement and I would like to have the financial statement tabled in this House.

MR. USKIW: Mr. Chairman, I don't see any objection to the tabling of their annual report. I will research the possibility and inform my honourable friend in due course.

MR. CHAIRMAN: The Honourable Member for Roblin.

MR. McKENZIE: I know the Honourable Minister of Agriculture has been busy in taking over the portfolio, but I wonder if he has had the time to read and study the new Wheat Board regulations which became effective I think September 1st.

MR. USKIW: No, I haven't had time to go through them thoroughly, Mr. Chairman.

MR. CHAIRMAN: (Resolution 6. Sections 1(a) to (c) were read and passed.) The Honourable Member for Birtle-Russell.

MR. GRAHAM: When we get to Item (d) - and this is in all deference to the Minister of Labour and the Honourable House Leader who suggested that we deal with the specific in the estimates as they come up - and I mention item 1(d) dealing with assistance re seed and fodder, and also in the light of the revelations that have been made in this House tonight and brought to the attention of the Minister by some of the members of this side of the House. In looking at the supplementary estimates where the Department of Agriculture has \$20,000 for emergency policy, if indeed the Federal Government is scrapping their policy with regard to assisting farmers in the purchase of seed grain, would the Minister in the Province of Manitoba consider transferring this \$20,000 of emergency policy money to item 1 (d) to give the farmers some assistance in the purchase of seed?

MR. USKIW: Mr. Chairman, I'm not sure that my honourable friend is in order. We did

(MR. USKIW cont'd.)... deal with the question of supplementary estimates some time ago, at which time it was explained that the \$20,000 was to pay for tornado or wind damages in - I believe it's La Riviere, Manitoba. I don't know how we can transfer those into item 1 (d).

MR. CHAIRMAN: (The balance of Resolution 6 and Section (a) of Resolution 7 were passed.) The Honourable Member for La Verendrye.

MR. BARKMAN: Mr. Chairman, on (b), you're up to (b) are you?

MR. CHAIRMAN: (b) (1).

MR. BARKMAN: I just wish to take this opportunity and thank the Minister for making sure that the Veterinarian Laboratory facilities did remain in Winnipeg, and at this time I'd just like to know if plans are proceeding - as he knows well enough and most of this Assembly do, the facilities down there need improvements immediately or as soon as possible - and I just wonder if the Minister could report as to how plans are coming.

MR. USKIW: Well, Mr. Chairman, my deputy and I had undertaken to visit the university campus and we did look at a site on which this complex might be located, and I have instructed my department to contact certain other people involved in the development of this facility. I'm not just sure precisely at this point just where we are at the moment, but I will find out and inform my honourable friend.

MR. CHAIRMAN: Resolution (b) (1)--. The Honourable Member for Arthur.

MR. WATT: I just want to comment briefly on a question to the Minister. I have no quarrel actually with the Minister's decision to the service complex built at the university, but as Minister of Agriculture at that time we were considering it earlier. We were giving consideration to the possibility of a satellite station set up in other areas of the province, for serving the Brandon area for instance and the Dauphin area, and the possibility of setting up veterinary clinic areas throughout the province that would complement such a service centre, and I just wonder if the Minister has given any consideration to the western part of the province insofar as complementary services are concerned in the total service complex.

MR. USKIW: Mr. Chairman, I want to report, as I'm sure many of you are aware, that we have a serious problem with respect to veterinary services in Manitoba. The point is well taken and I am currently involved in studying solutions to the overall problems for the provision of veterinary services throughout the province as a whole. I would anticipate that perhaps we may get a start in this direction and that we may reveal this to you during the next session.

MR. CHAIRMAN: (Resolution 7 - Sections (b) and (c) were passed.) Section (d)(1)-- The Honourable Member for Rhineland.

MR. FROESE: Mr. Chairman, this is a very considerable item that we're spending under agricultural development. Is most of this money being spent in connection with ARDA and the Interlake area, or just what is being covered under this particular item?

MR. USKIW: Mr. Chairman, this item covers all the ag reps across the province and the services related to.

MR. CHAIRMAN: (Resolution 7 - Sections (d) to (f)(2) were passed.) Section (f)(3)-- The Honourable Member for LaVerendrye.

