

THE LEGISLATIVE ASSEMBLY OF MANITOBA

8:00 o'clock, Tuesday, February 7, 1967

MR. SPEAKER: Adjourned debate on the proposed motion of the Honourable the Provincial Treasurer. The Honourable Leader of the Opposition.

MR. MOLGAT: Mr. Speaker, I would ask the indulgence of the House that this be allowed to stand.

MR. EVANS: Mr. Speaker, I beg to move, seconded by the Honourable the Attorney-General, 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 presented the motion and after a voice vote declared the motion carried and the House resolved itself into a Committee of Supply with the Honourable Member for Arthur in the Chair.

COMMITTEE OF SUPPLY

MR. LYON: ... suggestion would be that we proceed with the consideration of the supplementary supply that we had under consideration last evening when we adjourned. Then on completion of that matter, if it meets with the will of the House, we could perhaps advance at another stage and then resume back into the Committee of Supply for continuation of the debate on the estimates of the Department of Agriculture.

MR. CHAIRMAN: Committee proceed.

MR. EVANS: Mr. Chairman, some discussion arose yesterday about how the money was being provided for Ministers' salaries in the Supplementary Estimates, and I find that supplementary supply is required to cover the full amount of Ministers' salary increases in the Departments of the Attorney-General, Health and Welfare, but in the other departments there is sufficient votes in the original estimates to cover these amounts.

MR. CAMPBELL: So as I understand it, Mr. Chairman, in these three departments: Attorney-General, Health...

MR. EVANS: Health and Welfare.

MR. CAMPBELL: And Welfare, that the items that are given here include the increase in the Ministers' salaries.

MR. EVANS: That is right.

MR. CAMPBELL: In all the others there was an appropriation that had sufficient money in to provide the increase.

MR. CHAIRMAN: Number VI - Health. 1 (a) (1) Salaries -- passed; (2)--passed; (a) -- passed; Resolution -- passed. Department of Highways, No. VII. 1. General Administration (b) -- passed; (c) --

MR. FOX: I wonder if the Minister would explain how come there is \$10,000 short in estimates on unemployment insurance. This is a fairly large sum.

MR. EVANS: Basically it's an under-estimate of what would be required, and no doubt the additional work that was done and the amount of any increase in wages and other matters of that kind would have to be taken into consideration. I think the simple explanation is that this is an under-estimate at the beginning of the year and there was not enough to cover the costs in this connection.

MR. CHAIRMAN: 2 (a) (2)--passed; (d) (2)--passed; (f) (2)--

MR. FROESE: This is a relatively large item too, \$50,000. Can we have an explanation on this one?

MR. EVANS: It's a little hard to segregate these highway accounts into the separate items of expenditure. The main difference in the Department of Highways, namely about a million and a half or \$1,528,000, is really accounted for by the fact that we got more revenue from Ottawa to apply against the Trans-Canada Highway than we had expected. Well when that money comes in it has to be apportioned among the different accounts, including the district offices and other places where the engineers are supervised and where they supervise the work, and so with the detail that I have here I'm not able to tell you how the additional recovery from Ottawa of a million and a half was apportioned among the different operating accounts.

MR. EARL DAWSON (Hamiota): Would you not say that the majority of this money was the grant for the blizzard that occurred last March and apportioned out to the City of Winnipeg?

MR. EVANS: Not under highways, no. The explanation for the total required by the

(MR. EVANS cont'd). . . . department of \$1, 528, 000 is accounted for almost altogether by the additional recoveries from Ottawa which were not included in the estimates of expenditure. Last year, when the money was given to us by Ottawa, a larger amount than we expected, we had to take spending authority in order to be able to spend it and so that accounts for the total vote. It does not involve the expenditures in Metro Winnipeg in connection with the blizzard.

MR. FROESE: Mr. Chairman, are we to understand then that if we vote these items it doesn't necessarily mean that these additional monies have to be found. They are already there in the Consolidated Fund as such.

MR. EVANS: We're dealing with two separate things here. All we're asking for now is authority to spend; that's all that an estimate is. The original estimates as passed, and any supplementary estimates are authorities to spend money. Then the question of raising the money either by taxes or by borrowing or by any other method is a separate matter altogether. We might indeed have lots of money but we wouldn't have authority to spend it, and bills would remain unpaid until we get authority to spend, and I think that's what we're dealing with here in the supplementary estimates. We did not have sufficient authority to enter into contracts or to pay bills under these various accounts and we're asking for additional authority to spend. Now whether we have the money or not is a completely separate responsibility.

MR. CHAIRMAN: (2)--passed; 3(a)--passed; (b)--passed; 3--passed; 4--

MR. CAMPBELL: On this one, Mr. Chairman, this really means I take it that so far as the construction of provincial trunk highways, provincial roads, etc. etc. are concerned, that we are asking for appropriation in total of approximately \$26 million dollars rather than the 24.8 that is provided. Is that correct?

MR. EVANS: If my honourable friend is referring to the original estimates of last year which were passed and adding to that the supplementaries now being asked for, I think my honourable friend would be correct if there are no special warrants issued in the meantime, because your authority to spend comes from three sources: the original estimates as passed in the first supply Bill, the supplementaries as passed in any supplementary supply Bill, and plus any special warrants in the meantime. So subject to that reservation, I think my honourable friend is correct.

MR. CHAIRMAN: Resolution -- passed. No. VIII - Industry & Commerce.

MR. FROESE: Mr. Chairman, I'd like to have one further question. How are these warrants covered? Are they covered by a special resolution or afterwards through supplementary estimates as well, or how are they recovered?

MR. EVANS: No, the estimates are sums voted by the Legislature when it's in session. There are occasions when the government has power to authorize expenditures but only when the Legislature is not sitting. They are called special warrants. My honourable friend will find them all listed in the Public Accounts at the end of the year as to what estimates were issued for what vote and for what purpose and the date.

MR. CHAIRMAN: No. VIII - Industry & Commerce. 2(c)--

MR. MOLGAT: Mr. Chairman, I wonder if the Minister could explain this item because the estimates for last year indicate that the government had asked the House for \$800,000 and they are now asking for an additional half a million dollars, which would mean \$1,300,000 spent during the course of the year. I wonder how the Minister would relate that to the activities of the previous year, because in the previous year they had asked for three quarters of a million dollars - \$757,000, which was roughly the same as last year's request. But they didn't spend that, they only spent a little over \$500,000, which gave them an unexpected amount of a quarter million. So in the year before, after asking for three quarters of a million they only spent roughly a half; last year they asked for \$800,000 and now ask for an additional half a million. What changes were there during the course of the year that would account for an increase of expenditure in this department of a over a million dollars?

MR. EVANS: The unexpended amounts of the previous year, they lapse at the end of the year, and so those monies are not available. This is an error which happened in the department at the time that I was Minister, so I suppose that I should be able to account for it. We had originally laid out a plan for in-plant training of a total expenditure of \$1,200,000, not \$1,300,000. I'm not sure where the \$100,000 difference comes in. But realizing that we would have recoveries from Ottawa of \$500,000 on this account, at that time our accounting record went in at the net amount and not the gross, and this is one of the genuine grossing errors that were carried into this year's estimates. It should have read \$1,200,000 as the gross amount and the revenue should have shown that we expected \$500,000 from Ottawa. It didn't go in that way. We put in

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(MR. EVANS cont'd).... a net amount of \$700,000 and this is now to correct what's called a grossing error to bring us back to the proper method of accounting.

