

Name	Electoral Division	Address
ALEXANDER, Keith	Roblin	Roblin, Man.
BAIZLEY, Obie	Osborne	185 Maplewood Ave., Winnipeg 13
BJORNSON, Oscar F.	Lac du Bonnet	Lac du Bonnet, Man.
CAMPBELL, D. L.	Lakeside	326 Kelvin Blvd., Winnipeg 29
CARROLL, Hon. J.B.	The Pas	Legislative Bldg., Winnipeg 1
CHRISTIANSON, John Aaron	Portage la Prairie	86-9th St., N.W., Ptge. la Prairie, Man.
CORBETT, A. H.	Swan River	Swan River, Man.
COWAN, James, Q.C.	Winnipeg Centre	512 Avenue Bldg., Winnipeg 2
DESJARDINS, Laurent	St. Boniface	138 Dollard Blvd., St. Boniface 6, Man.
DOW, E. I.	Turtle Mountain	Boissevain, Man.
EVANS, Hon. Gurney	Fort Rouge	Legislative Bldg., Winnipeg 1
FORBES, Mrs. Thelma	Cypress	Rathwell, Man.
FROESE, J. M.	Rhineland	Winkler, Man.
GRAY, Morris A.	Inkster	141 Cathedral Ave., Winnipeg 4
GROVES, Fred	St. Vital	3 Kingston Row, St. Vital, Winnipeg 8
GUTTORMSON, Elman	St. George	Lundar, Man.
HAMILTON, William Homer	Dufferin	Sperling, Man.
HARRIS, Lemuel	Logan	1109 Alexander Ave., Winnipeg 3
HARRISON, Hon. Abram W.	Rock Lake	Holmfild, Man.
HAWRYLUK, J. M.	Burrows	84 Furby St., Winnipeg 1
HILLHOUSE, T.P., Q.C.	Selkirk	Dominion Bank Bldg., Selkirk, Man.
HRZHORCZUK, M.N., Q.C.	Ethelbert Plains	Ethelbert, Man.
HUTTON, Hon. George	Rockwood-Iberville	Legislative Bldg., Winnipeg 1
INGEBRIGTSON, J. E.	Churchill	Churchill, Man.
JEANNOTTE, J. E.	Rupertsland	Meadow Portage, Man.
JOHNSON, Hon. George	Gimli	Legislative Bldg., Winnipeg
JOHNSON, Geo. Wm.	Assiniboia	212 Oakdean Blvd., St. James, Wpg. 12
KLYM, Fred T.	Springfield	Beausejour, Man.
LISSAMAN, R. O.	Brandon	832 Eleventh St., Brandon, Man.
LYON, Hon. Sterling R., Q.C.	Fort Garry	Legislative Bldg., Winnipeg 1
MARTIN, W. G.	St. Matthews	924 Palmerston Ave., Winnipeg 10
McKELLAR, M. E.	Souris-Lansdowne	Nesbitt, Man.
McLEAN, Hon. Stewart E., Q.C.	Dauphin	Legislative Bldg., Winnipeg 1
MOLGAT, Gildas	Ste. Rose	Ste. Rose du Lac, Man.
MORRISON, Mrs. Carolyne	Pembina	Manitou, Man.
ORLIKOW, David	St. John's	179 Montrose St., Winnipeg 9
PAULLEY, Russell	Radisson	435 Yale Ave. W., Transcona 25, Man.
PETERS, S.	Elmwood	225 Melrose Ave., Winnipeg 15
PREFONTAINE, Edmond	Carillon	St. Pierre, Man.
REID, A. J.	Kildonan	561 Trent Ave., E. Kild., Winnipeg 15
ROBERTS, Stan	La Verendrye	Niverville, Man.
ROBLIN, Hon. Duff	Wolseley	Legislative Bldg., Winnipeg 1
SCARTH, W.B., Q.C.	River Heights	407 Queenston St., Winnipeg 9
SCHREYER, E. R.	Brokenhead	Beausejour, Man.
SEABORN, Richard	Wellington	594 Arlington St., Winnipeg 10
SHEWMAN, Harry P.	Morris	Morris, Man.
SHOEMAKER, Nelson	Gladstone	Neepawa, Man.
SPELLIE, Robert Gordon	Birtle-Russell	Russell, Man.
STANES, D. M.	St. James	381 Guildford St., St. James, Wpg. 12
STRICKLAND, B. P.	Hamiota	Hamiota, Man.
TANCHAK, John P.	Emerson	Ridgeville, Man.
THOMPSON, Hon. John, Q.C.	Virden	Legislative Bldg., Winnipeg 1
WAGNER, Peter	Fisher	Fisher Branch, Man.
WATT, J. D.	Arthur	Reston, Man.
WEIR, Walter	Minnedosa	Minnedosa, Man.
WITNEY, Hon. Charles H.	Flin Flon	Legislative Bldg., Winnipeg 1
WRIGHT, Arthur E.	Seven Oaks	4 Lord Glenn Apts. 1944 Main St., Wpg. 17

THE LEGISLATIVE ASSEMBLY OF MANITOBA
2:30 o'clock, Monday, March 13th, 1961.

Opening prayer by Mr. Speaker.

MR. SPEAKER: Presenting Petitions.

MR. W. B. SCARTH, Q. C. (River Heights): Mr. Speaker, I beg to present the petition of Hudson Bay Mining Employees Health Association praying for the passing of an Act to amend an Act to incorporate Hudson Bay Mining Employees Health Association. And further, Mr. Speaker, I beg to present the petition of James Malcolm Halliday and Others praying for the passing of an Act to incorporate the Great North Savings and Loan Association.

MR. SPEAKER: Reading and Receiving Petitions

MR. CLERK: The Petition of Augustine Lafleur and Others, praying for the passing of An Act to incorporate Les Soeurs de la Charite de l'Hopital General Saint-Antoine de Le Pas.

The Petition of Eugenie Landry and Others, praying for the passing of An Act to incorporate Les Soeurs de la Charite de l'Hopital General de Flin Flon.

The Petition of Graeme Haig and Others, praying for the passing of An Act to incorporate The Commonwealth Savings and Loan Company.

MR. SPEAKER: Presenting Reports by Standing and Select Committees.

Adjourned debate on the motion of the Honourable Member for Robln. The Honourable Member for Selkirk.

MR. T. P. HILLHOUSE, Q. C. (Selkirk): Mr. Speaker, I pray the indulgence of the House until Friday's issue of Hansard is put on our desks.

MR. SPEAKER: Order stand?

Notice of Motion.

Introduction of Bills.

Orders of the Day.

HON. STEWART E. McLEAN (Minister of Education)(Dauphin): Mr. Speaker, before the Orders of the Day I should like to lay on the table of the House a Return to an Order of the House No. 6, being the answer to certain questions asked by the Honourable the Member for Brokenhead, and likewise a Return to an Order bearing No. 10, the questions asked by the Honourable the Member for Brokenhead.

HON. STERLING R. LYON, Q. C. (Attorney-General)(Ft. Garry): Mr. Speaker, before the Orders of the Day I should like to lay on the table of the House, and with the, the answers to two questions addressed to me by the Honourable the Member from Seven Oaks.

MR. SPEAKER: Orders of the Day.

MR. MORRIS A. GRAY (Inkster): Mr. Speaker, before the Orders of the Day I wish to call the attention of the First Minister, reading the Hansard of March 7th, that the Minister of Finance has placed on the Order Paper two tables in connection with the Provincial-Federal Conference. I was just wondering whether the members could have either Hansard -- those who don't get it -- or if the Honourable Treasurer can lay on the table the same information which they have tabled in the Federal House.

HON. DUFF ROBLIN (Premier)(Wolseley): Mr. Speaker, I'm not aware of the document to which my honourable friend refers, so I really can make no statement about the business of another Legislature.

MR. ARTHUR E. WRIGHT (Seven Oaks): Mr. Speaker, before the Orders of the Day I should like to introduce to you and members of the House 22 pupils from Grade VI of Centennial School. They are seated in the gallery to your right and they are here with their teacher, Miss Helen Janzen. Centennial School is in West Kildonan and is in that fine new school division of Seven Oaks. I know you would wish me to bid them welcome and to hope that the day here will be both informative and enjoyable.

MR. DAVID ORLIKOW (St. John's): Mr. Speaker, before the Orders of the Day I would like to direct a question to the Honourable the Minister of Education. Thursday's Winnipeg Free Press, Thursday of last week that is, March 9th, carried a front-page story headed, "Ultimatum to You Pupils in Forces" and the story said, "University students in Manitoba who get Armed Forces money to aid in their studies have been told they must steer clear of any

(Mr. Orlikow, cont'd.) "Ban the Bomb" Club or lose their subsidies." And it goes on further -- now in Friday's Free Press appeared a story which seems to suggest that this news item was not correct. It carried the letter which the Armed Forces co-ordinator sent to the students, and then the next paragraph after the letter says, and I quote, "Armed Forces officials in Winnipeg explained that the first paragraph of the letter was a blanket prohibition which prevented Army personnel from joining any of the controversial university groups." Now, Mr. Speaker, I don't question the fact that Army personnel should not be engaged in politics, but I don't think that COTC students, or even students on bursaries from the Army, are really in the Army, and I wonder if the Minister -- I called him on this Friday -- I wonder if he has any comment to make on this.

MR. McLEAN: Mr. Speaker, this is a matter entirely under the jurisdiction of other legislative bodies and departments, and I have no comment.

MR. A. J. REID (Kildonan): Mr. Speaker, before the Orders of the Day, I'd like to introduce to you and the members, a group of citizens in the gallery, next to the Speaker's gallery. They are members of the Canadian Legion, and these gentlemen are from the Prince Edward Branch 81 located in East Kildonan, and the majority of them -- in fact they are a retired mens' club. They are under the leadership of their President, Bob Herring. They no longer have to indulge in working for a daily living like the rest of us do, but their greatest problem right now, Mr. Speaker, is trying to exist on \$55.00 a month. Also with them is the Ladies Auxiliary from the same branch, escorted by Madam President, Mrs. Howard Norris. Incidentally, Mrs. Norris is a British bride and this is her first glimpse of Canadian Parliament in action. Also in this group, Mr. Speaker, are a group from Elmwood Branch No. 9, escorted by Mr. Duncan. And I hope they have a pleasant and enjoyable visit with us, and I know they'll arrive home safe and sound as they are travelling by chartered bus, the Metro Transit System, which is a very wise way to travel for a group of citizens. And I'm sure, Mr. Speaker, that you and the members would wish me to extend to them a hearty and warm welcome.

MR. LAURENT DESJARDINS (St. Boniface): Monsieur l'orateur, il me semble qu'il est tout a fait dans l'ordre pour moi de me faire votre porte-parole aujourd'hui pour feliciter le Cercle Moliere de Saint-Boniface pour le dernier succes qu'ils viennent de remporter. En effet, leur piece 'Chambre a Louer' de Marcel Dube a gagne le premier prix dans la region du Manitoba et la meilleure actrice fut Mademoiselle Laurette Bergeron de la meme troupe. Monsieur Gilles Goyot a ete nomme la meilleur directeur. Le Cercle Moliere nous a toujours attire toutes sortes de bons mots de la plupart des gens du Canada parce qu'ils ont fait beaucoup pour Saint-Boniface et pour la langue francise ici dans l'ouest. Nous savons tous les succes que Madame Pauline Boutal a reussi si souvent dans le passe et nous leur souhaitons donc beaucoup de succes et nous esperons qu'ils gagneront le grand prix.