MR. BARKMAN: Mr. Chairman, a question on (3) (f). Due to the fact that the percentage of farmers taking advantage of the fertilizer - or soil testing I should say, I think it's been increasing tremendously in the last couple of years. Have you any idea what the percentage is now, the percentage of farmers taking advantage of it? I know it was 15 percent one and a half years ago or so.

MR. USKIW: I'm unable to give the information to the House at this point but I'll take the question as notice and report at a later date.

MR. CHAIRMAN: (Resolution 7 - Sections (f) (3) to (f) (6) were passed.) Section (f) (7)-- The Honourable Member for Birtle-Russell.

MR. GRAHAM: On item (f)(7), Soil Surveys and Soil Investigations, I wonder if the Minister could inform me if there is in effect any co-operation between the soil testing and soil survey branch of the Department of Agriculture and the Department of Municipal Affairs with respect to assessment? I know in some cases soil testing, extensive soil testing has been done by farmers through this program, and the results that they get from the University of Manitoba do not indicate any semblance to the results of the soil testing as used by the Department of Municipal Affairs for assessment purposes. I was wondering if the Minister could inform me if these two departments would in effect work more closely in the future.

MR. USKIW: It's a point that can be well taken, Mr. Chairman. I have to admit I'd have

(MR. USKIW cont'd.) . . . to research that possibility.

MR. CHAIRMAN: (The balance of Resolution 7 and Resolution 8 were passed.) Resolution 9 - 4(a)-- The Honourable Member for Rhineland.

MR. FROESE: This resolution deals with the allocation to co-operatives and credit unions and the services branch. We have had discussions and questions put to the Minister during and before Orders of the Day in connection with whether legislation will be brought in as to making it possible for credit unions to pay an increasing amount of interest rate under the share dividends. There's a maximum of six percent at the present time that may be allocated, and we were given the answer that this would be coming forward but most likely at the next session. I just want to point out to the Minister that by the next session it will be too late to be of any use by credit unions having annual meetings next year. Also, the annual meetings will be done and over by the time the legislation is passed and they will not be able to avail themselves of the benefits of that amendment when it passes.

This is the reason I would appeal to him once more to bring in a change at this session. It's a very simple amendment that is needed and I'm sure that it would be appreciated by many credit unions. The result if we're not doing it - what are the alternatives and what's the result of this? We find already what's happening in the movement over the last year or a couple of years, that credit unions want to retain the money so they have to look for an alternative way of doing it, and one of the ways is that they bring in term deposits and declare various interest rates on deposits. Through this measure the members in a credit union transfer their shares to the deposit account, and in my opinion this weakens the structure of the credit union in Manitoba very drastically, in that where a credit union before had assets and shares, and when a member subscribed to shares and to share capital in a credit union the credit union as an organization does not owe that money. That person has bought himself into that business and into that organization.

This is a vast difference, because any deposits made by members in a credit union are a direct liability to that credit union, whereas shared capital it's the other way around, it's an asset. This also comes to play when a credit union is borrowing on its own to provide the necessary funds for its operation and for its members if they have not the sufficient supply on their own. Therefore, I would appeal once more to the Minister that this change be brought in at this particular time and not wait till next spring, because then it won't be of any use for many credit unions until the following year.

MR. CHAIRMAN: The Honourable Member for Roblin.

MR. McKENZIE: Mr. Chairman, while I was home on the weekend I dropped in to the credit union office and I picked up a little document indicating some of the financial facts as they stand today, and I note on a directive dated September 11th, 1969, Canadian Government Bonds average today 7.62 percent and a month ago they were 7.53; a year ago they were 6.49 percent.

Bank rate prime, today 8.50; a month ago it was 8.50; a year ago it was 6.75 percent.

Prime rate mortgage rate, Winnipeg, today 10.25 percent; a month ago 10 percent; a year ago it was 9.25 percent.

CCFM demand loans to the credit union services today are 9 percent; a month ago they were 9 percent; a year ago they were 7.50.

Deposit interest rates, trust companies, minimum-maximum, CA chequing - 4 to 4 1/2 percent; CA non-chequing - 6 3/4; Term - one year - 8 percent, 2.5 years - 8 1/4 to 8 1/2.

Chartered banks, CA chequing - nil; CA non-chequing - 6 1/2 percent; Term - 1 year - 7 percent; 2 to 5 years - 7 3/4 percent.

And CCSM to the credit union services, the CA chequing is 3 percent and non-chequing 6 1/2 to 7 1/4. One year ago it was 7 1/4; 2 to 5 it was 7 1/2 to 8 percent.

