

THE LEGISLATIVE ASSEMBLY OF MANITOBA  
2:30 p.m., Friday, February 27, 1976

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MR. CHAIRMAN: The Honourable Member for Lakeside.

MR. ENNS: Thank you, Mr. Chairman. Well, Mr. Chairman, just prior to the noon-hour adjournment we were regrettably once again in the process of rehashing wars of the past and I for one am certainly prepared to bury them, whether it was whose fault or what fault or how individual marketing boards were established or were not established, what delay took place. I'm sure the Minister is prepared to agree with the kind of exciting programs that he has in mind for the farmers of Manitoba. He doesn't really want us to waste too much time about fighting those battles of yesteryear as to how marketing boards got established.

I want to speak just for a few moments, Mr. Chairman, specifically on the item of Planning and Management. The remarks that I want to make really were solicited by the remarks the Minister made in his opening statement. If you recall, he spent a great deal of time impressing us, Mr. Chairman, about the fact that through - he would leave us to believe - a tight control, that through efficiency within his Department, that the Department is delivering, you know, the system in a much better way, in a more efficient way, even though his overall expropriations are considerably increased because of the special nature of the program that we just finished discussing. He has attempted to tell us - and I suspect as we follow through with the Estimates we will likely come to the same conclusion - that in terms of manpower expended, in spite of the fact of the increased costs of wages and salaries and so forth, he has maintained that firm hand.

But, Mr. Chairman, you know what I found failing in that opening statement? Of course I suppose that's where unfortunately the difference begins to occur again. I look upon my Department of Agriculture, or the Department of Agriculture of any province in this country as being firstly and fundamentally there to provide and to assist and to encourage the very best of agricultural practices; to be concerned about that growing vital area of the production of food; to be concerned about making sure that our farmers, our Manitoba farmers are in the forefront of all the technological changes that are taking place in the agricultural community at large and that we direct the tax moneys that we are giving this Minister and this department to aid and abet the individual farmers of Manitoba to accomplish that, the pursuit of developing the finest agricultural industry possible under our conditions in this country, in this province. Too much, Mr. Chairman, of the Minister's remarks, too much of the Minister's concerns are about the delivery of his particular programs or the delivery of a government's particular kind of program.

Mr. Chairman, I suggest to you that, you know, we can't be so blind to the circumstances and conditions around the world that we will probably, not unlike the Honourable Member from Wellington who forecast a dismal outlook about the time when we run short of gasoline or extremely short of gasoline, that we don't use and abuse the automobile as we now are doing it. But the time will come - in fact, it's very questionable about whether or not it isn't there right now - where this simple question of producing food in the best possible way is the paramount question. And this government doesn't concern itself. The fact, Mr. Chairman, that 60 miles south of here people can buy the major foodstuffs for one-third less, for one-third less. So I ask, you know, whether when northern delegates talk to me about the price of food, the price of milk or something like that, fine. Let's understand. It is to some extent our rigidly controlled marketing board approach to food products that produces that system.

If you want milk at 30 cents a quart instead of 52 cents a quart, you've got to buy it in North Dakota.

Mr. Chairman, nobody is suggesting for a minute that the American agriculture economy does not produce the necessary foodstuffs. Our Minister will have a very understandable and a quick and a reasonable response that he is protecting his producers and he is insisting on his producers getting a fair share of the market value of the product, a fair share of the division of that cake, that pie that the socialists spend so much of their time in making sure is equitably divided. But nobody really concerns themselves about making that pie bigger in first place.

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(MR. ENNS cont'd) . . . . .

Mr. Chairman, at a time when we are bombarded with conferences, at a time when we know that a third of the world goes hungry, what are we talking about principally in our agriculture policy? We're talking about how to convince egg producers not to produce eggs; we're talking about milk producers not to milk cows; we're talking about, just a few years ago, grain producers not to grow grain. --(Interjection)-- I'll take that unfair dig.