MR. MOLGAT: Mr. Chairman, did my honourable friend get his \$500,000 from Ottawa?

MR. EVANS: Yes.

MR. CHAIRMAN: No. XII-Provincial Secretary. 6--passed; 7(b)--passed; 7--passed; 11--

MR. CAMPBELL: On 11, Mr. Chairman, what will this bring the total to for this year's expenditures -- the estimates.

MR. EVANS: I'm awfully sorry, in the confusion of dropping my cigarette, I missed the question.

MR. CAMPBELL: On Item 11, under Provincial Secretary, we're asked to authorize \$90,000 in the supplementaries. I was just checking yesterday and it seems to me that there's something close to \$300,000 that we had appropriated in the regular estimates, and what will the total now be?

MR. EVANS: The amount voted last year was \$306,838. We estimate now that they will require an additional \$90,000 during the current year. The amount requested last year was \$431,838, so this brings them to a total of \$396,000, somewhat less than their original request of last year.

MR. CAMPBELL: Mr. Chairman, I don't get the Honourable the Minister's point about that they requested so much.

MR. EVANS: It's just a little additional information. It really doesn't bear on the point. Last year we voted them 306 thousand and a little more, and now we find that that's short by \$90,000 and this proposes to make up that difference.

MR. CAMPBELL: My honourable friend says that it's just a little extra information, Mr. Chairman. Is he meaning that the administration of the centennial asked for a larger amount and the Treasury Board or the Cabinet or someone cut them down?

MR. EVANS: Well, I think the original estimate that the Centennial Corporation made up for their cash requirements in the current year was \$438,000, and we at that time made the first authorization of 306. We found we were too low and must raise it to 396.

MR. CAMPBELL: ... get it back to about where they expected it to be anyway.

MR. EVANS: They may have been close to right the first time.

MR. DOERN: For what purpose is this \$90,000, is it for personnel or what?

MR. EVANS: No, I think it's for their total expenses which do involve their personnel, but also their costs in connection with raising the various buildings that they're building.

MR. FROESE: Mr. Chairman, how come that the figures of last year's estimates do not correspond with the amounts given in this year's estimates which are also listed on the left side of your -- because last year in the last year's estimates we had a figure of \$306,838. In this year's estimates that we have before us we also have last year's figure and it says \$307,631. How come the difference?

MR. EVANS: Well, we're worried about \$1,000, are we?

MR. FROESE: It seems to me that this is not the only area where it doesn't jibe. I've noted on previous occasions the same thing.

MR. EVANS: I'm afraid I can't answer my honourable friend at this point. If he wishes me to, I'll reconcile the two figures.

MR. CHAIRMAN: 11 passed -- resolution passed. XIII Public Utilities, 2(b)--passed. Resolution passed. XIV Public Works (1) Administration (a), (2)--passed; (3)--passed; (b)--passed; (c) (2) ...

MR. CAMPBELL: Could we have an explanation on (c) Mr. Chairman?

MR. EVANS: I think it is largely accounted for by the additional telephone lines required for such places as the treasury building and the larger number of offices that we have. The total cost for telephones is about \$104,000 and this is a \$19 or \$20,000 increase on that. It also includes the cost of the new telephone directory that was distributed in the House.

MR. CHAIRMAN: 2(b)--passed; 2--passed; (c)--passed; Resolution passed. XV Treasury. 4 Taxation. (b)--passed...

MR. CAMPBELL: What's the main item here, Mr. Chairman in 4 (b).

MR. EVANS: From memory -- I can get more exact information if my honourable friend wants it -- it's a more intensive enforcement of certain of the tax measures, I think partly including the tobacco tax which required additional expenses, both supplies and travel expenses

(MR. EVANS cont'd).... and so on, for enforcements. Now this is a general impression I have; I have no particular information. If my honourable friend would like to have it, I'll try to get it.

MR. CAMPBELL: Well I would be interested, Mr. Chairman, just as to this \$60,000 item because I notice comparing the present year's estimate with last year, it seems to have gone up tremendously this year, because last year this item appears to be less than \$70,000 whereas in our present year's estimates it is up to \$368,000 - odd, which would seem to indicate that likely there was a pretty steady increase going on there and if the Minister would get the full information I would be glad to have it.

MR. EVANS: As soon as I can, Mr. Chairman, I'll provide additional information on Item 4. Taxation (b) Supplies, Expenses Equipment and Renewals \$60,000.

MR. CHAIRMAN: (b)--passed; 4 passed. 7(a)--passed, 7...

MR. CAMPBELL: Is the reason for 7(a), Mr. Chairman, that just as the government is finding that it has to pay more interest, that it's also giving more interest in this way?

MR. EVANS: Yes. We found some tendency for those responsible for trust funds to want to withdraw them from us, and place them elsewhere where they could get a higher rate of interest, and so we thought it reasonable to hold the funds and pay a going rate.

MR. CAMPBELL: Had to meet the competition. A good example of private initiative and sound business administration.

MR. FROESE: Mr. Chairman, what would the average rate be on trust funds of this type that the government pays?

MR. EVANS: The average rate of interest on - is my honourable friend referring to the provincial government's own borrowings? --(Interjection)-- On the trust funds that we pay. I haven't that information here; I'll undertake to get information as to the rates that we pay under 7. Other Expenditures. (a) Interest on Trust and Other Special Funds \$10,000. It may just be an indication of the level of rate that we pay, if my honourable friend will be satisfied with that.

MR. CHAIRMAN: Resolution passed. XVI Welfare. (1). General Administration. (a)--passed; (b)--passed; (c) ...

MR. MOLGAT: Mr. Chairman, under this item of 2 (c) (d) and (e) we have an increase of over a million three in various types of welfare assistance: social allowances, ward maintenance and assistance for municipal aid expenditures. In view of the fact that the Minister announced to us on a number of occasions that there is no unemployment in the Province of Manitoba, that everyone who wants a job can get one -- in fact he told us that they were short of people, that your mineral production is down, because you are unable to get labour -- how then, is it that our welfare costs have gone up by a million three over the estimates of the department?

MR. EVANS: Under Welfare Services, under Social Allowances, new agreements with regard to medical medicare for indigents went up by \$230,000; proprietary nursing home rate adjustments - those rates went up \$200,000; payment of the 1965-'66 accounts during 1966-67 - when you get last year's accounts held over until the current year, the money last year lapsed and the money had to be voted again this year. There is an amount of \$390,000 there, making a total of those items of \$815,000. Ward maintenance: There is a grossing conversion offset by corresponding revenue increase, another of these grossing offset accounts - \$112,182. Assistance for municipal aid expenditures - a substantial increase in expenditures at the municipal level resulting in an increased provincial share above the printed estimates - \$375,000.00.