Mr. Speaker, I was only saying that it was a pleasure to speak in your name, and I'm sure in the name of all the members of this Chamber today, in congratulating once again the Cercle Moliere of Saint-Boniface for their latest success, the play "Chambre a Louer". This Canadian playwright Marcel Dube won the first prize in the Manitoba Region and also Miss Laurette Bergeron was given the award for the best actress and their director Mr. Gilles Guyot the best director. I wish them success -- continued success -- and I hope that they will be able to represent us and represent Manitoba in Montreal in early May. Again I wish them all success.

HON. J. B. CARROLL (Minister of Public Utilities and Minister of Labour)(The Pas): Mr. Speaker, before the Orders of the Day I'd like to lay on the table of the House a reply to a question dated February 27th by the Honourable Member for Elmwood.

HON. GURNEY EVANS (Minister of Industry and Commerce)(Fort Rouge): Mr. Speaker, I would like to invite your attention to the gallery immediately to your left, Sir, where there is a group of students from St. John's Ravenscourt School accompanied by their master, Mr. Orvis. I would like to draw the special attention of the members to the fact that Mr. Orvis has on previous occasions brought groups down here. One time I had the pleasure of bringing them into the Chamber. We saw the various exhibits and the Mace and so on, and then we sat in these chairs and conducted a debate on whether chocolate ice cream should be served at 3 o'clock every afternoon to the students. There was an overwhelming victory on one side, but there was some good debate. My own son and Mr. Orvis occupied the chairs of the opposition but they

(Mr. Evans, cont'd.) were certainly thrashed in a sound manner. I do want to say how much we welcome these visits from our friends in the schools, and evidence of returning interest like this is most welcome indeed.

MR. JAMES COWAN, Q. C. (Winnipeg Centre): Mr. Speaker, before the Orders of the Day, and in view of the interest of the members of this Legislature in recreation and physical fitness, I would like to draw the attention of the members to the fact that this Saturday night at the Winnipeg Arena will be held the Canadian Indoor Track and Field Championships being sponsored by the Canadian Legion with the assistance of the Manitoba Branch of the Amateur Athletic Association. At this meet there will be the top athletes from all over this continent. One of them, Harry Jerome, now of Vancouver, holds with the German athlete the world record for 100 metres. Harry Jerome spent the first 10 years of his life in Winnipeg. He was the grandson of a man by the name of Army Howard who was an outstanding athlete in the Winnipeg area around 1918 and 1919. Also we will have Bruce Kidd of Toronto, who, two weeks ago, won the American National Championship for the three miles and won the two-mile race at Boston about six weeks ago, Doug Kyle of Calgary, who won the two miles at Portland a week ago last Friday in the time of a second and a half less than Kidd set for the two-mile race in Winnipeg in January, and then there'll be Jim Graham of Oklahoma who has pole-vaulted 15 feet 4 inches, almost as high as the gallery here, and only four inches under the World Championship. And we will have also many events in which the young people, the high school students of Greater Winnipeg will take part. Some 1,200 students from the Greater Winnipeg schools have been taking part and are taking part in the preliminaries, and they will be too at this meet.

In July and August of this year the Canadian Legion are sponsoring a coaching team, headed by three top coaches, who will go to various rural points throughout Manitoba and north-western Ontario to give coaching assistance with regard to track and field events, and to give advice and assistance to the local communities with regard to their recreational programs. The Chairman of this committee is Mr. Lloyd Sneath of Dauphin, and those who come from centres who are interested would perhaps get in touch with Mr. Sneath to make sure that this team visits your centre. We are indebted for these activities to a large extent to Mr. Jim Daly, who is now the president of the Canadian Amateur Athletic Association, and Mr. Phil Nutter, the First Vice-President of the Manitoba and Northwestern Ontario Command of the Canadian Legion. Tickets can be obtained at the Winnipeg Arena, Baldy Northcott's and Curly Haas. As we are interested in this program of physical fitness and recreation we should support this event, and it will provide first class entertainment for all members of a person's family.

HON. GEO. JOHNSON (Minister of Health and Public Welfare)(Gimli): Mr. Speaker, before Orders of the Day I thought I should tell members of the House that this afternoon the Annual Report of the Department of Health and Public Welfare for '59 will be distributed to all members and also the highlights from the Annual Report for 1960. I just wanted to warn members that we dressed it up a little bit this year with a few pictures, and tried to make it more interesting for the honourable members, and I thought I would bring that to their attention.

MR. SPEAKER: Adjourned debate on the proposed Order of Return moved by the Honourable Member for St. George. Are you ready for the question? The honourable member is closing the debate.

MR. E. GUTTORMSON (St. George): Mr. Speaker, the Attorney-General has been kind enough to provide me with specific information in that order, and therefore I'm prepared to withdraw the order that now stands.

MR. SPEAKER: Does the honourable member have leave to withdraw the order?

MEMBERS: Agreed.

MR. R. PAULLEY (Leader of the CCF Party)(Radisson): Agreed that leave be granted providing we get the information relayed to the Honourable Member for St. George.

MR. SPEAKER: Agreed. Second Reading of Bill No. 37. The Minister of Health and Public Welfare.

MR. JOHNSON (Gimli) presented Bill No. 37, An Act to amend The Hospital Services Insurance Act, for second reading.

Mr. Speaker presented the motion.

MR. JOHNSON (Gimli): Mr. Speaker, the explanation -- in this bill there are just a couple of typographical errors; secondly, the department felt that in the absence of the

(Mr. Johnson, cont'd.) Commissioner, the Assistant Commissioner would act in his place. He really acts through the Deputy and through the Minister, and there was probably no real need for that change but it was put forward as being more convenient for the Commissioner. There's the approval of budgets, Item 5. This just refers to the fact that up until now certain facilities under the plan, such as Red Cross payments and should the Cancer Foundation become a facility, instead of paying these hospitals through the per diem rate -- for paying these institutions through the per diem rates, say, of our two major hospitals, should this change occur of declaring these things a facility, then the Commissioner can make payments directly to the Cancer Foundation, for instance, for in-patient services.

The Section 6 is just that because a person is in default of payment and is fined, this doesn't mean that he's free from payment of the premium. The 7th -- the major change in this bill is the subrogation clause, which when passed last year was not clear in its interpretation. This clause, as you know, which was passed at the last session, allows the Commissioner to claim in cases of third party liability, sums of money that the plan may have coming to them for payments which we have made on an injured person's behalf. As considerable monies are involved here, it was felt that this should be corrected at the first opportunity. That's really all that this bill purports.

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

MR. SPEAKER: Adjourned debate on the proposed resolution of the Honourable Member for Birtle-Russell. This motion is open. Are you ready for the question?

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

MR. ROBLIN: Mr. Speaker, I beg to move, seconded by the Honourable Minister of Agriculture, that Mr. Speaker do now leave the Chair and the House resolve itself into a committee to consider of the supply to be granted to Her Majesty.

Mr. Speaker put the question and after a voice vote declared the motion carried and the House resolved itself into a committee of supply with the Honourable Member for St. Matthews in the Chair.

MR. CHAIRMAN: When we adjourned on Friday night we had reached Item 8, Economic Research.

HON. GEO. HUTTON (Minister of Agriculture)(Rockwood-Iberville): Mr. Chairman, the item (a) under Economic Research, and referred to as General Research, is that undertaken by the department where the department is directly involved, and these monies represent monies being spent, first of all, in the carrying on of the Economic Land Use Classification Study, and it might be interesting to the committee to know that a pretty substantial section of the province has been covered in this study in its first phase. The study is divided into three phases: the first is a classification of all farm land in Manitoba in terms of its present land use, and this is being done by township and quarter section, and it's in this phase that we have done a substantial area. We have pretty well completed the Interlake area in this phase of the study. The next phase is the classification by quarter section on the basis of the highest or best land use under existing economic conditions. And the final step will be the classification of our agricultural land in the Province of Manitoba in terms of, and again on the basis of each quarter section, and on the basis of projected economic conditions. That is, relating the use of the land to the market conditions, and demands, and so forth that will exist in the future. We feel, even on the results, and basing our assessment of the value of this program, on the results of the study as it has been carried out so far, that it is going to be of real value; it can be used by a farm credit people; it's going to be valuable for crop insurance; it's going to be valuable in determining our programs in extension work, and it's going to be valuable in terms of formulating over-all agricultural policy, both provincially and federally.

Included in General Research is our requirements to cover the forthcoming conference this spring in Manitoba. Some of the monies, naturally, that are required for promoting this conference were taken out of current appropriations, but naturally, the conference falling at the end of April, there will be expenses which will have to be met from the next year's estimates. And I believe that it is money well spent. I should, at this time, express my gratitude to the many people in Manitoba who have made this conference possible. I am the first one to admit that it would be absolutely out of the question, and could never have been more than an idea, had it not been for the contributions of both men and companies in making these people

(Mr. Hutton, cont'd.) available to take the necessary steps and do all the vast amount of research work that was necessary in laying a proper foundation for a successful conference. As you know, Dean Weir is Manitoba's representative to the Steering Committee and he has a body -- a committee to assist him in doing and working out the myriad of details that are required, not only in merely making arrangements for the conference itself, that is the physical arrangements, but if there is to be an intelligent approach to the conference, a great deal of research has to be done in the way of background papers and so on, and this is the work that is being done by the Steering Committee. And behind the representatives on the Steering Committee in each of the provinces, and in the case of farm organizations, there are committees again. And in the case of Manitoba I want to publicly thank these men for their unselfish contribution to what we trust will be a most successful conference in the month of April.

And then of course, you'll note we are asking for half a million dollars for the university. I should at the outset acknowledge the request of the Leader of the Opposition last year for an MLAs' day at the university, and I shouldn't offer any excuses, I know that. But I did endeavour on two or three occasions to try and get a date set up, but something always happened and it fell through. However, I still believe it's a good idea, and I'm going to pursue this matter and see to it that we do have a Members' Day so that everyone has an opportunity to tour the facilities that are available out there with the assistance of those on the staff out there to explain what they're doing. It's the most exciting experience that you can have, because the staff at the University of Manitoba in the Faculty of Agriculture are truly accomplishing great things. They are getting wonderful facilities at their disposal. The new Plant Science wing has equipment for study and research that is the best in Canada. In fact, insofar as the extent of it goes, it's not likely that it's surpassed anywhere in North America. They've got beautiful equipment and it's exciting to know that we have this in Manitoba. They have been told recently that their poultry research facilities are unparalleled in North America, and construction is now underway on the Animal Science Building, and here again we, the farmers of Manitoba and the citizens of Manitoba, are going to have facilities that are second to none. But the really exciting thing is what is happening because of the existence of these facilities. It's nice to have shiny new equipment, and one can talk about the men who have established themselves in the field of research not only in Manitoba but in Canada, in the North American continent, men who are recognized far and wide for their ability. But the really exciting thing is the fruits of all this; the fruits of the equipment, the fruits of the endeavours of these people. And there's some exciting things happening in the field of research at the university.

I'd like to just give you a short resume of some of the latest developments in the field of Plant Science, because naturally this is where the University of Manitoba, the Faculty of Agriculture has -- because the emphasis has been placed there in the past -- this is a field where they are making, not their greatest contribution, but the most exciting advances in barley for many years now, because of our practices of harvesting, of swathing and picking up grain, there's been a demand for rough-awned, tight-hulled malting barley, and they're not far away from getting it. And it's taken a great deal of study and work to do this, but in the past year or two they have made tremendous advances and they feel that they are not far from releasing a variety of malting barley that has these characteristics. Everyone who has thrashed barley in this committee knows what a job it is to do it without skinning, and they also know the penalty the farmer pays in cash when he is unable to make a good job of it.