You know, it is unfortunately the kind of closed shop protective organized labour approach to simply protecting what is mine now and to hell with the rest of the world. But I want to tell you that the Department of Agriculture surely should have some concern about producing a quart of milk for 10 cents less than it's being produced for right now, and returning 10 cents more to the producer while it's happening. The Department of Agriculture should be concerned about producing 100 bushels of barley to the acre instead of the 50 that are now being produced. Like the Americans are producing corn. They started with 50 bushels to the acre but they're producing an average of 150 to 200 bushels to the acre today, and that's why they lead the world in food production. But if we are such traditionalists, if the whole approach of the Department of Agriculture is to protecting what is there now, then, sirs, our agricultural industries will continue to fall behind and it will continue to require, continue to require ever increasing massive amounts of public money to fund it. Mr. Chairman, as I stand here today, the Americans, and I make no bones about talking about the Americans in terms of agriculture, but they're producing cows that drop five calves at a time and feed themselves on rusty tin cans.

A MEMBER: What was that?

MR. ENNS: And clean up the country while they're doing it. Well that is, as the Deputy Minister of Agriculture who just winked at me, a slight exaggeration of the facts. But I make that exaggeration to underline the fact that while we are complacently worrying about . . . and I'm not suggesting, Mr. Chairman, to the Minister that that is not a legitimate concern to worry about the equitable distribution and a fair return to the producer. But, Mr. Chairman, I look upon the Minister of the Department of Agriculture to lead, to be in the forefront, to ensure the fact that food will be produced at the best possible price with the greatest amount of efficiency in this country. We're not doing it, fellows, and we're not going to do it under these kind of programs. Unfortunately, I have to say this, this kind of stability program, you guarantee me 57 cents a pound for a calf that I produce irregardless of whether it's scrubbed garbage or the finest quality of calf, what incentive is there to me as a producer to produce quality, to produce a calf? --(Interjection)-- But I'm getting paid. In other words, I do not have to expend that. The Honourable Member from Thompson says "personal pride". Well, now that's fine, but the fact of the matter is the Minister of Agriculture, you know, has guaranteed me a set price.

In other words, it's like you're telling me - okay, I'll put it in this way, Mr. Chairman. You know, there's a used car lot and there's lots of them down the street, and the government has set a price on the used cars. You know that you could walk into that car lot to buy a 1973 model Dodge, all they're asking you is to blindfold yourself and pick the first one out. You mean to say that you're not going to exercise some degree of selectivity in looking for the best one? --(Interjection)-- Well, Mr. Chairman, implicit and built in to the kind of support programs and the kind of, you know, market distorting features of these kind of programs is that incentive, destroying it all, mechanism. It does not further agriculture, it indeed impedes it.

We find ourselves all of a sudden in a situation where just - and we don't have to go that far, we don't have to go abroad, we just look 50 or 60 miles across the border and we find that time and time again the agricultural innovativeness of that agricultural industry, the agricultural advances made in that country so far surpass us, so far surpass us. Mr. Chairman, this is not a question of political ideology; it's not a question of right or wrong. I'm now simply speaking about how many pounds of feed it takes to produce a pound of broiler chicken; how many pounds of feed it takes to produce a turkey; how many pounds of feed it takes to produce a beef. What can a quart of milk be

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(MR. ENNS cont'd) . . . . produced for? How many acres of corn or barley can you grow? How many acres of corn and barley can you grow on an acre? Now the Honourable Minister of Autopac keeps confusing - I'm not talking incentives. I'm just talking about the facts. I'm just talking about the fact that across the line they're growing 150 to 200 bushels of corn to the acre and we're having trouble averaging 38 or 40 bushels of barley.

Now, where in the Planning and Management of the Department of Agriculture, what incentives, how much work is being done by the Department of Extension in terms of inducing the best possible production in this country. Instead I find, Mr. Chairman, our ag reps have spent a lot of their time in selling games to beef producers in this country. As the Minister said, they have proven themselves immensely efficient in the delivery of his programs. Mr. Chairman, I will not argue with his programs at this particular point in time but I simply say that there was also I believe an implied feeling about the responsibility and the nature of a Department of Agriculture, under any Minister, under any government, to have as a kind of a primary, as a paramount focus or concept for its very existence, was the development of agriculture per se, the spreading through communications.