So it's quite indicative to me, Mr. Chairman, that the anti-inflation program still presses forward, and one of the leading financial papers I read on the weekend reflects that there's going to be a long dry season ahead for credit. And banks of course are saying "no" more often today than they have been for many many years. I think the banks are looking very carefully at the purpose of a loan today, and some banks are reported to be reducing customer loans while others are servicing the regular customers that patronize the establishment.

But the foregoing - and the reason I drew it to your attention, Mr. Chairman, is indicative that all financial institutions have had to and will continue to put on the brakes insofar as loans are concerned. And it becomes quite apparent to me, and I'm sure to many members of the

(MR. McKENZIE cont'd.)... House, that restrictions are necessary to curtail loans by credit unions, and in all financial institutions as a matter of fact, in order to meet the anti-inflation move that's a policy of the Federal Government of Canada.

But the important thing to me, Mr. Chairman, in this particular aspect of the Minister's estimates, is the return to the one that created the credit union movement, and that was save together, which seems to have got away from the credit union today. I'm wondering would the Minister direct to the credit union people that we should now go back to the policy that was one that made the credit union movement and prepare banners or show that people should be saving together. You know, the way we did in the old days, and I think this would be a good policy to firm up our local credit unions rather than have serious financial problems due to the crunch of the inflation that we are experiencing in the province today.

MR. CHAIRMAN: The Honourable Member for Pembina.

MR. HENDERSON: Mr. Chairman, there's an item there, Agricultural Research Grants of \$560,000. Is this all on production and none of it on, say, research marketing?

MR. USKIW: I don't know. I don't believe there is anything there in marketing research, Mr. Chairman. I believe it's all farm management, irrigation, special policy studies, dairy product quality testing...

MR. CHAIRMAN: I believe we're still on Resolution 9 on Co-operative and Credit Union Services. Is the Member for Pembina referring to that section? -- (Interjection) --

The Honourable Member for Morris.

MR. JORGENSEN: Mr. Chairman, I was raising a point of order that the Honourable Member for Pembina was out of order in dealing with this Section 10 because the Member for Rhineland...

MR. CHAIRMAN: Fine. The Honourable Member for Rhineland.

MR. FROESE: Mr. Chairman, before we proceed, I want to impress once more the seriousness of this situation because of the large organizations that will be losing under this deal. The only alternative that has been suggested is that some kind of bonus be dished out to shareholders. I for one do not like this because this is not inside the law so to speak. There's no provision in the Credit Union Act for bonuses, and I don't think that it's quite proper for the government to even suggest that such a thing be done, that bonuses be paid which are not within the law.

Then, as I've already mentioned, we're restricted in the amount of interest that we can pay to our shareholders to six percent. There's no limitation on the term deposits, but we do not want to weaken the structure of the credit unions.

The other point is that the other financial organizations have no limitations of this kind and they can pay as they well like and can afford, and this means that credit unions will be losing out to these other financial organizations. Even to the banks today, the banks are offering much more than what we can offer to them under our Act, and I feel this is unfair competition.

MR. CHAIRMAN: The Honourable Member for La Verendrye.

MR. BARKMAN: Mr. Chairman, I just wish to support the Member for Rhineland in this capacity. I believe 35 percent of the credit unions in Manitoba, and this was some time ago, only had assets of \$100,000 or more and I believe there are only about 15 percent that had assets of a million or more. I realize that guardians like the Steinbach credit union or the Winkler credit union with assets of over \$10 million, this really creates a problem. Possibly the Minister is not ready to answer at this time but I do wish he'd look into this.

MR. USKIW: Mr. Chairman, I was going to wait until... before I replied to a series of questions but if members opposite wish I could answer that one at the moment.

MR. CHAIRMAN: The Honourable House Leader of the Liberal Party.

MR. G. JOHNSTON: Well I just wanted to add my words to what others have said, Mr. Chairman. I believe it was two weeks ago that I raised this matter before Orders of the Day and I did so on the prompting of a President of a credit union, the Southport Credit Union at the airport at Portage la Prairie, and he told me that they were losing a goodly number of depositors, the larger depositors, because of the interest rate, and they felt that while they had considered the bonus system they felt that they were not operating legally and they didn't feel that they could go to that without legal opinion. So I would urge the Minister, unless he has reasons that he could give the House, that a simple amendment be made this session to allow an eight percent rate for depositors, or whatever the competitive rates with the banks and trust companies are, rather than let credit unions who have spent many many years building up assets and

(MR. G. JOHNSTON cont'd.) . . . building up customers to have suddenly, in a short time, a great drain upon their deposits.