In the field of corn -- in the research in corn, we all know that although corn for fodder has increased in Manitoba, corn for grain has -- the production has decreased. The reason for this is that until recently we haven't had a corn variety that was adapted to the cooler weather of our climate, but they have made a break-through at the university in this field. They have found that the inheritance factors from usual cold resistance have been isolated from Canadian corn stocks originally grown by native Indians. This factor for cold resistance has already been incorporated into otherwise desirable hybrids. Some of these are in the advanced stages of testing.

Now we've heard a great deal of talk in the Legislature about soybeans. This year the Plant Science Department plans to apply for a licence for a soybean strain that has proved to be superior to every existing strain so far, or variety. And it's even superior to the most recent variety, Crest. One thing they discovered recently was that Manitoba soybeans lacked

(Mr. Hutton, cont'd.) protein that soybeans coming in from warmer climates had, and they're working on this, and they're very close to breaking through on this. They have found now that they can maintain the characteristics in soybeans that they wish to have, and not sacrifice those characteristics that they are endeavouring to breed into it. I'll just read you one paragraph in this report which I think covers the situation extremely well. "One weakness common to all soybean varieties grown in Manitoba has been that crushers noticed a lower protein recovery from Manitoba beans as compared with imported U.S. soybeans. A common problem confronting soybean breeders is that oil content and protein content are inversely related. Varieties containing a higher oil content will have a lower protein content, and vice versa. Of considerable interest to soybean workers is the fact that this hurdle has been overcome at the University of Manitoba. Several soybean strains are now under test that contain from two to four percent higher protein content without any sacrifice in oil content." Now this was done at Manitoba.

Rapeseed: The highest yielding rapeseed collection in Western Canadian Co-op yield test in 1960 was a selection from our University. A Manitoba first again. Of much greater significance to the rapeseed industry, in particular, and through an improvement of oil crops in general, has been a major and far-reaching discovery by the joint efforts of a plant breeder and biochemist in the Plant Science Department at the University of Manitoba. The quality of a vegetable oil is usually appraised primarily on the specific kinds of fatty acids that make up the oil and proportion of each acid. For example, linseed oil has a high proportion of a kind of acid that dries rapidly in the presence of air. Rapeseed oil has a high percentage, 30 to 40 percent of an acid called erucic acid, which has been though to have questionable characteristics. Further, it has always been assumed that these acids in their respective proportions are permanently fixed for each type of plant. By shrewd co-operative investigation and by the use of intricate laboratory equipment it has been shown that these acids and their respective percentages are not permanently fixed in each type of oil-bearing plant. As a matter of fact, a strain of rape has been recently isolated that is completely free of erucic acid. In place of the 30 percent erucic acid this strain now contains an additional 20 to 30 percent of oleic acid which is the major constituent in olive oil. This program, or a program to breed this 0% erucic acid characteristic into acceptable oil type varieties is already underway, and if the program proceeds according to plan, such a variety should be released in another four to five years. This is tremendous news to us in Western Canada when we're looking for more diversification.

You all know about the major break-through they made in species building where they do this by transferring chromosomes from one plant to another. You remember the story about this tremendous new plant; well this particular means of breeding has been refined a great deal since their initial break-through, and they're using it in a number of ways. They feel that during the 1960s a brand-new cereal grain will be released to the western farmers. The result of their work, and this is of tremendous importance to our farmers, they believe that they're going to be able to release a winter-hardy winter wheat for western Canada. And we all know that one of our troubles in Canada with our wheat is that we have too much -- I was going to say perfect wheat, but high quality -- it's the best in the world, but we've only got one kind unless the weather does something to it, and people don't always want to buy our kind of wheat. Sometimes they want a different type of wheat, and this means that we'll have another product to sell. This is tremendous news; it's something that not only should we be glad for in the sense that it spells some relief in economic terms, but how proud we should be that this was done in Manitoba. They have done tremendous work in forage, in experimenting with different ways and means of grazing, and their work in "zero" grazing indicates that by harvesting the forage crop by machinery rather than by tethering the old cow out to tramp it down, they can increase pasture production by 30 percent.

In 1960 approximately 50 plant species related to the drug, condiment, and perfume industries were studied in the greenhouse and in the field nursery. About 50 more species will be added in 1961. Even on the basis of preliminary investigations it appears that a number of these species are well adapted to this area and yield products of satisfactory market value. Many of these species will be grown in larger plots in 1961 to determine the best methods of seeding, cultivating, harvesting and drying.

In the field of horticulture and vegetables, a strain of a red sweet pepper selected at the

(Mr. Hutton, cont'd.) university several years ago has consistently been found to be much superior to the best existing variety.

Benefits from weed control research: It's been estimated that weed control cost us \$65 million -- or the loss from weeds -- in Manitoba, costs our farmers \$65 million a year, and about a half of that can be attributed to wild oats. It has been estimated by Dr. Ripley, who is a former chairman of the National Weed Committee, that for every dollar that you invest in weed control research you get back \$381. A pretty good investment. They've done a lot of work in Manitoba under Dr. Friesen in weed control, and they make the claim that it is safe to say that the new miracle herbicides, Avadex and Carbyne, could be recommended to the farmer two years ahead of schedule because of the efforts of the University of Manitoba. One of the most graphic illustrations of how research in weed control pays off is our experience with the control of leafy spurge in Manitoba. At the present time it costs about \$150 an acre for the use of soil sterilants in controlling leafy spurge. Two or three years ago the University of Manitoba initiated a project to investigate using alternatives, and after three years of experimentation they've come up with two products, two herbicides, Amitrole and Amitrole T, and on the basis of their experiments so far, it looks as if they can reduce the cost of controlling leafy spurge in the Province of Manitoba from \$150 an acre to \$25 an acre. Now this is tremendous, tremendous.

I'm not going to go into all the work that they do out there in the field of entomology, the tremendous work that they're doing in their Economics Branch, and I can tell you that you've got the finest Economics Branch at the University of Manitoba, Agriculture Economics Branch, in Canada. These men are recognized not only in Canada but all over the North American continent for the contribution they're making. Last year as a result of the monies that you voted, another farm business study group was set up, which makes two in Manitoba. You have one at Carman and had one at Minnedosa for some time, a second one is being established this year. The story at the university is a very heartening one. I feel myself that it does more than just carry out research and educate our young people, but the University of Manitoba, if we all believe in it and promote it, can do a great rallying job for the total farm community, and I hope -- and I have said this to farm audiences -- that the eyes of rural Manitoba will be focused on the university, the faculty of Agriculture, and that they will find it their second home, and that they will use it to make agriculture and rural life what every one of us wants it to be. Thank you.

MR. GUTTORMSON: I'd like to direct a question to the Minister of Agriculture. There's a rumour circulating throughout my constituency causing considerable concern, and I'd appreciate it if the Minister could clear it up today. The rumour is to this effect, that the province is going to take over a large section of the Interlake and, in the terms of my constituents, turn it into a pasture. They base their opinion -- there is something to the rumour because the government refused -- and when I say the government I'm talking about the Lands Branch -- refused to sell land in the Armstrong district, and in another case they refused to accept back taxes owing on the land from a son who wanted to take over this particular piece of property. And I wonder if there is anything to this rumour, because I know a lot of people feel that it's damaging their chance of selling, if they want to sell, and I'd certainly appreciate an answer from the Minister today if he can give it to us.

MR. HUTTON: Well I think it's fair to say that there's a bit of a freeze on right now. When this government came into office -- and you'll recognize I wasn't there -- it was apparent that a lot of land had been sold to people under circumstances that made it difficult for these people to -- and I don't want you to jump to your feet until I get through explaining it -- under circumstances that made it difficult for these people to get a living out of it. That is, they were uneconomic units; there was no basis for the people to make a living, no economic basis for the people to make a living. Now I think it's fair to say that this government does not believe that just because land is marginal or sub-marginal in terms of one land use that it's no good and it shouldn't be used. On the contrary, our concept is that all land is good and useful provided it's put to the proper use. That is why we're carrying out a land use study. There's no doubt in my mind that the Interlake area can be the greatest livestock and sheep-producing area in Manitoba. It's got a tremendous potential, but it hasn't got that potential if you set the farms up on an uneconomic basis, that is, too small. From the information that has been given to me

(Mr. Hutton, cont'd.) by those who are studying this matter, they feel that for a man to have an economic unit in the Interlake, he should have in the neighbourhood of 75 head of cows. This would require a reorganization, consolidation of some of the units up there. You've got some of the best livestock producers in Manitoba up in that area. There are people up there who are doing extremely well; there are other people who aren't doing so well. We're trying to find out the reason; we're trying to evolve a policy which can give the people who live in that area an opportunity to make the best of the area. There's no thought -- and this is the first I've heard of it -- that the government is going to buy up a bunch of land and put the people out.

What we are interested in doing, however, is just holding on to the situation for the present time until we can get policies devised that will create the conditions that will make the best of that country, and it isn't just the Interlake. There are other areas, too, areas where we can handle prosperous people, but we can't have it if we have a lackadaisical method of selling land, hit and miss, to people whether or not they have the resources to develop it. What we'd like to see is a man who has a half section, and who is an able person, who has the potential, give him an opportunity to make his unit bigger. This of course recognizes or acknowledges the fact that some people may have to leave. Now neither is the Government of Manitoba thinking about going up into the Interlake and saying: "Mr. Jones, you have to leave. We pulled your name out of a hat and you've got to go." No. It has to be a voluntary thing; it's a long-range program. What you try to do, you try to see that young people coming up don't carry on and establish more uneconomic units in the future. We want to get them educated, give them an opportunity for education; if there isn't an opportunity for them to farm there, certainly then they must be trained so they can take their place in society and have a useful productive life. There are people there in the Interlake and in other areas who are too old to make adjustments; there's no point; they wouldn't be happy if you took them out of there, and there's no point in pushing them out. But we have to evolve a policy which is flexible enough that it doesn't compel anybody to move out who doesn't want to, but that offers an opportunity to those who want to move out to get out, and which at the same time is able to take advantage of the people going out so that those who are left there can consolidate and improve their situation. This is a big program. It requires a great deal of planning. What we are doing now is sort of keeping the brake on the situation so it doesn't get any worse, and hoping that within the next short while we can evolve a policy, and especially with the announcement of the Federal Government that they are prepared to enter into agreements with the provincial governments under this legislation. We hope there will be an opportunity to implement the programs that are necessary if we're going to rehabilitate these areas and to give them an opportunity to develop on the same basis that other areas in the province have developed in the past.

MR. GUTTORMSON: The Minister says there is a freeze on but nobody will have to leave; only those persons who wish to leave will have to leave. The figure that's being banded around the area involved is that 127 farms are involved in this. I'm wondering if the Minister can say, give any indication as to when some positive policy will be formed on this matter and what is the boundary of this proposed area.

MR. HUTTON: Well, as far as I know there's no area where there's a particular policy in effect. I don't know of any 127 farms in your area that is affected in this way. We're still selling land; the Lands Branch is still selling land, but before they sell, each situation is studied by a committee, an inter-departmental committee, and our Soils Branch, Mr. Parker of the Soils and Crops Branch, sits in, and the thing is assessed to see that the sale of this land is not going to continue to add any more undesirable homesteads in the province, but we're still selling land; there's no area where we refuse to sell land, provided it's a sensible move. I haven't heard of an area in your constituency where there's any policy of not selling, but in all the areas where there are crown lands available, before a farmer can buy certain specifications have to be met.