MR. CHAIRMAN: (c)--passed; (d)--passed; (e)--passed; 4 (b) ...

MR. CAMPBELL: I don't see the item in our present estimates. Has it been transferred from the present estimates to another department?

MR. EVANS: What item was that? Amateur Sport - that went to Tourist and Recreation. The amount in that connection is a grossing conversion again. The amounts were not provided for in the expenditure estimates, although we are getting \$6,360 more money from the Federal Government.

MR. CAMPBELL: So from now on the Minister that's going to be in charge of fitness and amateur sport is my honourable friend the Attorney-General? --(Interjection)-- Yes, so I see.

MR. EVANS: Perhaps if I might attempt to answer the question of my honourable friend from Rhineland. I would direct his attention to the bottom of page 1 of the estimates of expenditure for the year ending March 31st next, that's the current estimates, and on the bottom is

(MR. EVANS cont'd)..... an explanation. The 1966-'67 printed estimate figures have been adjusted for the following: (a) the allocation to departmental salary appropriation of \$1,000,000 voted under the Provincial Secretary for salary increment and re-classification contingencies. Adjustments to complete the conversion from net to gross accounting where recoverable portions of apportionments of appropriations have been previously omitted, and appropriation transfers due to the creation of new departments. And in those, I think they account for the difference of \$1,000 my honourable friend pointed to.

The sum of \$60,000 provided under taxation is to account for pre-audit and the use of computers. The capacity of the computer in the Treasury Department has been expanded considerably, and in connection with that, there are additional expenses in connection with programmers, people who know how to lay out the procedures on these things and instruct the people as to how to put their work into the machine, and it's in that connection and in that part of the treasury that the additional expenses are to be found.

I am informed that the average rate that we pay on trust accounts in our hands would probably be about or just below the rate at which the government borrows money itself. This is rather a difficult question, because we have only borrowed money in the form of saving bonds for direct government accounts recently. The other borrowing has been done mostly for the utilities. But I think the level at which my friend is aiming would be something between 5 1/2 and 6 percent.

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

MR. LYON: Before we rise, Mr. Chairman, I wonder if we could ascertain if there is agreement by leave to move another step in the proceedings tonight with the supplementary estimates of the Provincial Treasurer. If not, we would probably wish to stay in committee and then carry on with Agriculture; but if we could move another step along the way, we would come out of committee and then by leave go back in to Committee of Supply again if we had agreement from the House.

MR. PAULLEY: No objection.

MR. CAMPBELL: to the next step.

MR. FROESE: Mr. Chairman, I take it this would mean first reading.

MR. EVANS: We would like to do as many readings as the House would be willing to conduct.

I might mention that some accounts are waiting to be paid - some training allowances in connection with the in-plant training scheme, and some other accounts that we would very much like to get paid, but there is no disposition on my part to try to force the discussion any faster than the honourable members want to go. We are acting by leave of the House. I do ask for as much progress as my honourable friends are willing to grant.

MR. CHAIRMAN: Call in the Speaker. Mr. Speaker, the Committee has considered certain resolutions and has directed me to report progress and asks leave to sit again.

IN SESSION

MR. J. DOUGLAS WATT (Arthur): Mr. Speaker, I beg to move, seconded by the Honourable Member from Springfield, that the report of the committee be received.

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

MR. EVANS: Mr. Speaker, I beg to move, seconded by the Honourable the Attorney-General, that the resolutions reported from the Committee of Supply be now read a second time and concurred in.

MR. SPEAKER presented the motion.

MR. CLERK: Resolved there be granted to Her Majesty a further sum, not exceeding \$34,500 for the Executive Council for the Fiscal Year ending the 31st day of March, 1967.

2. Resolved there be granted to Her Majesty a further sum of money not exceeding \$228,681 for Agriculture and Conservation for the fiscal year ending 31st day of March 1967.

3. Resolved there be granted to Her Majesty a further sum of money not exceeding \$74,000 for Attorney-General for the fiscal year ending the 31st day of March 1967.

4. Resolved there be granted to Her Majesty a further sum of money not exceeding \$1,500,000 for Education for the fiscal year ending 31st day of March 1967.

5. Resolved there be granted to Her Majesty a further sum of money not exceeding \$35,000 for Health for the fiscal year ending 31st day of March 1967.

6. Resolved there be granted to Her Majesty a further sum of money not exceeding

(MR. CLERK cont'd)... \$1,528,200 for Highways for the fiscal year ending the 31st day of March 1967.

7. Resolved there be granted to Her Majesty a further sum of money not exceeding \$500,000 for Industry and Commerce for the fiscal year ending the 31st day of March 1967.

8. Resolved there be granted to Her Majesty a further sum of money not exceeding \$101,000 for Provincial Secretary for the fiscal year ending the 31st day of March 1967.

9. Resolved there be granted to Her Majesty a further sum of money not exceeding \$20,000 for Public Utilities for the fiscal year ending the 31st day of March 1967.

10. Resolved there be granted to Her Majesty a further sum of money not exceeding \$87,500 for Public Works for the fiscal year ending the 31st day of March 1967.

11. Resolved there be granted to Her Majesty a further sum not exceeding \$70,000 for Treasury for the fiscal year ending the 31st day of March 1967.

12. Resolved there be granted to Her Majesty a further sum of money not exceeding \$1,340,771 for Welfare for the fiscal year ending the 31st day of March 1967.

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

MR. EVANS: By leave, I beg to move, seconded by the Honourable the Attorney-General, that Mr. Speaker do now leave the Chair and the House resolve itself into a Committee to consider of the Ways and Means for raising of the Supply to be granted to Her Majesty.

MR. SPEAKER presented the motion and after a voice vote declared the motion carried, and the House resolved itself into a Committee of Ways and Means with the Honourable Member for Arthur in the Chair.

COMMITTEE OF WAYS AND MEANS

MR. CHAIRMAN: Supplementary Supply, Ways and Means. Moved by the Honourable Mr. Evans, seconded by the Honourable Attorney-General: Resolved that towards making good certain further sums of money granted to Her Majesty for the public service of the Province for the fiscal year ending the 31st day of March 1967, that the sum of \$5,519,652 be granted out of the Consolidated Fund. Are you ready for the question?

MR. MOLGAT: Mr. Chairman, I just rise to ask the Minister a question. Do I understand correctly that the reason he wishes the leave of the House to proceed at a faster pace on this is because some accounts are unpaid. Could the Minister indicate in which departments these accounts mainly are?

MR. EVANS: The one that comes to mind that's been brought to my attention is the payment of training allowances in some of the in-plant training schemes. There are others as well. If my honourable friend wants further information I would be glad to get it. I have been told by the treasury that there is some desirability at least to proceed with paying some of these accounts and the cheques can't be issued until supplementary supply is passed.

MR. MOLGAT: I would appreciate the information at a later date. I am prepared to proceed and give leave but I would like to have the information after.

MR. FROESE: Mr. Chairman, on previous occasions I have registered my vote in opposition to the salary increases, and I just wanted to on this occasion, because here we are again approving and allocating funds for that purpose.