They haven't the availability of unprejudiced opinion of a government department that farmers in this province could lean on. They didn't have to lean to the experts in the agri-business sector who then might influence their decision. They didn't have to go to Feedrite to find out what's the best food to feed my cattle or to National or to a chemical company or something like that. The concept surely of the ag reps office is that here we have an unbiased, unprejudiced source, and it should be there. But if my ag rep is busy delivering the Honourable Minister's program along in this country, where is that needed advice, that independent advice that the Manitoba farmer deserves to receive under a Department of Agriculture.

So, Mr. Chairman, the Minister can surely impress us that his programs are being delivered with efficiency and with dispatch. But the Minister fails to assure us that he has taken seriously the responsibility of being concerned primarily with the production of food as such and leave to other agencies, quite frankly, the social problems involved. There aren't many social problems involved. We were on the Land Hearing Committee that I enjoyed very much this year. There is real concern, real concern about the equitable division of our population across this province. I've talked about and I've congratulated the government to some extent about the stay option program, yes.

MR. CHAIRMAN: The Honourable First Minister.

MR. SCHREYER: Well, Mr. Speaker, I think it's important to know from the honourable member if he is suggesting that the bulk of the Manitoba farmers that are full time engaged in farming are inefficient producers or is he suggesting something - well, he spends a good deal of time saying that there is need for dramatic increases in productivity in relation, presumably, to North Dakota farmers, which implies that they are inefficient. I'm wondering if he wants to confirm that.

MR. CHAIRMAN: The Honourable Member for Lakeside.

MR. ENNS: Mr. Chairman, I don't really know where the First Minister got that impression. What I was suggesting is that under Planning and Management, this Department of Agriculture in the Province of Manitoba that this year is considering spending some \$14 million I understand is devoting so much of its time and its talents to the promotion of games, to the selling and the delivery of their systems of programs and neglecting the kind of fundamental responsibilities that I think a Department of Agriculture anywhere in the world has, anywhere in the world has. Production. Production.

So, Mr. Chairman, if we are confused, and we are confused in this instance; if we're confusing the social problems of the agriculture sector; if we're confusing rural depopulation with agricultural production and we are to some extent; I don't minimize those problems at all. But, Sir, they are separate and distinct in most instances from the problems of food production. Our food producers are among the world's most efficient producers. What I'm not satisfied with is that the 40 millions of dollars that your government is dedicating, your government is dedicating to assist the agricultural industry is primarily aimed at making them more efficient producers. I've just cited

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(MR. ENNS cont'd) . . . .the case that you're prepared to guarantee me 57 cents a pound for every calf that I raise, no matter whether it's a scrubbed, three-legged, saw-boned holstein or the finest crossbred Chrolais Hereford that modern genetic breeding can bring. It doesn't make no difference to you.

But that's again a question of that levelling effect that, you know, the broad socialist brush has. It doesn't recognize quality; it doesn't recognize initiative. All it recognizes is mediocre and medium. As long as you treat everybody equal, that's your cry. I say to you, Mr. First Minister, that that attitude is not going to produce the necessary food-stuffs this world needs and that the third world is crying for right now. That kind of an attitude is not going to show the direction and the leadership and provide the innovative breakthroughs in agriculture if we're to overcome the kind of serious situations that we face right now, despite the fact that we have distribution problems; despite the fact that we have peaks and valleys in our situation. But don't hold back, don't hold back the innovator in agriculture; don't hold back the development of a new agricultural concept.

--(Interjection)-- Certainly. I always yield to my First Minister.

MR. CHAIRMAN: The Honourable First Minister.

MR. SCHREYER: Mr. Chairman, having established that our Manitoba full time farmers are among the more efficient producers of food anywhere, having established that, I would now like to ask this question. With respect to the suggestion of my honourable friend that there is an input of public funds towards the support of livestock production even of a mediocre quality in some cases, does he not however agree that in terms of public funds that there has been public funds perhaps disproportionately going into the underwriting of costs of importation of elite breeding stocks such as Chrolais, Limousin, the guaranteeing thereof etc., etc.?