MR. GUTTORMSON: Mr. Chairman, just one other question. As I understand the Minister, if a farmer who owns his own land up there, wishes to make a sale to another individual, there's nothing to stop him from doing this.

MR. HUTTON:

MR. GUTTORMSON: But there is a certain freeze on Crown lands?

MR. HUTTON: Yes.

MR. GUTTORMSON: That is until this committee either

MR. HUTTON: The brakes are on.

MR. GUTTORMSON: Would the Minister have any idea what period of time will be required before they'll know what action the government will be taking on this matter.

MR. HUTTON: No, I can't tell.

MR. PETER WAGNER (Fisher): Mr. Chairman, I appreciate that the Minister changed his mind from the other day. Now he's going to help the Interlake people whether I lead them or not. He's conducting the study. However, I want to join forces the the Honourable Member for St. George, and the Minister says that there is a freeze on, and I hope the freeze on is just temporary. I hope the freeze on comes out before seeding time develops, because I had people coming to me that they lost their farm due to inability to pay for taxes when it was wet years. Now for example, last summer it was more or less a dry summer in that area, and that land was worked out. They summer-fallowed that land last summer, and some of the boys went to the mines, got some money, went into the local administrator to redeem that land, and they were turned down, and I have another case where a man wants to buy -- he owns a half section of land and he wants to buy another quarter contiguous to his land, he was turned down, and I understand a lot of people have been turned down, so I went into the local administrator in my area and I asked him, and they told me that it was a real freeze on and they are not selling the land, period. However, I spoke the other day to the Attorney-General, who is acting as Municipal Minister, and I understand that you and him are going to get together and come to some kind of understanding that such land that has been summer-fallowed and was lost due to taxes, well, surely you're not going to have a freeze on through the summer of '61 because these people are going to lose their livelihood, most of them, those that lost their land due to the fact they wouldn't be able to seed, and yet they put some money into cultivating their land as summer-fallow. So I hope the freeze on comes off before seeding. Would you make a statement on that, how effective it is?

MR. HUTTON: Well, I think that the impression is being created here that certain areas are going to become deserted, or deserts, because of this policy. We feel that it's better to lease the land than it is to sell it when the circumstances of the sale would indicate that there isn't too good a chance of a person making a go of it, and I think this is a reasonable, logical attitude to take. And the next point I want to make is this, that we don't refuse to sell land, Crown land. We are making some sales of Crown land, but it's under pretty close supervision, and I think this again is a reasonable and a logical policy to follow. We're talking about evolving a program to undo some of the damage that was done in the past. This damage wasn't done maliciously. It was done because people didn't realize at that time -- because a lot of the study, research that has gone on in recent years wasn't available years ago, in fact people used to feel that unless land would grow a tree it wasn't any good. A lot of people came out to Manitoba, and I've talked to the old pioneers and they've told me that they wouldn't settle on prairie land as it was their opinion that the land where the trees grew was the fertile land. Not only that, but fuel and such things as this, were real considerations, but there's no point at this stage of the game in continuing to allow practices to go on because they went on in the past. We recognize our mistakes. I think everybody recognizes the principle that something has to be done in the field of land use to make the adjustments that are required, and one of the first things we want to do is to stop doing what we've been doing in the past. This is what we've done. It isn't only those cases where it's clear, but this is going to be of material benefit to the individual involved, then we will sell. Other than that we are leasing. And at the same time we're endeavouring to evolve a policy but this is a new field and I couldn't answer you or anyone else in this Chamber as to when we will come up with a policy and say, "This is it; from here on in this is what we're going to do." Before any announcement such as that is made we want to get an awful lot of information. I was talking about the land use study the other day and again today. It's on the basis of the information coming out of here that we will establish policy. We have a committee in agriculture made up of Mr. Pyser, Mr. Kristjanson, the Sociologist, Economist, and our municipal engineer in Water Control and Conservation, and these people have carried out studies in your area, in the southeast; they are undertaking a study in the Birch River area to see what kind of a policy is possible and is practical, and will do the kind of a job we want done, and I don't think I need to make any excuses for the fact that we are not prepared at the present time for a policy, because this is a vast new field in which to determine policy, and we want to be sure that we get the right one.

MR. GUTTORMSON: Mr. Chairman, I don't doubt that the Minister is very sincere in his efforts to help the people in this particular area, but I think you'll also agree that these people are very disturbed at the present time because they don't know just what's going to happen to them, and during this period of uncertainty these people are going to be very distressed wondering just what is going to happen when the government decides on what its policy is going to be. Is there any way you could explain to the House so we could explain to them, just what they have in mind, although it may not be definite policy now?

MR. WAGNER: Mr. Chairman, maybe I can bring it right out. I understand the Minister's program. At least I hope I do. But I also understand the people out there. I just would like to have the Minister comment whether it's safe for me to go to Fisher constituency and tell those people that summer-fallowed their land in 1960 that in '61 you will be able or you will be allowed to seed on that land but you may not own it; you may lease it from the government. Well, I'm sure the Minister appreciates it very well how the farmer will take it. What? My own land. Am I going to lease it? You know how the farmer is. So there's one slap in your face. And the other farmer will say, "Now look, I want to build a house and a barn and what have you got under farm buildings or a granary on leased land. Well now, his farm is contiguous to my half section and well then what happens if the government says, "No more lease", what am I going to do with these buildings?" You know how the farmer takes the However, what I want to bring out if the Minister -- if it's possible for the Minister to make -- oh, the word commitment is not right, but I would appreciate the word instead of commitment -- that these people that summer-fallowed their land but they lost it due to arrears in taxes, and these people that are applying to put buildings on these quarters, that either they will be sold that land and before springtime, because actually they would like to know where they stand. Isn't there any way of safeguarding these people?

MR. HUTTON: I'm just a little bit confused by what the Member for Fisher has said. He says that they've lost the land and yet they own the land. Well if I leave my farm I don't any longer own it.

MR. WAGNER: But they're under the impression 18 months goes in arrears before the local government or municipality takes over the land, so the man is working out in the mine thinking in his head, "I'm going to get these two or three hundred dollars and I'm going to go to the local administrator and pay the bill on my farm." In the meantime he has somebody else at home summer-fallowing it with expectation "When I come back from the mine I'll pay the arrears in taxes and I will redeem the land." He comes home and he faces the administrator who says, "New rules and regulations, you can't get it". Now where he goes, and the local government did this? He gets ahold of his member, "Hey, what are you fellows doing up there in Manitoba House; you're not selling no more land, you're taking away from the farmer?" You know how it is.

MR. J. M. FROESE (Rhineland): Mr. Chairman, first of all I think that it's a very glowing report that we heard from the Minister. It shows that work is being carried on regarding new crops and research. I feel that the matter of developing a new strain of barley is very timely. I know that the farmers, particularly in our area, are going out of barley for several reasons. Firstly, barley seems to be much more readily susceptible to diseases and root rot, and takes much more and greater care in handling in order to be able to market it properly and at a good price, but then there is also the incentive that if you do grow malting barley you are able to ship a carload for malting. And I'm sure that if a new strain does come about that farmers will be glad to receive it. Then also for the last number of years our wheat crop has been so good that farmers went out of barley just to grow wheat, because they were able to get a better return per acre. I was very interested to hear the Honourable Minister mention that a new strain of soybeans was being developed and that they were taking care of the matters as far as oil content and protein content. I know the people that are in the business and the industry are concerned with this, and I am sure that the farmers in southern Manitoba, once the variety is out, will want to get at growing soybeans -- the sooner the better. I was interested in just what matters are -- how the multiplication and the increase in seed stocks is being taken care of. Is it just being produced and increased in Manitoba, or are you taking other courses in increasing the stocks?

The matter of winter wheat also interested me because I know that the Morden Station

(Mr. Froese, cont'd.) experimented with winter wheat several years ago, but apparently it's discontinued there and that the work is still being carried on at the university, and that they are now developing a new strain of wheat that will supply Canada with a soft wheat. I know that the areas where you have the lighter soil and where you have soil drifting, that people will be happy to have such a strain of wheat in order to check soil drifting, and at the same time they will be able to catch spring moisture from snow and so on, which otherwise very often goes to waste.

Then he also mentioned corn crops, and I know that during the '30s we in southern Manitoba produced a lot of corn, but the crop has been petering out and today very little corn is grown. I think the corn crop could be revived if we had the proper variety both as to yield and especially to -- that would adapt itself to the cold weather, as the Minister has outlined. And I know that this will be welcomed by the farmers in our area. Another matter which I would like to raise is the matter of the new herbicide he mentioned to control leafy spurge. In our part of the country a lot of the leafy spurge has spread because of the creeks that are wooded. We have tree growth on the banks of the creek, and here you also have leafy spurge growing and even though you have cattle in the pasture, the cattle won't take it. The leafy spurge will go to seed, and some spring, the run-offs and the floods will carry this spurge seed all over and that's how you spread leafy spurge in the rural areas so much. I would like to know, does this new spray harm tree growth; will it affect a tree, and whether the government has a plan in which leafy spurge could be better controlled especially in pastures or along creeks where you have tree growth at present?

MR. CHAIRMAN: (a) - passed. (b) - passed. Resolution 33 - passed. Item 10.

MR. GUTTORMSON: Mr. Chairman, isn't it No. 9?

MR. CHAIRMAN: There's no figure here. somebody voted.

MR. GUTTORMSON: Mr. Chairman, well I would like to ask the Minister what amount of money was paid out to the farmers as a result of the storm that we had in the fall of 1959?

MR. HUTTON: \$996,000. I believe that is correct.

MR. GUTTORMSON: When was the last payment made?

MR. HUTTON: Well, that was back in the summer some time.

MR. GUTTORMSON: In '60?

MR. HUTTON: No -- Yes in '60, yes -- the summer of '60. They ceased to take applications in June and some of the payments went on beyond that point.

MR. GUTTORMSON: the figure that the government paid out for assistance in the storm was \$996,000. Is that correct?

MR. HUTTON: I'm just taking the figure of actual expenditures in 1959-60 and the revised estimate for 1960-61. I have the actual figure but I'm giving you the total of these two figures. What was paid in 1959-60 and the revised estimate for 1960-61, it's \$996 -- actually \$997,000.

MR. GUTTORMSON: Well, Mr. Chairman, what I was interested in knowing is how much was paid as a result of the storm of '59. Is there no breakdown for that? I get the impression from your remarks that some figure for 1960-61 was also included in that \$996,000?

MR. HUTTON: Well some of the payments were made in 1960-61. In fact most of them.

MR. D. L. CAMPBELL (Leader of the Opposition)(Lakeside): Mr. Chairman, would that be exclusive of what the Federal Government paid or including it?

MR. HUTTON: Including.

MR. CAMPBELL: That would be including it?

MR. HUTTON: Yes.

MR. GUTTORMSON: What was the provincial share of that amount?

MR. HUTTON: I see a credit here of \$403,037 and another credit of \$188,500. Of course this includes -- these credits cover the transportation policy as well as the acreage payment. The first figure I gave you was acreage payment; the recoupage from Canada of \$591,000 covered both programs.

MR. GUTTORMSON: Mr. Chairman, I've got a release here dated April 8th which infers, although it can be argued that it doesn't say that, that the Government of Manitoba expect to pay a million dollars. Then, in other words, this isn't true; they only paid a little better than half of that.

MR. HUTTON: Well, this is in respect to acreage payments, yes. But in the total program we carried, in the case of trucking, we carried half the costs -- that's on fodder -- and then we carried the cost of transporting grain for the area east of the Red River, we carried that entirely at our own cost.