MR. CHAIRMAN put the question and after a voice vote declared the resolution carried.

IN SESSION

MR. WATT: Mr. Speaker, I beg to move, seconded by the Honourable Member from Springfield, that the report of the Committee be received.

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

MR. EVANS: Mr. Speaker, by leave I beg to move, seconded by the Honourable the Attorney-General, that the resolution reported from the Committee of Ways and Means, be now read a second time and concurred in.

MR. SPEAKER presented the motion.

MR. CLERK: Resolved that towards making good certain further sums of money granted to Her Majesty for the Public Service of the Province for the fiscal year ending the 31st day of March 1967, the sum of \$5,519,652 be granted out of Consolidated Fund.

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

MR. EVANS, by leave, introduced Bill No. 40, an Act for granting to Her Majesty certain further sums of money for the Public Service of the Province for the fiscal year ending the

(MR. EVANS cont'd)..... 31st day of March 1967.

MR. EVANS, by leave, presented Bill No. 40, an Act for granting to Her Majesty certain further sums of money for the Public Service of the Province for the fiscal year ending the 31st day of March 1967, for second reading.

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

MR. EVANS: Mr. Speaker, by leave, I beg to move, seconded by the Honourable the Attorney-General, that Mr. Speaker do now leave the Chair and the House resolve itself into a Committee of the Whole to consider the following Bill: No. 40, an Act for Granting to Her Majesty certain further sums of money for the Public Service of the Province for the fiscal year ending the 31st day of March 1967.

MR. SPEAKER presented the motion and after a voice vote declared the motion carried, and the House resolved itself into a Committee of the Whole with the Honourable Member for Arthur in the Chair.

COMMITTEE OF THE WHOLE HOUSE

MR. CHAIRMAN: Is the Committee ready to proceed with the Bill?

MR. CAMPBELL: I was just going to ask the Minister, is it intended to have Royal Assent given this evening as well?

MR. EVANS: If it is convenient to His Honour and if indeed the House is content to have it done, I would appreciate it.

MR. CHAIRMAN: (Bill No. 40 was read section by section.)

XV Treasury 4(b)--passed; 7(a)

MR. EVANS: Leader of the Opposition asked for certain further information about detail of this account and what items are waiting to be passed -- it wasn't particularly this account I recognize now. I'll be in a position to return him the information or copies to the Leaders of the House tomorrow.

MR. CHAIRMAN: (Balance of Bill No. 40 was read and passed). Bill be reported. Call in the Speaker.

IN SESSION

MR. WATT: Mr. Speaker, I beg to move, seconded by the Honourable Member from Springfield that the report of the committee be received.

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

MR. EVANS: By leave I beg to move, seconded by the Honourable the Attorney-General that by leave Bill No. 40, an Act for granting to Her Majesty certain further sums of money for the public service of the Province for the fiscal year ending the 31st day of March, 1967 be now read a third time and passed.

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

MR. EVANS: Mr. Speaker, I beg to move, seconded by the 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 presented the motion and after a voice vote declared the motion carried, and the House resolved itself into a Committee to consider of the Supply to be granted to Her Majesty, with the Honourable Member for Arthur in the Chair.

COMMITTEE OF SUPPLY

MR. EVANS: I would like to thank the House for their assistance with regard to Supplementary Supply.

MR. CHAIRMAN: The Department of Agriculture and Conservation. 1.(a).

MR. HILLHOUSE: I wish to move that Item 1(a) Minister's Compensation --Salary and Representation Allowance, \$18,000.00, be reduced to the level of the 1966-'67 appropriation of \$12,500.00.

MR. CHAIRMAN: Moved by the Honourable Member for Selkirk that Item 1(a) Ministers Compensation - Salary and Representation Allowance, \$18,000, be reduced to the level of the 1966-'67 appropriation of \$12,500.00. Are you ready for the question?

MR. PAULLEY: Mr. Chairman, just before the motion is put I think I should restate our position. And that is that we have made a protest as to the method by which the cabinet

(MR. PAULLEY cont'd), increased their salaries. We voted with the Liberals in the original motion to indicate this protest, that motion however, having been defeated we feel that we cannot support the motion now dealing with other ministers of the Crown.

MR. HILLHOUSE: Mr. Chairman, replying to the Honourable Leader of the NDP I'd like to mention this fact that the motion was made in respect of another Minister's salary, not in respect to this one.

MR. CHAIRMAN put the question and after a voice vote declared the motion lost.

MR. GUTTORMSON: A standing vote, Mr. Chairman. A counted standing vote was taken, the result being: AYES: 14; NAYS: 39.

MR. CHAIRMAN: I declare the motion lost.

MR. DESJARDINS: Mr. Chairman, I'd like to move that the words "and representation allowance" be struck out of Item III No. 1(a).

MR. CHAIRMAN presented the motion.

MR. DESJARDINS: Mr. Chairman, in reply to the remarks that the Leader of the NDP will make, I would refer you to Hansard during the estimates and the debate that took place on the same motion, the Minister of Health and the Minister of Education.

MR. SHOEMAKER: Mr. Chairman, I haven't spoken on either of these motions to date. But on this one, it seems to me that it does deserve a little consideration because I for one am not satisfied that the \$3,000 increase that the cabinet voted to themselves, non-taxable as it is, is going to be used up, that is some of the questions that I would like to ask is, of the ministers - of all of the ministers, do they have to account for how they dispose of the \$3,000.00. That is, it is supposed to cover certain out-of-pocket expenses. I understand that is their excuse for voting it for themselves because they have argued that there are out-of-pocket expenses to the tune of \$3,000.00, and that this is justified. Now I always thought that a Cabinet Minister when he went to Europe or he went to Hong Kong or South Africa or Australia was given certain expenses, that is he could spend a certain amount of money and recover it upon his return home. I understand too that he gets an automobile, an automobile is made available to him. Well now if an automobile is made available to him and if all of his or her legitimate expenses are paid for upon their return from a junket here or there, or a mission, then what is the \$3,000 used for? I would like some explanation for this. --(Interjection)-- Gravy train they say.

I think there's some justification for the motion that has just been put. It is true, Mr. Chairman, that as regards the first motion we have rebelled at probably more in the method that was used rather than the amount, but the \$3,000 tax-free item, it seems to me that somebody has got to stand up and make a lot better explanation of what it is used for than has been made to date, before I'm prepared to go back to my constituency and argue on behalf of the cabinet that they were justified in making a move of this kind. And I hope, I hope that someone, Mr. Chairman, will get up so that I will have some basis for putting an argument forward when I go back, because as sure as I'm standing here, somebody is going to ask me what do they do with this \$3,000, and I don't know, I haven't the foggiest notion what it is used for. So probably somebody can enlighten me on this particular subject.

MR. CHAIRMAN put the question and after a voice vote declared the motion lost.

MR. MOLGAT: Ayes and Nays, Mr. Chairman.

MR. CHAIRMAN: Call in the members.

A counted standing vote was taken the result being: Ayes 14; Naves 39.