MR. MCKENZIE: Mr. Chairman, I directed a question earlier today to the Minister of Finance, and if the House will recall, he told me that no relief could be expected, at least no legislation was contemplated at this time, and I took it for granted that this government has no policy in this respect. I wonder if we can expect a change?

MR. USKIW: Obviously, I can't accept the remarks of the last speaker, but as far as the others are concerned, Mr. Chairman, I take the question seriously. I just simply want to point out that, to my knowledge, there hasn't been any communication from any credit union in Manitoba requesting a change, unless it's in recent mail that I haven't looked at. But I am indeed prepared to consider the suggestion and advise the House in due course.

MR. FROESE: Mr. Chairman, I think we can almost guarantee him that within a week he'll have dozens of requests if that is what is required.

MR. CHAIRMAN: Resolution 9--passed. Resolution 10--

MR. HENDERSON: Mr. Chairman, on this research, is this all on production or is any of it on marketing?

MR. USKIW: Yes, as far as I am aware, Mr. Chairman, it's pretty well all in production. I don't see a marketing section under the heading of Economic Research.

MR. CHAIRMAN: The Honourable Member for Fort Garry.

MR. SHERMAN: On Resolution 10, could the Minister advise, when he says that most of that research is in the field of production, does that relate specifically for example to the Dominion Rust Research Laboratory on the university campus and operations of that type? Would it include, for example, research in the veterinary field related to the new laboratory and the new academic facilities scheduled for the university campus? Could the Minister expand on that point somewhat? I notice that the appropriations for the current year in the area of Research, as distinct from Policy Studies, reflect an increase of some 60 to 70 thousand dollars, and if the Minister could explain the reason for that, I'd be grateful to him, Mr. Chairman.

MR. USKIW: Mr. Chairman, the note I have before me indicates the various research programs that are undertaken at the university. They have to do with development of new breeds in the animal industry; new varieties in the grain industry and various other research related to production; soil science research. Most of this is done at the University of Manitoba. There is a station up at Glenlea, a research station where they are dealing with animal research. That pretty well covers it as far as the notes are concerned, Mr. Chairman.

MR. SHERMAN: . . . to the Minister, it doesn't include the expansion of facilities, for example, at the Dominion Rust Research Laboratory on the university campus or anything of that type?

MR. USKIW: Did you say the Veterinary expansion?

MR. SHERMAN: No, I didn't, but I could include that in the question. My question was it doesn't include the expansion and facilities for example at the Dominion Rust Research Laboratory?

MR. USKIW: I'm not sure that I know the answer, Mr. Chairman.

MR. CHAIRMAN: The Honourable Member for Rhineland.

MR. FROESE: . . . always get a report each year published by the university on their various programs that are included under this item. Also, what the results are and what the future programs are going to be more or less. But we find under this item there's an \$80,000 increase and I'm just wondering myself what the increase is going for? What is the increase going for, the \$80,000?

MR. USKIW: I would imagine, Mr. Chairman, I'm not positive, that this is due to probably increase in personnel and salaries and the likes of that. Anything expansionary would be shown under Capital, I would presume.

MR. CHAIRMAN: The Honourable Member from Morris.

MR. JORGENSEN: . . . advise the House what the item Policy Studies, \$53,148 involves?

MR. CHAIRMAN: I believe that was not heard. Could the member repeat his question?

MR. JORGENSEN: I wonder if the Minister would enlighten the House as to what this item, 10(a) - Policy Studies, \$53,148, just what kind of policy studies are entailed in this particular item.

MR. USKIW: I don't have the answer to that under my fingertips, Mr. Chairman, but I'll find out and I'll answer the honourable member.

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

MR. PAULLEY: Mr. Chairman, before you call in the Speaker, may I remind the honourable members of Law Amendments Committee tomorrow morning at 9:30.

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

IN SESSION

MR. DOERN: Mr. Speaker, I move, seconded by the Honourable Member for Winnipeg Centre, that the report of the committee be received.

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

MR. SPEAKER: It is now 10:00 o'clock. The House is adjourned and will stand adjourned until 2:30 tomorrow afternoon.