MR. CHAIRMAN: Item 9 - passed.

MR. NELSON SHOEMAKER (Gladstone): Mr. Chairman, there is no money, I overheard you say, in this item this year so really there's nothing to pass. I guess we are being rather optimistic this year and count on the weather man really co-operating with us. I wonder if the Honourable the Minister can tell us is there a program, and if so, is he just hoping that the weather will co-operate?

MR. HUTTON: Well actually last year there was \$396 paid out under this appropriation for seed. This is a program that covers the local government districts, unorganized and disorganized territories, and if we have a bad spring, or if there's any need for it, a nominal amount in there doesn't mean anything anyway. There would have to be a special warrant raised to cover the request, but if you want to make a comparison of what was spent under that heading, under that appropriation, it's, I believe \$396 in 1960-61.

MR. WAGNER: Mr. Chairman, are we on resolution 34, I hope?

MR. CHAIRMAN: Yes, 34.

MR. WAGNER: I'm still interested in crop insurance regardless what took place the other day, and I understand that the Minister made the comment that a new area is coming up, possibly for '61, and I just wonder if Interlake area is closer to crop insurance for that area, or is it entirely excluded, or is it going to be included in the near future? Would the Minister comment how far we are from crop insurance. At least, to try and organize.

MR. HUTTON: You're about four days away from knowing.

MR. SHOEMAKER: Mr. Chairman, we are now on item 10?

MR. CHAIRMAN: Right.

MR. SHOEMAKER: Crop insurance. Well, I spoke at some length on it the other day, you will remember, at which time they asked me for a breakdown of our office expenses, so I won't have to compare them again with the cost of administering the plan, but I would like to make a couple of more comments, and I would preface it by saying this, that inasmuch as the crop insurance plan has been accepted in the test areas with certain reservations, and in total I calculate that about five percent of the farmers of the province have participated in the plan. I understand that something like 2,500 farmers out of the total of 49,000 farmers experienced one year's operation of the plan, and I say that it should be proceeded with. I think that the success to date has, with the help of the weather man, been fairly successful. In the last two or three years, we on this side of the House have raised certain objections to it and suggested certain improvements to the plan that might make it more acceptable, and at one time I know I, for one, wondered if, having a government in Manitoba and one in Ottawa of the same stripe, if it would not be possible to tailor and amend the PFAA to meet the need and thereby possibly do away with a crop insurance program as such.

I object to the way that the crop insurance program was sold to the farmers. Now it is true that I don't live anywhere near a test area, but I have talked to farmers who do reside in two or three of the test areas, and they tell me that it was sold, not on its merits, but which was the cheapest to the farmer; that is, would it be cheaper for him to continue to participate in PFAA or would it be cheaper for him, as an individual, to go for the new crop insurance plan? And I suggest that if that is the only way it can be sold it's not very good. I say further, that the federal contribution is still altogether too small, and I think the deductible in certain cases is much too large. Now it is quite possible, quite possible for a farmer to have a potential 40 bushels of wheat to the acre out there and have a 75 percent hail loss, and he wouldn't collect anything under the plan, under the present setup. And I'm wondering if perhaps the plan couldn't treat hail losses in a different way than they treat the other hazards that are covered under the plan. I'm wondering if, inasmuch as the hail losses this year only represented 10 percent of the total losses, so I'm told, if they couldn't introduce some kind of a plan where the deductible for hail would not be so large, because many of the farmers today who purchase crop insurance, Manitoba crop insurance, still have to buy hail insurance, so they have a double premium to pay. I think the Honourable Minister the other day made a statement something like

(Mr. Shoemaker, cont'd.) this: that we hope we have established rates that will suffice for the next 35 years. I believe that's what he said, and I'm beginning to wonder whether that is true or not. I still say that the administration costs are altogether too high in comparison to the premium collected, and I will admit that perhaps that in using the comparison that I did the other day, when I said that we in our office at Neepawa take in considerable more money than this province collected from the farmers, and we had an overhead of \$10,000 whereas the government had an administration cost of \$140,000, I'm willing to admit that that is hardly a fair comparison.

But I have a comparison now that I think is reasonably comparable, and I refer to the Co-operative Hail Insurance Limited, who operate in both Manitoba and Saskatchewan, and they entered this field in 1947 and have been very successful, very successful. In fact, last year I think they certainly wrote by far the largest volume of business of any company in Manitoba or Saskatchewan. Now when you're comparing administration costs to premiums so far as the government is concerned, I think that you must compare the administration costs to the premium paid by the farmer. That is, we have already been told that the premiums collected from the farmers by the Manitoba Crop Insurance Plan was about \$257,000. Now it's true that they got another \$64,250 from the Federal Government, but surely it didn't cost them anything to get it, so that your administration costs, and your acquisition costs, and your commissions paid to agents is based on the \$257,000. So that, if you compare the \$140,000 to the \$257,000 you have an acquisition cost, or an administration cost, of well over \$50,000, but if you compare it to the total of, that is, the total collected from the farmer plus the total collected from the Federal Government, you still have an administration cost of 43.6 to the total, according to my figures. Now, comparing that to the Co-operative Hail Insurance Company that I told you about a few moments ago, their total administration costs in 1947 -- that's the year that they started off -- was 25.23 percent; in 1960 when they wrote in premiums \$1,249,633, their total administration cost was 22.7 percent, and at no time in the 14 years from 1947 to 1960 inclusive, did their administration costs exceed 29 percent -- at no time. And I suggest that we will have to do something to control these administration costs because we certainly cannot expect another year so free of losses, perhaps -- I hope we do -- but perhaps for some years to come, because last year all hail insurance companies will tell you that they had a pretty good year, and the Manitoba Crop Insurance Plan certainly don't mind admitting that they, too, had a pretty good year. But I don't think we can count on that to stay with us forever.

I have before me, Mr. Chairman, from the Winnipeg Tribune, Tuesday, November 1st, 1960, in which they kind of put out a warning here. I'm just going to read part of it, and I quote: "This was a good year for crop production in Manitoba; a poor year might have seen the crop insurance plan pay out more in claims than it collected in premiums. The performance of one year gives no real indication whether the premium rate is too high, too low, or just right. It should be noted that four out of every nine dollars paid to the crop insurance agency this year came from the Federal or Provincial Government. Without this assistance the year's operations of the agency, even in a good crop year, would have been barely in the black." And that is true. Now, I would like to tell you something about the losses that the Co-op Hail have had in those same years from 1947 to 1960. In seven of the 14 years their loss ratio was well over 50 percent. That is, their loss claims exceeded the premiums by well over 50 percent in seven years out of fourteen. And in 1957, just four years ago, their loss ratio was 145.05 percent. Now you may say that that's not a fair comparison, that's only one company; but the figures I have here are from the Superintendent of Insurance and they represent all companies writing hail in Manitoba, and from the years 1955 to 1959 inclusive, they took in in premiums \$3,820,000 and in the same period they paid out \$3,180,000 -- that's all companies writing in Manitoba.

Now I see the Honourable Minister is using his pencil over there, and he'll probably say, "Well, they still made a profit didn't they?" Well, it would appear that they made \$640,000 in that six year period. It would appear that way, but they paid out commissions of \$650,000, so we're \$10,000 in the hole now. Then they paid the premium tax of \$76,000, so you know in those years they had to use their red pencil. And speaking about red pencils, Mr. Chairman, I would like to read you just one short paragraph from an article appearing in the Lethbridge Herald, Saturday, March 22nd, 1958, and I quote -- and it starts right off in the first paragraph: "If Canada decides to embark on a program of state-operated crop insurance for Canadian

(Mr. Shoemaker, cont'd.) farmers, it might be a good idea to start filling government fountain pens with red ink, just in case," it says. And then it goes on to say: "That's been the experience of the United States in underwriting a government crop insurance scheme which, after 19 years of operation, still is in the experimental stage and has cost the treasury \$81,361,000. The deficit would have been higher but the government was able to make a profit of \$12,388,000 on produce with which in the early years farmers could pay their premiums." Now it does make me wonder whether the 35-year rate that the Honourable Minister talked about the other day, whether he still thinks that it will be all right 35 years from now.

I have another clipping here, too, that I'm wondering about and it's from the Free Press, January 23rd, 1961, a fairly recent one, and it's headed: "Crop Insurance Scheme may get Overhauled". I'm also wondering if the Honourable the Minister of Agriculture has now some pretty good hopes of getting more federal money into the plan because -- and I'm quoting here now -- it says: "First year expenses include public meetings in an education program, commissions paid to salesmen, business equipment, legal expenses of putting new legislation into effect, and an initial research program. Federal money paid 50 percent of the premiums for this year." Well that must be an error I guess, Mr. Chairman. I was just wondering if you anticipated getting 50 percent next year and whether this was some information that leaked out. I hope that it is soon.

Now, Mr. Chairman, as I said in my opening remarks, I'm not saying that the program is all wrong. The very fact that five percent of the farmers have accepted the program with certain reservations, I think perhaps they should carry on, but I am concerned about the high administration costs. No. 1: I still say that they're away too high. I don't think that we should be too optimistic when we consider our first year losses. I predict that they will probably be the lightest losses that we'll experience for some time, and to prove that, I have before me the combined experience of all Hall Companies writing in Canada going back to 1913, and it's right up to date, right up to 1960, and it's certainly interesting to note that about every third year they get an awful whack. I don't know whether at any time they had losses any lighter than they had this year, so I am concerned about, as I said before, the high cost of administration which we certainly must do something about. And then I'm wondering, too, about this prediction that the rates that we now have, whether they will suffice for the next 35 years as the Honourable Minister suggested; and I say let's not be too optimistic, we may need that red pencil next year.

..... Continued on next page

MR. HUTTON: Mr. Chairman, I don't feel too badly after listening to the honourable member's comments on crop insurance. He came to my rescue, in fact, in quite a few points. I'm thankful to him in the first place for establishing, without any doubt, that the Federal and Provincial Governments are in fact making an enormous contribution to crop insurance -- \$4 out of every \$9 he says -- and

MR. SHOEMAKER: That's what the Tribune said.

MR. HUTTON: Well, you agreed in fact. I've been trying to establish that fact ever since I came into this office. I'm very thankful to the honourable member for supporting the contention of the Government of Manitoba that, in fact, the Provincial Government and the Federal Government are making a major contribution -- \$4 out of every \$9, the honourable member tells us. That point has been settled then. There can be no longer any criticism that this program can't go because the governments aren't contributing enough to it.-- (Interjection) Oh, all members over there are guilty of this criticism -- all members. They have condemned it and consigned it to the scrap heap because the Federal Government wasn't contributing enough and the Provincial Government in Manitoba wasn't making any real contribution to crop insurance, and the honourable member gets up and tells us just what kind of a contribution the Federal and Provincial Governments are making -- \$4 out of every \$9 are coming out of the governments. In fact he got up and quoted from articles which would indicate that there wasn't too much approval for all this government contribution for crop insurance; that this scheme wasn't any too good that couldn't stand on its own feet; and I began to wonder just where the honourable member stands on crop insurance because there was an intimation that, if a program can't stand on its own, there isn't too much justification for it. So I'm deeply indebted for his contribution to this debate.