MR. CHAIRMAN: I declare the motion lost. 1(a)--passed

MR. SHOEMAKER: Mr. Chairman, I didn't get very far with my last offer to assist the government and I don't suppose I'll get very far this time either. But I would like to ask my honourable friend the Minister of Agriculture a couple of questions that I have not been able to get answers to as yet, and one has to do with the Friendly Family Farms. I asked my honourable friend on two occasions, the Minister of Industry and Commerce, what, if any, money the taxpayer lost when the farm changed hands -- and surely I don't have to inform the House of the history of the FFF farms because I think it is generally known to not only members of the House but to most of the people in the Province of Manitoba, because at the time that the \$1 million loan was made - I think it was nearly that - we questioned the advisability of it at that time and we now question why it was sold. Did it go broke? What happened to it. And if it did, then what money did the taxpayer lose?

Mr. Chairman, I neglected I suppose to congratulate my honourable friend up on his election to this office, and I do it now. You will recall I am sure, because I think that you have

(MR. SHOEMAKER cont'd).... sat in the House the same length of time that I have, that for eight years I had an awful time trying to find out the philosophy of my honourable friend, the former Minister of Agriculture, and at the last session of the legislature, I made it - tried to make it very easy for him to tell us what his philosophy was, because I said, if he would only get up in his place and say that he endorsed everything that Dr. Gilson had to say, that Dr. Wood had to say, and Dr. Menzies had to say, then we would know exactly what his philosophy was in respect to agriculture and the Family Farm units and so on, but I even failed to get a rise out of him on that occasion.

Now I am glad, Mr. Chairman, that I hadn't spoken on agriculture up to this point, because I was just going to say pretty well what the Honourable the Provincial Treasurer said last night in respect to agriculture - and he will know right off hand that on page 8, he says "We have a special concern in respect to our agricultural industry. Only 6,000 farmers out of 40,000 in the Province gross more than \$10,000 income a year -- and this represents a net annual income of only some \$4,000." Page 8 of the famous budget speech last night of my honourable friend.

And then he goes on to point up the plight that the farmers find themselves in. Well that looks to me as if about 85% of the farmers - according to the figures that were given to us by the Honourable Provincial Treasurer, approximately 85% of the farmers are earning just about this \$3,000 tax-free pocket money that the cabinet voted to themselves; 85% of our farmers are earning just about the pocket money that the cabinet voted to themselves. And surely to goodness nobody could paint a worse picture of agriculture than my honourable friend did last night in the budget speech. On page 26, on page 26 of the budget speech, my honourable friend said "I now announce a very different taxation change. The Government has given long consideration to the farmers' dilemma of constantly increasing production costs on the one hand, and the narrowing price opportunity on the other. The agricultural cost-price squeeze is such that no part of the community can escape the serious consequences." Not my remarks Mr. Chairman, but the Honourable the Provincial Treasurer. "The agricultural cost-price squeeze is such that no part of the community can escape the serious consequences." Well surely, Mr. Speaker, when the government make an admission of that kind they are prepared to do something about the cost-price squeeze.

Now you know those words that I have just read -- and we first heard from the Provincial Treasurer last evening -- they sound exactly the same and you would almost think that they were taken out of a speech that the Honourable the First Minister made on March 16th, 1959, long before the present Minister of Agriculture was on that side of the House. Because the Honourable the First Minister in March 16, 1959 said, on Hansard, page 45 - eight years ago, nearly; nearly eight years ago - and he is making a statement on the Orders of the Day because he thinks that agriculture needs to pull up its boot straps and he made this statement. He is talking about the Dominion-Provincial Conference "The proposed meeting of the continuing committee must however be a prelude to a resumption in the near future of the full Dominion-Provincial Conference. This is particularly true for Manitoba as there are a variety of other matters in addition to tax-sharing arrangements which are also ripe for consideration and I propose to refer now to some of the more important of these problems. At the head of the list I place the situation in respect to our agricultural economy. Governments have been attempting both at the federal and provincial level to provide a measure of security for the farming community. In its efforts to adjust to an ever-changing situation, agriculture has been called upon to bear a burden often in excess of the burdens borne by other sectors of the economy. Uncertainty of income, risk of greater or even total loss are perpetual partners of the farmer." The First Minister speaking eight years ago, and he says: "The factors bearing on the cost-price squeeze in our agricultural economy may well require protracted investigation and debate if they are to be clearly identified and properly eliminated. But the effects of the cost price squeeze on the farmers well-being crystallized as they are in declining net farm income, cannot be left to protracted discussion."

Eight years ago! They have been talking for eight years of protracted discussions - and that's about all they have done - eight years - and my honourable friend the Provincial Treasurer last night says, eight years later, exactly the same thing. He says, the agricultural cost price squeeze -- the First Minister said this eight years ago -- last night after a lot of discussion for eight years and protracted discussions for eight years, we find ourself in exactly the same dilemma, according to the provincial treasurer, --(Interjection)-- they are consistent! They are consistent indeed. There is one thing I like to do to be helpful to my honourable

(MR. SHOEMAKER cont'd)..... friends is read back to them some of the statements they made - not the ones that I'm making, just reminding them that the chickens are coming home to roost.

The farmer has made a good job of his industry. The Deputy Minister of Agriculture and a personal friend of mine, said about a year ago: "There have been changes in the industry in the last twenty years such as the decrease by 16,500 in the number of farms and the declining number of people who live on the farms and more changes are expected in the future. These changes do not mark a decline in the industry, he said, for the value of production per man on the farm in 1963 was two and a half times what it was in 1940." Industry I don't think can brag about that kind of a record. I don't think industry can say that production has gone up two and a half times per man. It has in agriculture according to my own figures. So don't blame the farmers. The farmers have been doing an excellent job in their efforts - if you want to relate manpower man hours to production, they have done an excellent job. But as my honourable friend the First Minister said eight years ago and the Provincial Treasurer said last night, they still find themselves in this cost-price squeeze. And it's not lessening; and it's not lessening; the squeeze I think is getting worse.

Just two or three days ago, as usual, I 'phoned over to the Publications Branch -- and incidentally, Mr. Chairman and Mr. Minister, I make pretty good use of that branch, although I said on one occasion, and perhaps my honourable friend the Minister can correct me if I am wrong this time, but I did say that it appeared that the Department of Propaganda was spending more money than the publications branch. And just to remind my honourable friend the new Minister, what the Department of Propaganda is - it's that department from which emanates all of the red, yellow, pink and blue sheets - and I don't think nearly so much of them as I do of the publications that come from the Department of Agriculture. Although I have said that the subscription price to these is nil and they are worth every cent you pay for them. The subscription price to these are nil too and they are worth a lot more than you pay for them.