MR. CHAIRMAN: The Honourable Member for Lakeside.

MR. ENNS: Mr. Chairman, politically you know the Honourable First Minister is very astute and knows very well that the suggestion that to support a relatively small handful of people in the country or in the province can be held open to question because of its failure to apply generally, you know, to all the people in a more equitable program than he's talking about. What he fails to recognize is that one individual breeder who happens to improve genetically the cattle breed by three percent, by two percent, does more than five years of \$50 million input. You know if I had the wherewithal and I could produce an animal that could effectively day in and day out put on a half pound of gained meat, you know, for less than anything we have up to now - have you any idea what that translates into in economic terms to everybody in the industry? To the man with five animals, to the man with 500 animals? All right. So really, Mr. Minister.

--(Interjection)-- Right. But the suggestion - and I just want to get back to the question of the First Minister. The First Minister attempted to suggest in his question that to seek out those calf support programs, as limited as they may be, should be set aside, should be cast in a lesser light because they don't have the broad appeal of covering and giving everybody in effect, you know, a support price, a support program at the same time.

MR. CHAIRMAN: The Honourable Minister of Agriculture.

MR. USKIW: I'm wondering whether the Member for Lakeside would be able to advise me just what services he is aware of that the Department is providing for the particular sector of the industry that he himself is involved in.

MR. CHAIRMAN: The Honourable Member for Lakeside.

MR. ENNS: Mr. Chairman, the Honourable Minister ticks me off very well. I must suggest to him that certainly one of the programs that his Department has been involved with, the kind of program that I'm just talking about, that he has shown leadership in and the Department has shown leadership in and with a considerable degree of success is his Grasslands Program which I am well acquainted with, have looked at and am personally aware of, very much aware of.

A MEMBER: Voluntary services?

MR. ENNS: Yes, I can name the veterinarian services in much the same light. But, Sir, these are single programs that come to mind. --(Interjection)-- Well, Mr. Chairman, it seems to me that the whole area of crop production, the whole area of soil

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(MR. ENNS cont'd) . . . .specialists, the whole area things like that, have somewhat been downgraded in the Department of Agriculture and your sociologists, your social workers, your something like that, have been upgraded in the Department of Agriculture.

We are now more concerned about not so much letting the individual farm groups and communities plan their way and seek out the services of the Department but rather we get the message up from high - and, Sir, it was made in this debate a little while ago and this is common knowledge - the ag reps were asked to leave whatever they were doing to sell the Minister's Beef Stabilization Program because the percentage of enrollment to that date was too low to satisfy the Minister. Well, Mr. Chairman, that kind of a situation cannot help but lead to neglect in the fields that I'm speaking of.

Mr. Chairman, I'm satisfied, I won't belabour the point any further. I don't mind at all though underwriting this basic, and it happens to be a very basic fundamental approach that differs in our regard to agriculture. You know I believe and I accept the criticisms and the problems that are faced, that have dogged us over the many years: the problems of distribution, the problems of equitable sharing of the market, the equitable sharing of the final market price back to the primary producer. But, Mr. Chairman, I will not let go of the concept and the principle that I believe in, that as a farmer I find it distasteful to gas chickens for instance or to break or destroy eggs. I don't know Mr. Chairman, maybe it's just simply because it's a Christian concept that's rooted within me that says, you know, to me there's something sinful in destroying food or food producing agents such as livestock.

Now, Mr. Chairman, I suggest that built into the concept of the Honourable Minister of Agriculture, his concern is primarily with the division within the sector as he now sees it and spends too little time concerned with leading and innovating the kind of important breakthroughs in agriculture that are going to be necessary and are going to continue to be necessary for us to remain firstly, simply competitive with our American neighbours in world markets and secondly - perhaps I shouldn't put it secondly, perhaps it should be first - simply to acknowledge our responsibility in producing in this great country of ours the best possible and the largest amount of food possible.