He made some errors in calculation however. I don't know how he calculated the costs of administration in the case of the Hail Insurance Companies. He used the Co-Op and stated that the highest that they had ever gone was 29 percent. Now whether he included the cost of administration in his total figure when he -- he didn't do as much for crop insurance because if he includes the cost of administration in the total figure, the costs of administration contributed by the Provincial and the Federal Governments with the income from premiums and the contribution of the Federal Government, then he will come out with a figure of 30 percent for the costs of administration. That is, 30 percent of the total income of the crop insurance agency was spent in administration costs. I think if you're going to make a reasonable and logical comparison, you should use the same basis for calculation in one case as in another. Then he argued that the Federal Government contribution wasn't, in effect, a legitimate income for the crop insurance agency in determining the percentage; and he got a quite fantastic figure for the cost of administration on crop insurance of 50 percent if we excluded the Federal Government contribution. Well, I can't follow the logic of his argument here, because if it weren't for the Federal Government contribution the premiums would be that much higher; and certainly if the Federal Government wasn't contributing to the crop insurance scheme, that is to the premium, the premiums would be that much higher. He seems to have some doubts about the validity of the rates. I wouldn't want that argument to be raised in this House at this time, when we're negotiating with Ottawa and endeavouring to have the Federal Government assume a greater share in the field of risk. The suggestion that our crop insurance agency has possibly made a gross error in establishing the rates of the crop insurance -- the premium rates. It seems to me at this time we want to establish with the Federal Government that, in fact, our rates here have been determined after very close study and are, in fact, as accurate as human beings can make them with the information that is available; and indeed we have spent a great deal of this money that is termed administration in doing this very thing.

I think in the interests of Manitoba, at least at this time and when there is no concrete evidence to the contrary, I believe it's not in the interest of the province to try and establish the fact that our rates are not in line with the risk that is involved. He compared the losses in hail insurance to those of crop insurance, and seemed to feel that because the hail insurance companies had sustained these losses during the five-year period of 1955 to 1959, and he quoted other figures to show that they had paid out 3.18 million as against 3.8 million collected in premiums, and in other figures that he referred to, he seemed to be trying to prove the fact that there wasn't very much in hail insurance; and surely, if you are going into crop

(Mr. Hutton, cont'd.)....insurance, your experience would be that much worse and we were going to sustain great losses. Well in the first place the honourable member should know that the principle of hail insurance is not the same as the principle of crop insurance. The hail insurance people can insure people against loss; and crop insurance guarantees an income. I've argued to the honourable member on other occasions on this point. He doesn't seem to have grasped the very essential difference between the two approaches. He's a little bit hard to follow because at one stage he used the example of a man with a 40 bushel crop and lost three-quarters of it and didn't qualify for crop insurance; that he would have qualified for 75 percent damages under a hail insurance program. It is true there's a tremendous difference in the principle. Crop insurance guarantees a level of income to the farmer and it does not insure him against loss.

However, the crop insurance agency recognized that over the years a traditional concept had grown up amongst the farmers that they protect themselves against loss. In order to meet this need, and recognizing the fact that sometimes he can have a good crop and possibly a hail storm will hit a corner of the farm and wipe out one field or one portion of his crop; or possibly he may have a field of late seeded barley and the aphids will get into it and he'll lose it; and at the same time he might get an excellent return on the remainder of his crop and, as long as his eligibility for an indemnity was determined on his total crop production that was insured, he wouldn't be able to collect anything. Recognizing these factors, we introduced in this current year the principle of insurance on a commodity basis, that is, the option to insure on a commodity basis. Last year if a farmer insured his wheat, oats and barley, the average return from all three crops insured had to fall below the guaranteed level before he was eligible for an indemnity. In 1961 a farmer can insure his wheat, oats and barley, or flax or whatever combination he wishes. He can elect to insure any one of those crops on a commodity basis; and if he does so, his return on that crop, or his eligibility and indemnity, is determined on the basis of the return on that crop which he elected to insure on a commodity basis. We feel that this goes a long way in satisfying the desire of a farmer to protect himself not only from a total loss but a partial loss.

I don't think that you can make any comparison at all with hail insurance when you're talking about crop insurance. I was insured against hail for many years and I gave it up because I could stop one hole but there were a good many others where I was still left vulnerable. Today, the farmers of Manitoba have, at very reasonable rates, an insurance program that will insure them against any of the reasons for loss that we experience from time to time in this province. In effect, we say to a farmer, "if you insure your wheat with us" -- for instance, let's say we go down to Morris Municipality -- and we say to the farmer in the Municipality of Morris, "If you insure your wheat with us we'll guarantee you 12 bushels per acre, or a cash return of \$14.22 if you pay us 78 cents an acre. It doesn't matter what happens to that crop, unless you were guilty of gross mismanagement. It doesn't matter what happens to it, you'll never take less than 12 bushels per acre." That's quite a guarantee -- quite a guarantee -- and to compare this kind of a guarantee with a guarantee under a hail insurance program, it's ridiculous, just ridiculous. And to show you how ridiculous it is, the field was wide open for generations and nobody in the private insurance field wanted to stick their necks out; and they never would. It isn't a valid comparison whatsoever.

He objects to the way in which crop insurance was sold to the farmers. Well we went through that the other day in committee. We showed them where it was cheaper for them to take crop insurance than to continue to pay into PFA. Well, it's a fact. And we would be mighty poor salesmen if we didn't point out to the farmers of Manitoba that it's poor business to pay into a scheme where you haven't much chance of collecting anything when you can get protection on an individual basis with a crop insurance agency in Manitoba for the same money. Sure, we're guilty. We're going to tell them the same story this year and next year and the year after. The honourable member is a salesman himself. He knows you don't miss a bet. And it's in the interest of Manitoba farmers that this is pointed out to them. What can they get for their investments in PFA? An awful lot of them never have a chance of getting anything; and even at the best, they'll get a maximum coverage of \$800. I know of farmers today who are contributing \$300 a year to PFAA, and if they put that into crop insurance and paying a five percent premium, what does that give them? -- \$6,000 coverage. There's no comparison. This

(Mr. Hutton, cont'd.).....is what we're trying to do, to show the farmers of Manitoba that this is good business.

So, Mr. Chairman, in a way I'm thankful for some of the things that he said, and others I'm not so grateful. Certainly I am sorry to hear him reflect doubt upon the legitimacy of the rates that have been established, especially where we're trying to consummate a better deal in respect of the disaster loss area with guaranteeing in the field of disaster losses with the Federal Government. We're not trying to make a better deal with the Federal Government because we think our rates are out of line and afraid that we'll get into trouble. We recognize the fact that the Province of Manitoba cannot sustain heavy losses that may occur in the short run. We feel sure that the rates that have been established, in 35 years from now we'll break even, but in the meantime, certainly we might have a heavy loss and the province will be called upon to bear it and we feel that the Federal Government should share some of this risk and this responsibility with us. Not because the rates aren't sound, however, not because the rates aren't sound.

MR. SHOEMAKER: Mr. Chairman, I would just like to ask the Honourable Minister one or two questions in view of what he said in rebuttal. Does he expect that the loss ratio of one to ten, as respects hail to all other hazards covered, will remain the same in the future as it did this year? It did seem to me that he was rather belittling the hail losses in playing up the other hazards. Well this year we know that in dollars paid out, I understand there was something like \$92,000 in losses in 1960, and hail accounted for \$9,200. Does he expect that same ratio to follow in the future? Was it a normal year in that respect? I don't think that it will be myself. Does he expect that the administration costs to the premium income will be lower? That's one thing I'm concerned about. Is it going to be lower this year? I still say, Mr. Chairman, that the cost of acquiring the \$64,250 from the Federal Government didn't cost any money surely; and any provincial contribution that was thrown into the plan, it didn't cost us any money to acquire the money; therefore, the acquisition costs must be compared to the premium collected from the farmer. We all know on all sides of the House that PFAA isn't satisfactory; never was. It's a little better now than it was, and they can't say "why didn't I do it when?" I've said this before, because I wasn't there when, but I still say that this government should -- should do something with their federal friends and try to improve PFAA. I mean, we know it isn't what it should be, but I say this government should make representation to Ottawa and improve it. We know that Saskatchewan has been getting the lion's share of the payments than Manitoba and we both pay the same rate. We know that and it isn't right. It should be improved.

Then the Honourable Minister was talking about the losses in his own municipality. I wonder how many years the Honourable Minister himself, in his farming experiences, suffered losses he could have collected under the present crop insurance scheme and how many years were the losses from hail. Those are some questions that I would like answered. Does he really expect that the losses in 1960, as small as they were, does he consider them normal or does he look for higher losses? Does he consider that they're just normal losses?

MR. WAGNER: Mr. Chairman, just a little while ago when the Minister said that within four days I will know whether the Interlake area is going to come into crop insurance-- or when I was speaking on the Interlake area. Does the Minister plan to make an announcement here in the House within four days in respect of the Interlake area?

MR. HUTTON: With respect to another area.

MR. WAGNER: Well I'm asking about the Interlake area.

MR. HUTTON: The announcement I make in three or four days will settle the question of the Honourable Member for Fisher. He will know then whether Interlake area will be in it or not. I'm not saying what area is going to be in it.

MR. WAGNER: Oh yes, Mr. Chairman, but what I'm interested in is if the Minister can tell me today if he is thinking about Interlake area, or is it too far in the distant future or whether it's in close future or is it out completely?

MR. HUTTON: I'm thinking of all Manitoba. Any area may be eligible in Manitoba. If not this year, another year. I can't announce the area that is going to be set up at this time. A question was asked as to the significance of hail losses with regard to crop insurance-- the relationship they have. Well they have very little. It's an insignificant factor in crop insurance

(Mr. Hutton, cont'd.) because 80 percent of the losses that are experienced with hail are less than 20 percent. That is, in 80 percent of the hail losses, the crop is damaged less than 20 percent. For this reason, hail damage is not a significant factor in determining crop insurance rates. Other causes of crop damage are far more significant. Such things as rust, flooding, extremely heavy rainfall, drought, insects, a bad fall like we had two years ago, these are the things that determine the rates. The hail damage that he's so concerned about is of an insignificant nature in determining crop insurance rates.

He asked me the question, Mr. Chairman, as to whether my experience as a farmer in my area, if I would ever have had the opportunity to collect under crop insurance. I can tell him "yes." I went through about the worst year that that area ever experienced and I didn't have the chance of getting under PFAA, but I would under crop insurance, for two reasons. One is that the amount of coverage is from 30 to 50 percent higher; and secondly, because losses are determined on the basis of the individual farmer's experience and not on a township basis -- 60 or otherwise.

I'd like to go back to his question of percentages. I wonder if the honourable member really thinks -- really thinks that if the Federal Government and the Provincial Government weren't making their contribution either to administration or to premiums, if it would have cost us any more for administration to collect additional premiums which would have been required from the farmers. We went the rounds anyway -- we have to go the rounds anyway -- the fact that we get this contribution from the Federal and Provincial Governments doesn't affect the validity of the administration costs. We had to collect the premiums from the farmers and it is absolutely valid to relate that to the contribution that the Federal and Provincial Governments makes, because this is the total income as in the case of the hail insurance company. They collect the total from the farmer. Our income comes from three sources, and if it didn't come from those other two sources, government sources, it would have to come from the farmers. We have all the expense -- we have all the expense that the hail insurance company has in collecting premiums, because we've got to go around the country anyway. We've got to go around the country and approach the farmer and we've got to contact them, communicate with them. It makes no difference at all. This is not a legitimate argument.