But in this famous document that I got yesterday or earlier this week, it sets out the farm business summary for the last year that was available and I think it is the fourth, Report No. 4, and it is a record of what Mr. Hutton used to call the elite group of farmers. I think my honourable friend knows what I mean by that term, that is, he more or less hand-picked about 900 farmers in the province and they set about -- they were an elite group; a group of farmers who were head and shoulders above the average. And these reports set down what their year's activities were, and it is something like the Consultative Board said about their report, "It is a kind of a shocking one," because it says that if you read it quite thoroughly, my honourable friend, you will find that most of the farmers in this group ended up at the end of the year with less than the minimum wage per man hour. Read it over. When you calculate the interest on their investment, and by golly their investment varied from around \$35,000 up to \$192,000, and if you calculate five or six percent interest on their investment and the man hours that they put in, most of them ended up with a lot less than the minimum wage. And that's a kind of a shocking report to be put out by the Department of Agriculture from an elite group of farmers. And I would ask my honourable friend to read that and probably make an explanation as to why this elite group didn't do better than is reported here.

..... continued on next page

(MR. SHOEMAKER, cont'd)

Now, Mr. Chairman, there are a couple of things that have bothered me a little and one of them is the ARDA program, which was just laid on our desk last evening, I believe - the red one. And it seems to me -- admitted that the Federal Government I believe put out 50 percent of the cost of all of the ARDA programs, that doesn't necessarily guarantee that it's the best kind of a program on earth, as far as I'm concerned. And I know that quite frequently the members across the floor will say to me, "Well, your friend in Ottawa, " -- not theirs, but mine in Ottawa, ". . . has put up the money, half of the money, and I always say two wrongs doesn't make a right. And it seems to me that so many of the ARDA programs are nothing but research; that is, a great amount of money spent on research, millions of dollars worth of it as we go through a lot of these programs, and after they spend a lot of time and a lot of money, they don't do anything at all about it.

A striking example, I think, you will find on Page 8 of the red book. There was \$44,000 spent last year apparently on blueberry management. Well that's what it says. I see some of my honourable friends are laughing about it but that's the heading: "Project, Blueberry Management. Can the blueberry plants native to Manitoba be developed as a commercial crop? Research on how to improve the production and quality of blueberries while they are growing in their natural habitat is in progress. It has proved unprofitable to cultivate blueberries commercially. But, " -- I'm reading exactly what it says here, Mr. Chairman, . . ."but control management has proved economically feasible in some eastern provinces. It is hoped that this study will lead to a new industry for certain rural areas in Manitoba." That's what it says, but it says control management has proved economically feasible in some eastern provinces. My guess is that ten years from now there won't be a blueberry ranch in Manitoba. But yet the whole book, a lot of it goes through and tells you of the various projects and yes, my honourable friend, ten years ago they were going to have every farmer in Manitoba - or seven years ago, seven years ago - growing Christmas trees, and they were going to have a Christmas tree marketing board at Erickson and another one at Minnedosa and one at Neepawa I think, and now do you know what's happened? Fifty percent of the Christmas trees are synthetic ones, and the rest comes from B.C., as my honourable friend says. But the point I'm trying to make is that we seem to be spending a lot of money on a lot of things and then doing nothing about them.

Another thing that concerns probably is out of the jurisdiction of my honourable friend, but I suggest that he might make a recommendation to Ottawa in this regard. Now I understand that the government are subsidizing certain rail lines in the province, railway lines in the province that are a losing proposition if you pay heed to the statements that are made by the railway companies, and just last week I got a long list from one of the railway companies of the lines that they propose to make application to the Minister of Transport to abandon this year. One of them is in the Gladstone constituency and they wanted to tell me that they were going to do this and if I wanted to build up a case I better get ready. Well, if it is a fact that the taxpayer has been subsidizing some of these unprofitable lines to the tune of I think I read about \$13 million in Manitoba, and no question about it, in five or six years from now they are going to abandon a bunch of them - there's no doubt about that. But wouldn't it be better to subsidize the farmer to haul his grain? Now what I'm suggesting is this. I was thinking about this today, down at Helston and Muir - and that line is one of the lines that they intend to make application to abandon - they know the number of permit holders that they have at these various country points and already I believe that some of the local boards are contemplating moving their elevators to -- Helston to Gladstone and Muir somewhere else, and so on. Then it would seem to me that for an adjustment period, say, of five or six years they could pay those farmers five or six cents a bushel or three or four or five cents a bushel for a period of four or five years, to compensate them for hauling the grain this additional distance. True, my honourable friend the Minister of Highways will probably have to build them some more and better roads if they're going to haul big loads. But I wonder if my honourable friend has ever considered this angle? I think perhaps it's worth some consideration.

Now, Mr. Chairman, there are other items that I want to deal with when we get down to them like I want to say a word or two about the Manitoba Crop Insurance plan and the Agricultural Credit, but I suppose that I can do that when we get a little further on with the estimates, but perhaps my honourable friend the Minister would get up and give us a little story on the Friendly Family Farms. Let's find out what happened to them. And let's find out if the taxpayer lost any money on them, and let's find out what his philosophy is. I hope I'm more successful with him than I was with the former Minister.

MR. EDWARD I. DOW (Turtle Mountain): I would like to express a few words in regard to the extension service work that is being conducted throughout the province. The Ag Reps, in my opinion, have done an excellent job throughout the province and their work is continuing to get heavier and greater as time goes on. As our agricultural industry gets more diversified their work continues to become greater, and I have a lot of respect for the job that these men are doing in the field and if anything I might say that could improve or get the Department of Agriculture to extend this type of service, I am one that's all for it.

Following along that same line, over the many years we have had much discussion on the fact that our home economist districts are much too large, and these girls are trying to do a service to the agricultural community of which they have too big a territory to cover and I think the Minister should take under consideration as fast as he can more girls and a bigger and wider representation in the province. Our basic industry in agriculture in Manitoba has been served over the years by one of the primary products, cattle, and the club fairs throughout the province are doing a terrific job in promoting this type of industry but I feel that a little more incentive should be given by the department by way of prize money to get bigger classes out. While they're growing in different communities, and particularly in the south west part we have some fairly large club cattle sales, I think we could do more if we had a little larger prize money set up, and I'm wondering if the Minister when he replies could reply to the question as to how much money does our government give in the way of prize money to club fairs particularly in the cattle classes? This type of an educational policy has proven that many of the successful beef breeders and beef cattle raisers in our province started in their earlier days in club fairs, and I think this is an excellent record but I would ask the Minister to give us this figure, and I would like to express my opinion that he should consider a higher system, a more diversified set of prize money towards this type of competition.

Last night the Treasury Minister set out in his Budget that one of the reliefs that he was giving in tax relief was the taking away of the use of purple gas to the farmer for his truck, and it's interesting to note that in the estimates for revenue that the gasoline revenue has decreased from 30 -- from 67 to 68 to something like roughly \$2 million, and this is their estimates for revenue, and I am presuming that we are taking for granted that this is the money being lost by purple gas. Now there seems to be quite a difference of opinion, for some years ago the story used to be that this was not a large expense item, but if this is true it shows the fact of the taxes the farmer was paying in trying to continue to keep up the industry and keep above board. This to me, I suggest Mr. Minister - or Mr. Chairman, is something that has taken several years to get into being but I think you will find that most farmers will be quite happy about it.