Now, Mr. Chairman, to give as an example I would think that if the Minister would dedicate half of his time, and the First Minister would dedicate half of his time to convince the urban populations of this country to share with the farmers their capacity of producing and to allow us to use food production in this country, surplus food production, either in a humane and humanitarian way, or indeed as a hard edged much more growing important political tool in terms of international affairs. But instead, Mr. Chairman, we have in Ottawa today and in Manitoba here today we dedicate so much of our time to --(Interjection)-- Yes I agree with it. That's a concept that has caught, you know, it's been a raging debate in the United States over the past two decades. It is losing out; it is passe. I agree with the Honourable Minister of Agriculture to this point where he, in speaking about the beef income stabilization program, that it is better than a marketing board, that he has surpassed, he's gone beyond the marketing board. I never thought all that much about marketing boards to begin with so you know any step beyond that I should perhaps welcome.

What I fail to see in the Minister is his readiness to re-think his whole position on supply management. Because supply management has the inherent feature in it that you are going to be curtailing production of food. Supply management has in it all the ugly features of curtailing food production at time when people are going hungry. Supply management means dumping tons and tons of potatoes into the ocean in Halifax harbour. Supply management means putting thousands and thousands of chicks to death with gas because we don't want to let the consumer get a break and buy his eggs for 45 cents a dozen. Supply management means killing calves, butchering off beef, paying farmers \$5.00 an acre just not to grow wheat. They just want that land to look like this blue carpet here. We did that. We spent \$50 million just five years ago in this country to pay farmers not to grow wheat. You, yes you and your Liberal Government supported by the NDP minority of government in Ottawa.

Now, Mr. Chairman, you know I can be faulted for having to be responsible for that sudden glut of agricultural products that all of a sudden happens. Because

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(MR. ENNS cont'd) . . . .agriculture is that kind of an industry that we cannot just calibrate in degrees by three percent, by four percent, five percent.

MR. CHAIRMAN: The Honourable First Minister.

MR. SCHREYER: Mr. Chairman, I think that the honourable member is one of those who is certainly fair enough not to want to have a completely erroneous statement left on the record. The fact of the matter is that our position has never been one of support for the Federal Liberal program, the Honourable Otto Lang's program I suppose I could say, of paying farmers not to grow wheat. Our position is that the kind of food product that is easily storable ought not to be avoided. In other words we support the concept of world food bank and the kind of government support - here's the ugly word again - for inventory and storage of food products. It therefore follows that we do not and did not at that time support - I forget the name of the program - the LIFT - yes LIFT. We did not support it.

MR. ENNS: Mr. Chairman, I have that feeling, and I like my Honourable the First Minister very well and I have an infinity for him that having sat across him over these six years - you see I, not like the others, I've never changed my seat - and I've had the vantage point of being able to study the First Minister over these years. I suggest right now that he was not speaking with full conviction, Sir. He was not entirely sure. In fact I would suggest if I leaned to the Member from Morris he could tell me that the members of the New Democratic Party all stood up and voted in favour of the LIFT program when it was introduced in the Federal House.

Then we have the peculiar separation that has taken place that doesn't usually happen within the ranks of the New Democratic Party. It happens with the Liberals quite frequently where they want to disassociate themselves with what their national organization is doing and for a good reason I might add. But by and large I look to the integrity of my friends opposite. They have always felt reasonably responsible about their national position even though they differ as they are differing, and as the First Minister has differed on a very critical issue before the nation right now, and I differ with them. But Sir, they have often portrayed a more monolithic approach to their party. Indeed they transfer it right down to the municipal level, to the provincial level and to the federal level. So that being the case and with the knowledge and facts supported by the Honourable Member for Morris is that technically, and even if you have empathy for what I am saying, Mr. First Minister, the fact of the matter is I would ask you to lean over and look towards your Minister of Agriculture. Because he surely is a very strong proponent, as is your party by and large of complete supply management. Those features that I outlined just a little while ago are inherent with it.