But where did our money go? You might be interested. Where did our money go? Out of \$140,000 -- and I'm just going to give you the big items -- \$47,000 came from salaries; and let me assure the committee that it took a fabulous amount of work to get this thing under way. The honourable member made a comparison of the Co-operative Hail Insurance people who started in 1947. Is this a valid or legitimate comparison to make? Hail insurance is not a new field; it wasn't a new field in 1947. There were all kinds of statistics and information available. All they had to do was pick up a chart of another company. They knew what other companies were charging in the way of premiums in the various townships. We were starting from scratch. Nobody knew anything, and still our legitimate administration costs were 30 percent of our total income and their's were 25, and they had all this vast accumulation of information that was accumulated over the years. The next highest figure is \$38,000 for agent's commissions. Well it wouldn't matter -- you may say that we're paying our agents too much money and maybe this is a legitimate criticism, but I think they were established in line with what insurance agents are enjoying in other sectors of the insurance business. Those are the two big items. In both there's ample justification, and certainly in the field of salaries there's ample justification for such a figure. You forget that we set up an office. We had to buy equipment for that office, and these charges were made against the crop insurance agency in its initial year. Also, as the program grows and we get more premiums in and more farmers in, the administration charges aren't going to be as great. For instance, they were \$146,000 last year and this year we're estimating them at \$200,000; and yet we estimate that our total business could be doubled. Now this is bringing it into line. If our total business is doubled this year, we're going to have a much better picture; and as our program grows in years ahead, I'm quite sure that administration will be in line with the amount of business that we are doing.

MR. GUTTORMSON: Mr. Chairman, the Minister was quoted in the paper the other day stating that Manitoba would have crop insurance over the whole of the province in a very short time. Would he care to elaborate and say what he meant by that? Does it mean two years from now or ten years from now? Would he care to tell us?

MR. HUTTON: I didn't say a very short time. That's the way you interpreted it. I said sooner than you would wish.

MR. GUTTORMSON: Mr. Chairman, would the Minister care to tell me what "sooner than I wish" means? Well, what does it mean?

MR. CHAIRMAN: Resolution 34 ---

MR. SHOEMAKER: Mr. Chairman, the Honourable Minister has left the impression with me that he would advise the farmers to continue to go out and put on their hail insurance, that if they expect to be paid for hail they better put on hail insurance. That's the inference that's left with me. I won't quote him when I'm selling to my clients because we're not in a test area. I don't have to do that, but I'm certainly left with the impression that in order to have a complete program you've got to put on hail insurance as well as crop insurance, because, as he said, 80 percent of all hail losses are less than 20 percent, therefore, there's no hope at all of collecting those losses under the crop insurance plan; and he suggests that you must have hail insurance in addition to this new jet aged plan that we have here.

MR. HUTTON: I just want to answer that because I know the honourable member is in the insurance business and I know the hail insurance people are pretty scared of crop insurance; and I'll make a forecast that hail insurance is a thing of the past -- Hail insurance is a thing of the past. The honourable member feels that because I stated that 80 percent of the total losses represented losses where damage is restricted to 20 percent or less of the cost -- if any insurance salesman came to me and tried to sell me on the fact that I was to insure that top 20 percent, he'd get short shrift. I can't afford those kind of luxuries. As a farmer, I can't afford that luxury. What the farmers in this province are afraid of are total losses, and if anybody guaranteed them that they'd never lose more than half their crop, I doubt if you would sell very much hail insurance. Farmers aren't afraid of taking a short crop, a medium crop, half a crop, but they are afraid of losing their total crop. If you try and sell hail insurance to a farmer on the basis of protecting the top 20 percent, what are you going to do for him if grasshoppers get in there and knock a crop of wheat say from 30 to 15 yield. Hail insurance won't help him -- hail insurance won't help him. If the aphids get in there and knock it down, hail insurance won't help. You can't sell a bill of goods of collecting on a 20 percent loss to the farmers. It doesn't worry me at all because I know what farmers are afraid of. They're afraid of that hail storm that will take them out and that's why they buy hail insurance. Oh, it's a nice little added feature that if they sustain 20 percent and they've got \$10 an acre you pay him \$2. But if the farmers in Morris are hailed out and they've got crop insurance, and they sustain 100 percent loss, they'll get \$14.00 an acre. That's a pretty good guarantee. Not only that, but if they get an awful torrential rainstorm and it washes out a field of grain, they'll get paid on that basis. If any number of other things happen, they're covered. I don't think you can compare hail insurance with crop insurance at all.

MR. SHOEMAKER: Mr. Chairman, just for my honourable friend's information, if he is considering putting hail insurance on his crop next year, you know you can put on -- I don't know what -----

MR. HUTTON: I quit taking hail insurance quite awhile ago but I'm going to buy crop insurance if I ever get the chance.

MR. SHOEMAKER: Well you may get it this year. But I would just like to give him this information, that in an area where the full cover rate for hail insurance we'll say is six percent, you can buy a ten percent deductible for 4.5 and you can buy a 25 percent deductible for three percent, or just half of the rate. That's the basis that we agents sell insurance. If the farmer comes along and he says we're not concerned about the first 20 percent or 25 percent, well then we sell him the three percent and he gets it for half the money.

MR. HUTTON: If the farmers buy our crop insurance program for 10 years, and they're paying five percent to start with, they'll be paying a little over three percent at the end of ten years if they've never had any losses. That's more than you can ever say for any hail insurance company.

MR. CHAIRMAN: Resolution 34 -- Passed.

MR. J. P. TANCHAK (Emerson): Mr. Chairman, before you pass this article, I was listening to the Minister and he seems to be quite an artist. He has a knack of painting everything down in his department very wonderfully, and as to his optimism, he's quite an optimist.

(Mr. Tanchak, cont'd.) . . . I hope those oil paintings last. I don't want an answer, I don't think there is an answer to this, but I want to put myself on record. I think the Minister made a statement which was not correct, and probably maybe not the first time, but I didn't get up because it didn't involve me. He said, just not so long ago, that all members on this side were opposing the plan. I, for one -- yes, that's what the Minister said -- I, for one, have not spoken on crop insurance. I haven't opposed it; and I do not oppose it. I believe, and I am convinced, that an acceptable crop insurance is desirable for the farmers in Manitoba. Two and a half years the government -- the members of this government, for two and a half years now, they've promised an acceptable crop insurance to the farmers of Manitoba. To date this has not been done, and I hope that the announcement that the Minister said he's making in four days will be that crop insurance will be available to all farmers of Manitoba, not on a compulsory basis though. The only remarks that I could make is that I would like to see a greater contribution from the Federal Government so as to lighten the burden of the premiums on the farmers of Manitoba. The Minister mentioned agents -- several agents out this year or this last summer trying to sell this crop insurance, and I think that it is pretty hard to convince most of the farmers. True there's five percent of the Manitoba farmers were convinced to sign up, but I think that the greatest obstacle is that they believe the premium rates are too high. That's all I have to say. I just wanted to put myself on record.

MR. CHAIRMAN: II -- Resolution 35.

MR. CAMPBELL: Mr. Chairman, I have a few remarks to make with regard to the Agricultural Credit Corporation. This is another of the really important policies that faces the members of the House and it, too, has had a fairly wide discussion already so it will not take me long to make my small contribution. I have been interested in the fact that the Honourable the Minister has said just recently that this is the best credit act in Canada, and the First Minister seemed to endorse that suggestion. Now the Honourable the Minister knows my views on this question. He knows that what I object to mainly is the duplication. I still maintain there is duplication. There can't help but be duplication, but I'm not going to take time to argue that question.

What I so want to do is put on record to the extent that I'm able, because I think it will be useful to other members of the House, comparisons of this particular act and the new federal act. My honourable friend the Minister will be informed on these comparisons, and if he thinks these are not fair or accurate, he can check with regard to them. My basis of complaint with the statement is that he says that the Act, this Act is the best in Canada. Now I'm not talking about the administration at this moment. I'm not talking about the decision of the board, because a lot of decisions are left to the board in each case, and to the board, supplemented by Government Order-in-Council; but so far as the Act is concerned itself, here are the comparisons that seem to me to be important and these are not exhaustive. There are some further details and some of them perhaps quite important, but here are the ones that seem to me to be the highlights. So far as the two acts are concerned, for purposes of differentiation I call one the Manitoba Act and the other the Federal Act, it seems to me that as far as the basis of borrowing is concerned that they're about on even terms. Both say that the principal occupation of the borrower must be farming. I don't think there's any major differences in their qualifications in that regard.

But when we come to young farmers, undoubtedly for those who are interested in people getting credit, then I think we would have to give the nod to the Manitoba Act because the young farmer of Manitoba gets four percent and certainly gets a four percent rate; and I'm certainly one that agrees that one percent makes a great deal of difference. He can get up to \$25,000 and I admit that the loans that have been approved are larger under the Manitoba Act than the ones that have been approved under the Federal Act, as far as I see the average. But, Mr. Chairman, that is not because of the act. That is because of the administration. The act itself provides for even larger loans from the federal corporation than from the Manitoba one, because under the Federal one they can get up to \$27,500 -- (Interjection) -- Yes, that's right, but I'm speaking of the young farmers if you take a comparable designation -- and the other point is that the young farmer in this case, instead of being 21 to 31, is 21 to 45. So there are some points there that are in favour even with the young farmers of the Federal Act in my opinion. But I'm prepared to give the nod to the Manitoba Act on that basis.

(Mr. Campbell, cont'd.)....But then when we come to the other farmers, other than young farmers, there's a limitation as far as age is concerned, with some exceptions -- I admit there are exceptions -- but the limitation is 21 to 60 unless the exceptions are invoked. The maximum is \$25,000 and the interest rate is 5 1/2 percent; but over on the other side, in the Federal Act there's no age limit. It's left to the Board. Even an old fellow like myself, theoretically at least, could get a loan; so that there's a qualification there that is unfavourable, I would say, to the Manitoba Act. But then we've got something that evens it up again, because under the Manitoba Act you can get a little more money than under the federal one, so far as the other farmers are concerned. Then we come back again and there's a half of one percent advantage on interest under the Federal Act, so I'd be inclined to give the nod to the Federal Act on that one. Pretty even, but I'd give them the nod.

Now the purposes for which borrowing can be made, they both allow the customary things-- buying land, breaking land, clearing land, fencing, etcetera, etcetera. They seem to me to be about even in that regard. Both can run for terms, as I read the Act, as long as 30 years. Then we come to the maximum percentage of the security and here I think the Federal Act, for those who want to say that credit is so desirable, that the Federal Act has a distinct advantage because they go to a maximum of 75% of the farm land value; where the maximum under the Manitoba Act is 65% of the security, whether land only, or land and chattels, as I read the Act. There is a provision that the chattel security can be not more than 40% of the total security. But when we get back to the 75%, that also applies to the young farmers as well as the others; and so does the 65% limit of the Manitoba Act apply to them. So I would think that, on that basis, we must distinctly give the advantage to the Federal Act.

When they get to the question of experience, they seem to me to be just about even. Under the Manitoba Act all borrowers, as I read it, can have the supervision. Under the Federal Act only the young farmers, or the part III borrowers, get the supervision; but here again they're up to 45 years of age. We must remember that. So I would say there wasn't too much difference in comparing the Acts there. Then I believe that so far as supervisory assistance is concerned, there are eight, is it, with the Manitoba Administration -- Eight? As I read the federal report, there are actually 20 supervisors of the Federal Act located here. Now I'm not failing to notice, of course, that there will be a lot of loans already made that they will have to deal with as well; but I think the point that the change has been made in the Federal Act that the loans can be finalized right here in Manitoba now, or the other regional offices, is perhaps an advantage, as before they had to go to Ottawa for final approval. So I would think that, if anything, the Federal Act would have the advantage. At least, it would be even in that regard.