I don't know whether this comes under your department but we do have from an agricultural point of view the drainage and watershed areas, and you have a certain policy set down but I would like to see it expanded and worked through a little faster because this has definitely imposed quite a hardship throughout the farmers. It's a combination of many departments where, in our road-building program, be it the highways, be it the municipal, that we have blocked certain runways, we have flooded certain farm lands, and it seems to be at a dead end in regard to how we can put this land back into productivity and yet compensate the farmer for his loss that he has achieved and had to bear, and it's no fault of his own.

I am wondering, Mr. Minister, of any indication from you in regard to any program that might be set up in your department in regard to some extensive irrigation system that I think we are going to approach very fast. We are going into, particularly in southern Manitoba, a more diversified type of agriculture, I think of which irrigation will be part of it, and maybe I am a little behind times but I haven't found where the Department has any real extensive program in suggesting how to set up a full irrigation system for these diversified crops. I know this is a continuing suggestion by many of the agriculturists in the southern part of the province.

The other point that has caused some concern by some people is as to how much value our agricultural fairs are to the agricultural industry of Manitoba, and I must commend the department through the years that they have set up a wider program, a program better suited for the showing of livestock. The concern seems to be here again, of which I for one don't like to see is the fact that too much emphasis seems to be placed on the fact that we are trying to centralize agricultural fairs in areas and do away with the smaller type fair which I think has a closer showmanship to the local people than the more centralized fair, because in my experience and observation the large fairs seem to be centralizing more on the recreational value to the people that they attract and the actual benefits derived by showing or observing of the different breeding of cattle and horses and so on, seems to be forgotten in the larger fairs, and I can assure the

(MR. DOW, cont'd) Minister that in my opinion the small fairs have a wider value to the production of agriculture than some of the larger fairs. I would like to think anyway that we are not going into the centralization of large agricultural fairs because this is one of the highlights of a lot of the southwestern part of the agricultural industry; we do have in the southwest part very active agricultural societies. They not only are interested in the field of agriculture as such, but they are now diversifying the use of their grounds to a point that it becomes a community effort of which many, many different types of recreation, sports, of which the community at large, including the farmers, can take part in and I think this is good. I think the more assistance that we can give - and as you will know in reviewing the statements of agricultural societies none of them make any money; it's a matter of trying to break even - but I would like to see this department give a little more assistance to agricultural societies because I am sure that they are promoting the industry of agriculture maybe better than all the advertising we can do by way of papers and TV.

One of the other things I note, Mr. Chairman, is that in Bangs Disease control there seems to be a reduction this year in the money spent from last year, and I would like the Minister to advise the House: is the Province of Manitoba now totally Bangs free as far as the province is concerned, or is the matter of examinations being wider spread?

These are some of the questions I would like him to answer and again I congratulate the Department on the work of the Ag Reps and plead for more home economists throughout the province.

MR. TANCHAK: Mr. Chairman, I don't know whether the Minister intended to answer the question put forth by my colleague from Gladstone - or perhaps it's Neepawa. Gladstone. He may have intentions to answer that question but if it wasn't for somebody else getting up that item would have been passed, and I don't like that. I think that we on this side, not only we on this side but everybody in this House is entitled to an answer, to an answer regarding the FFF farms. We know that the Minister - and I would consider the Minister an ombudsman of the farmer by virtue of the fact that the Minister is Minister of Agriculture and it is his duty to protect the farmers and to see that justice is being done - and when questions are asked here pertinent to this I think those questions should be answered. I cannot compel the Minister to answer them but I hope he would change his mind and answer. We know that this government is responsible in great part in conceiving this FFF farm by the government agency borrowing money close to \$1 million worth of the people's money.

Now I, as president of the Manitoba Turkey Association, have had complaints from the real grass roots, the farmer shareholders who had shares in this company, and the complaints are that since the new management has taken over the FFF farms, some kind of a new deal, a deal which I don't know too much about, has been made with the government agency, then these farmer shareholders stand to lose 70 cents on a dollar on their shares. Now I think that the Minister owes this House an explanation as far as this is concerned. Is this true? I have complaints that it is true. I do not know, but I am sure that the Minister should know and I wonder what the government is doing if this is true to correct this injustice, and I for one would like to have an answer to this.

MR. USKIW: Mr. Chairman, I know that time is getting on and that we are using up an awful lot of time debating the estimates, and I recognize that this is what the time is for but we also must recognize that we have many other departments to debate, so I am going to make my comments very short this evening in light of that situation, in that there will be other items under the Department of Agriculture estimates that I will be dealing with at a later date. But one thing that concerns me at the present time is the fact that I haven't noticed - and it's possibly slipped by me some way - whether or not the government is going to tackle the problem insofar as the flooded areas around Lake Winnipeg is concerned. I know that the Minister of Agriculture as well as the Minister of Highways have had delegations with respect to this problem, although I don't notice anything in the estimates or otherwise that might indicate that something is going to be done, and I hope that when the Minister stands up hopefully this evening - to answer some of these questions that that will be a question that might be answered. If not, I feel that I'll have to pursue the matter to some greater length during the estimates.

MR. FROESE: Mr. Chairman, in a way I hate to get up and speak on this matter, since I certainly do not want to hurt my friend the Honourable Minister of Agriculture, especially since he is new in his job, but once he takes on the position as a Minister he is also responsible and therefore no doubt he will have to answer and back up the Department's actions.

(MR. FROESE, cont'd)

I'm referring to the matter of the Marketing Commission or the Vegetable Marketing Commission. Members who have been in the House for some time will remember when the Bill was passed allowing for the establishment of marketing commissions, and a year or so ago we had a Potato Marketing Commission which was changed to the now Manitoba Vegetable Marketing Commission, which not only handles potatoes but also other vegetables, and as shows in our estimates we are going to spend some \$11,500 in this connection, which is probably not a large amount but I think it is essential that we discuss these commissions and how they are functioning, what they are doing; and it is in this connection that I have continually opposed the principle of compulsory monopolistic marketing commission. I stand on this principle and I to date have not changed my mind on this, because not only do these commissions infringe but also take away our individual rights and property rights. In so many connections this is true. This is not only done through the legislation that we as legislators pass, but also through the regulations that are being set up by our Boards of Crown Agencies and Commissions, and these have the effect of law.

Too often we find that we might pass a liberal piece of legislation and later on find it drastically restricted by these various regulations passed by boards, and it is in this connection that I would like to make some comments because too often these restrictions are comprised of matters such as giving us police state features to these commissions and these are contrary to our concept of freedom. They also involve production control through the quotas that are being established in the way of sales of commodities handled by these commissions. They authorize and legalize private property trespassing and many other things.

Now I think most members received, or probably all of them received a brief that was presented to the Manitoba Vegetable Marketing Enquiry Commission, and this brief is put out by the United Vegetable Producers of Manitoba which is an incorporated organization of this province, and they bring out a lot of problems and objections to the Commission that is presently functioning. I think the brief itself would be worthwhile to put on the record as a whole but I do not intend to do that, but certainly most likely - and I'm sure the Minister must have read this brief by now, so that he is aware of the criticisms that are being levelled against the Commission and the action taken. For instance, when they asked originally for a vote we had to vote, but not nearly all the growers were consulted and given a right to vote, and as a result a minority voted - a minority in favour. This happened not only once but twice, and yet the government saw fit to establish such a commission.