Then under the Manitoba Act, unless it has escaped my attention, there is no provision for group life insurance. In the Federal Act, for the young farmers at least, perhaps for all, there is a very attractive group life plan. So far as I have been able to see, there's no crop payment provision with regard to the Manitoba Act; with the Federal Act there is. Now there are many other points in addition to this. I am aware of the fact that the loaning up to date has meant that the young farmers have a higher average than the others; but I maintain that is not because of the act, because the Federal Act allows a still higher one than the Manitoba Act does. That's a question of administration, not the act in my opinion. So totalling these all up, I must say that I'm unable to see the basis on which the Honourable the Minister is so sure that this is the best act in Canada. This is the act that has developed from the federal people, about which we talked here a couple of years ago. It was freely predicted at that time that they were going to revise and modernize and liberalize their act, and I think it's been done. I think it's been done to the extent that I do not think that my honourable friend is justified in saying that his is the best act. I would say this other is as good. And my point is that, if it's as good, then it's better to have only one administration in the field rather than two. However, I don't intend to belabour that argument at the moment. I was simply putting on record what I assume to be a fair comparison of the two acts.

MR. HUTTON: Mr. Chairman, would the Honourable Leader of the Opposition answer a question? Are you absolutely sure that I said "act"?

MR. CAMPBELL: Well I remember it as clear that the honourable member said "act". I suppose that Hansard will tell us what we have.

MR. HUTTON: I just thought you might be sure of that before you spoke.

MR. CAMPBELL: Well I will certainly say this, because I have checked Hansard in this regard, and I haven't, I must confess, checked the Minister on this -- I was listening to him very carefully though -- but I have checked Hansard with regard to what the former Minister said and there is no question that he said this was the "Ne Plus Ultra". This was the act to end all acts or to top all acts. He recounted at great length the number of conferences that had been held; how the very best acts, in his opinion, had been considered and the top provisions collected out of all of them; and this was the best act. We, of course, improved it a great deal after that was said so it should be a good act. But I'll check Hansard -- perhaps my honourable friend has it with him.

MR. E. R. SCHREYER (Brokenhead): Mr. Chairman, before the Minister rises to comment, if he wishes to comment, I would like to ask him if anyone with an income of \$10,000 or more, from a non-farm source, has qualified for a loan through the Credit Corporation. I only ask this question to either substantiate or dispel a persistent rumour. The Minister would be aware of this I'm sure.

MR. HUTTON: Does anyone qualify with an income of \$10,000 or more from off-farm employment? I don't know. I don't know. I couldn't answer that question unless I made an inquiry to find out. -- (Interjection) -- Pardon?

MR. SCHREYER: Would the Minister undertake to do that, Mr. Chairman?

MR. HUTTON: Yes I would. I would like to just say a few words in reply to the Honourable Leader of the Opposition -- just a few. I'm not sure that in talking about the Farm Credit Program in Manitoba that I specifically said "act". We could have a good argument about this question if we wanted to get down to the act itself. I'm not admitting that, even if I said act, that I couldn't do a fair job of defending that statement. However, the proof of the pudding is in the eating. There can be no doubt in my mind that on the basis of the experience to date and the response of the farmer to the two programs, that the Manitoba program must be better. After all, I am glad for the indirect compliment that the Honourable Leader of the Opposition has paid to us in that he has suggested that the difference can be in the administration, because the best legislation in the world is no good unless there's a spirit of administration to go with it. I would gather from the Honourable Leader of the Opposition's remarks that he feels that there is this spirit of administration that is making the Manitoba Act effective and fruitful to the people. I would point out that the Canada Act requires a payment for an appraisal, which does make it less attractive. In other words, the farmer has to pay to find out in some cases that he doesn't qualify for a loan. When you add that up with the cost of supervision -- because they charge for supervision and we don't -- they charge for supervision; they charge for appraisals; and they charge for their insurance. When you add all these factors up, there's no advantage in the interest rate. Now I think the Honourable Leader of the Opposition would agree that there was an advantage in that 5% the farmers wouldn't be coming to us. I don't think they would, because a half of 1% is, in this day and age, a leak in the boat if you can save it. The provision for group life insurance, we have talked about this but it's the feeling that life insurance is available and there isn't too much merit in promoting it. Before I sit down I'll say this, as far as I'm concerned, considering the experience we've had and the record of the credit program of Manitoba -- and I think I emphasized when I was speaking on it -- that especially in respect to the young farmer, there is nothing to compare with this program in Canada, with a record of 4% loans and loans that average \$11,500; and I'm willing to stand by that statement.

MR. CAMPBELL: Mr. Chairman, of course I'm completely ready to agree with my honourable friend that the 1% is most important on these loans, and I suggest to the committee that the reason that they have been getting the large number of loans is just, quite frankly, because of that 4% rate; and I'm not criticizing that. That's bound to happen and I think the administration, that he thinks I complimented him on, is not to receive the credit for that. It's the fact that there is a 4% rate there. I do give the administration credit for whatever is coming to them with regard to the granting of, what appear to be, fairly generous loans on the average. I'm not trying to take that away from them. I'm simply saying that, as far as the young farmer group is concerned, the whole difference is in the difference in the rate and that is a mighty important difference. Now as far as the appraisal, I did not know, quite frankly, whether there was an appraisal charge by the Manitoba Act or not. I gather that there is not. But the

(Mr. Campbell, cont'd.)....cost of supervision that my honourable friend has referred to, pertains only up to the time that the loan is reduced to 65 percent which, by the way, is where the Manitoba loan goes to to begin with, so that you can't compare the Federal Act unfavourably with the Manitoba Act in that regard. As far as the group insurance is concerned, it seems to me that maybe this is a good feature because farmers generally perhaps don't carry all the insurance that they should; haven't been able to through the years; and when you can get the benefit of such a very favourable rate, and it appears to me to be favourable, then I think that it is a mark in their favour. So far as the other factors are concerned, I would think that the federal people have done a very good job of revising this act, brought it right up to meet modern-day conditions; and it seems to me that it compares quite favourably. I wanted to ask the federal people as to how many had taken advantage of the crop payment plan of mortgage but I just didn't manage to get a hold of them to make that enquiry. I would imagine quite a few farmers would take advantage of that form of payment of their mortgage. I think it's an advantage to have it in the act so that it's available to a farmer if he does wish to take it. So my conclusion is that it's at least as good and I'd be inclined to say it's a little better.

MR. CHAIRMAN: Resolution 35 -- Passed.

MR. GUTTORMSON: Mr. Chairman, a great deal has been said about how good this act is which has been in operation approaching three years now. I regret to say that I can't agree with the statement as far as my constituency is concerned, because the last figure that I was able to obtain from the Agricultural Credit Corporation was that only 14 people in the whole of my constituency have been able to benefit from this act. I'm not sure of the figures, but I understand there are roughly hundreds who have applied or indicated their intentions to apply for the plan; and when you look and see that only 14 people in almost three years have been able to benefit from this plan, I think you can certainly agree it isn't working in my area. When this plan was introduced in '58 I mentioned that I thought this government should change the security clauses in the act so that people up in my area could gain some benefit from it because, as it is written now, very few people in the Interlake, particularly in the area that I represent, are able to take advantage of it. A lot of these people have excellent farms, big herds of cattle, but because the land that they are farming on is sub-marginal and not worth too much, they are being turned down by the Credit Corporation. I would like to suggest to the Minister that he give serious consideration to allowing cattle to be used as a security to a larger extent than he does today, because a great deal more farmers in the Interlake then would be able to take advantage of this act. I might say that with only 14 farmers, and that's a rough estimate because this figure could change, are involved in it, it certainly isn't doing much good up there. I know at the last election a number of government speakers told the people up there what a wonderful plan it was; that they would be able to borrow \$25,000; and a great deal of people thought this was really going to be something. They've certainly changed their opinion of it, Mr. Minister, and I would like to ask you if you would consider changing the security basis so they can take advantage of it.

MR. HUTTON: I'll just say this in answer to the Member for St. George. The stipulation in the Act that the maximum amount that can be borrowed is limited to 13/12ths. of the value of the land is probably the provision in the act, if any provision in the act is excluding the people in your area. However, there are two sides to the point. Even though the land in your area is sub-marginal or marginal, and I don't think all of it is, but in those areas where it is marginal or sub-marginal, if the amount of land were large enough in respect of which the loan was being requested, this loan can be effective. The difficulty is that the people in your area oftentimes have a large investment in livestock in comparison to a small investment in the land. You've got to remember that unless you were to introduce some kind of zoning in the province where different provisions in the act applied, if you were to amend the act to meet the conditions in your particular area, then it opens the door wide for the whole province. I would gather that when this act was passed in the Legislature, that if you try to legislate for the exceptions you may destroy the legislation or the program for the average participants. You've got to keep this in mind, that at times it falls down for the exceptional case; but if you're going to protect the program for the average farmer in Manitoba, you can't legislate for exceptions.

MR. WAGNER: Mr. Chairman, at the outset the Minister said that he has a map showing

(Mr. Wagner, cont'd.)....through the whole of Manitoba how much loans had been scattered. I would very much appreciate if he would show that map, how much it has been scattered through the whole of Manitoba. Particularly I'm interested in the Interlake area because it has been brought to my attention that very few got, and many were turned down, so that would be of interest to me.

MR. FROESE: Mr. Chairman, could the Honourable Minister tell us, in case a farmer has a loan with the Manitoba Credit Corporation and he requires further machinery, what is his position? Can he reopen the loan and get a further loan from the Credit Corporation or does he have to go to the bank for a farm improvement loan? I have been told that farmers who had loans from the Credit Corporation experience difficulty in getting farm improvement loans from the bank as a result.

MR. HUTTON: This applies to the federal farm loan. It's one of the disadvantages. In the case where a farmer takes a loan under Part 3, he does not qualify for the \$7500 farm improvement loans, government backed. In the case of the Manitoba program, the fact that he has a loan with us doesn't affect his qualifications for a federal loan other than the fact that, when you owe any amount of money anywhere, it is always a consideration.

MR. MOLGAT: Mr. Chairman, the Minister told us how wonderful the plan for aid to young farmers is. I notice in the April, '60 -- this is the Farm Equipment Dealer Magazine, this following item: "The Ontario Government has decided to discontinue its junior farmer loan plan. The decision followed a recent announcement that the new Farm Credit Corporation set up by the Federal Government would make adequate provision for all farm credit." I wonder if the Minister would have any comment on that because, in previous years, it was always pointed out to us that Ontario had done this and how wonderful it was; and here they are cancelling theirs.

MR. HUTTON: I'll just say this, that the Minister of Agriculture for Ontario, the Honourable Mr. Goodfellow, intimated at the Dominion-Provincial Agricultural Conference that, although he didn't say it, he intimated some regret that they had discontinued their program for young farmers because they didn't feel that the federal program was meeting the need as their program had met it; and they had lent some \$20 million under their program.

I have here a map, that the members might find interesting, which indicates the distribution of the loans throughout Manitoba. You'll note that there are areas where there's a greater density of loans but I think, generally speaking, that you would have to admit that the farmers all over the province have taken advantage. Of course there's a very good reason for the south central area here having received more loans than any other comparable area. It has a greater percentage of cultivated acreage than any other area in Manitoba, but we're doing business all over Manitoba. I think that this fairly graphically illustrates the fact that the loans are fairly well dispersed, and evenly, over the province; and any of you are invited to come to the office and study it in detail, regardless of your politics.

MR. CHAIRMAN: Resolution 35 -- Passed. It is 5:30 and I leave the Chair until 8:00 o'clock this evening.