I just can't see how the government took this on itself to establish a commission at this time which would govern all the production of vegetables, and control invested into a commission at this time when it did not have the full support of the growers themselves. The government certainly must now be responsible for this commission and in a democratic country, in a democratic society as we have in our country, I cannot see how they can support a concept that would bring in and establish such a commission. Certainly the Minister knows what a totalitarian state brings about. His ancestry as well as mine came from a country that had such a system, where the people suffered and had to endure very great hardships and in the last analysis were shipped in boxcars to the far northern country of Siberia where they had to eke out an existence, and they still have to do that, and just try and make a bare living. And here we in this country of ours are throwing these rights away and will now accept such a concept as that, and to restrict our growers, our people that are producing crops, restrict them in their productivity, because under the regulations you're only allowed to a quota of 20 percent that you can sell as a new grower. Well this means that you cannot start a business; you cannot afford to go into this business of growing vegetables and potatoes in this province as a new grower. When you're not able to sell the product, no, not even being able but barred from looking for a sale on your own, this is a sad state of affairs that we in Manitoba allow a thing like this to happen. It's bad enough to have boards of the type that we have in the federal field which control the economy of this province to a large degree, but also to do this provincially and have our boards while these agencies place restrictions of this type, certainly when these regulations come up for approval, I will be one to object to them most heartily.

The brief refers to a survey that has been made and I certainly would like to see some of those sheets, how this survey where affidavits had been made out by these people that conducted those surveys, and I think those sheets should be tabled so that we could satisfy ourselves as to what the actual vote was and whether or not they did carry it.

(MR. FROESE, cont'd)

I also feel that the regulations are not consistent with the legislation, because when the legislation was before us we did not as a House contemplate that we would restrict acreage and production. Therefore I think this is another matter that's very serious, that should be looked into.

Then a further question: what was the inquiry supposed to have accomplished? Are we going to abolish the commission as such if the report says that it is not favourable, or what is it supposed to do for us? I think these are some basic questions that we as members of this House should know.

Then we have the report of the last November 30th - no, this is November 30th, 1965. We have no current report as yet on the operations of the commission, and I certainly would like to receive a copy of the financial statement of that organization before we conclude our estimates, because I would like to know just what is happening because in this brief it is stated that we are underwriting large costs, capital costs, that we have that have been authorized or at least have been made in and on behalf of this commission. And I for one would like to know what the situation is in this connection.

It says here on Page 3 of this submission-I think I should read this particular paragraph. It says, and I quote: "Members of our Association who are compelled to be shareholders of the Manitoba Vegetable Marketing Commission feel that for the good of all concerned there should be brought out into the open all details with reference to the acquisition of the property at 1200 King Edward Street, Winnipeg. Searches of the property indicate that this land and building was at one time owned by Gardiners Co-op of Manitoba Limited, consisting of only 40 growers which from financial statements would indicate that its financial status to say the least was not sound. This property was acquired by the commission and now stands in the commissions name, but heavily encumbered to the extent of \$146,000 by way of an encumbrance to the Manitoba Development Fund and a mortgage for \$425,000 registered on the 29th day of March, 1966 to the National Trust Company Limited." Certainly, we as members have a right to know of this commission and of this organization, are these finances in jeopardy, is the commission on a sound footing, and as the brief further states, the product that is being handled apparently isn't bought outright, it's more or less just placed on consignment with the commission and very often the people have to wait for considerable length of time before payment is made.

Mr. Chairman, these are a few of the points that I would raise at this time on this matter and I hope that we will have a reply by the Minister in connection with this organization.

Then on the last page, at the bottom of the page, there's another paragraph here that I would like to read, and I'm quoting: "The Manitoba Vegetable Marketing Commission is nothing more than a superfluous heavy and heavy handed onerous middle man adding to the consumers food bill, if only because of the mammoth capital debt it has already incurred which must be paid out of the producers and consumers pockets. The ugly truth is that it hurts both the producer and the consumer. This is the conclusion that was reached by this organization, the United Vegetable Producers of Manitoba Incorporated". Mr. Minister, I certainly want to have some explanations on this deal.

MR. ENNS: Well, Mr. Chairman, I suppose if I were my predecessor I would hardly rise at this late hour of the day given to understand that he normally took some length in attempting to reply to some of the questions that the honourable members opposite gave him. However, I will attempt to answer some of the questions put to me in the time available tonight.

I suppose I should make a brief comment with respect to the Honourable Member from Gladstone's request, as well as the Honourable Member from Emerson, with respect to The Friendly Family Farms. I have really not a great deal to say about it, in the sense that what they are asking their questions about involve the Department of Industry and Commerce and my honourable colleague has already indicated to the House that he's accepted your questions as notice and no doubt will be replying to you. I am also very confident that the way and means which when he was loaned to this organization and whether it has changed hands or how it has changed hands that the public interests are not in any way in danger. But I think really much more deeper in the underlying motive for some of the questions are that you're asking me about my philosophy or my approach or the departments approach about corporate farms in general. And we have just in these few minutes tonight seen some of the various basic problems that we have to look up and face to in agriculture.

(MR. ENNS, cont'd)

On the one hand the Honourable Member from Rhineland has given us quite a speech with the evils of imposing marketing schemes, which in essence are usually set up to protect the interests of the smaller farmer, to keep the production out of the hands of the large integrated corporations etc., and on the other hand we have this underlying concern expressed

MR. LYON: Mr. Chairman, I wonder if I can interrupt my honourable colleague and move the Committee rise:

MR. CHAIRMAN: Committee Rise. Call in the Speaker. I wish to report progress and ask leave to sit again.

IN SESSION

MR. DOUGLAS J. WATT (Arthur): Mr. Speaker, I beg to move, seconded by the Honourable Member from Springfield that the report of the Committee be received.

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

His Honour the Lieutenant-Governor having entered the House and being seated on the Throne, Mr. Speaker addressed His Honour in the following words.

MR. SPEAKER: May it please Your Honour: We, Her Majesty's most dutiful and faithful subjects, the Legislative Assembly of Manitoba in session assembled, approach Your Honour with sentiments of unfeigned devotion and loyalty to Her Majesty's person and Government, and beg for Your Honour the acceptance of this Bill.

MR. CLERK: Bill No. 40 - An Act for granting to Her Majesty Certain Further Sums of Money for the Public Service of the Province for the Fiscal Year ending the 31st day of March, 1967.

His Honour the Lieutenant-Governor doth thank Her Majesty's dutiful and loyal subjects, accepts their benevolence and assents to this Bill in Her Majesty's name.

MR. LYON: Mr. Speaker, I beg to move, seconded by the Honourable the Provincial Treasurer that the House do now adjourn.

MR. SPEAKER presented the motion and after a voice vote declared the motion carried and the House adjourned until 2:30 p. m. Wednesday, February 8th.