Supply management as practiced in the United States, and it wasn't a New Democratic Party that practiced it in the United States, it was done Eisenhower, it was done under Democratic and Republican administrations where millions of acres of prime land were put aside, where millionaires were made by southern plantation owners who simply didn't farm their land, they just went to the government agency to pick up their cheque for not growing something. Until it got so ridiculous, until the agricultural industry in the United States got so totally distorted it has taken until recent years, where the world wide demand for grain, where the failure of the supply management countries, USSR, China, have emptied to some extent the granaries of the United States, that there has been a fresh waft of air drift into the North American agricultural scene where once again the innovation, the basic and fundamental efficiencies of that North American farmer are being allowed to operate. Now, Mr. Chairman, those are the remarks that I wanted to make on the question of farm management that I did not hear from my Minister of Agriculture as he introduced this section of his Estimates.

MR. CHAIRMAN: The Honourable Minister of Agriculture.

MR. USKIW: Mr. Chairman, I have to appreciate the position of the Member for Lakeside, having not been a minister who gave much thought towards a balance of programming with the Department of Agriculture when he was Minister. One of the things that one has to observe, in retrospect is that they never did care about anything other than production and marketing and therefore it is true, Mr. Chairman, that we have indeed a very important thrust in areas other than in production and farm management.

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(MR. USKIW cont'd) . . . . That is in all of the other rural service programs that have been introduced and all of the rural community programs that we have introduced which has a lot to do with creating a better climate and environment for people to live in in rural Manitoba. Members opposite didn't appreciate the value of that when they were the government. Therefore because of their weak position now, Mr. Chairman, the Member for Lakeside now wants to belabour the fact that these other programs are somehow over-shadowing what he considers to be the most important thrust, and that is in the production end.

I want to point out to the Member for Lakeside that it is good for farmers to bring a better degree and better quality of life to all of rural Manitoba be it on the farm or in the farm urban community, or the small town. I think they all benefit from that. We have gone a long way in redressing the imbalance of our history in that regard since 1969. We have more people, Mr. Chairman, in the area of production management services today than the whole of the Department of Agriculture staff had when they were the government. More. More in that field, Mr. Chairman. --(Interjection)-- All right, I'll do that. The Member for Birtle-Russell says, "Give us the figures."

Well, I'm going to read some interesting figures for him just to prove how silly the argument is. In terms of the farm management section we have 91 staff man years. In terms of livestock production - these are professional people in livestock - we have 137 staff man years. In terms of crop production we have 99 staff man years. In terms of marketing we have 14. In terms of technical services we have 44. In terms of training we have 50. In terms of water services we have 18. We have a larger production staff today than the staff of the total Department of Agriculture in 1969.

So the Member for Lakeside obviously has to be embarrassed that we have not detracted from the importance of innovation and new ideas and experimentation. We have indeed gone forward a long way in that respect. But we did add a second component to the Department of Agriculture and that is the other human services more in the way of youth and family services and community service programs than they were prepared to do so when they had the responsibility.

I will indicate those to you too, Mr. Chairman. In community improvement services we have 101 staff man years. In youth and family services we have 23. Those are the two major components in terms of a thrust to the people of the area and not specifically to production. The water services program which applies to farm people as well as to the rural towns and villages is a significant program in rural Manitoba and has gone a long way in changing the life style of rural Manitoba. The vet services program is a new program. It's been very well accepted and has upgraded the health of our animal industry right across this province, a very well received program and I think the record speaks for itself.

Then I want to be more specific, Mr. Chairman, because the Member for Lakeside alluded to the fact that it would be so important if we were doing research to produce more per acre or more pounds of beef on the hoof and so on. He enumerated a number of areas where we needed to look at greater efficiency and he is correct. That's motherhood, Mr. Chairman. Who would want to argue against that? But I would wager that he has not on his farm yet decided to implement all of the innovations and recommendations that have been discovered in the last two or three years or the last five years. I don't know why he would not have but I would wager that he has not.

I simply want to indicate to you that we have some interesting statistics with respect to our pilot projects in the Grassland program. We have a number of grassland societies established throughout the province which have produced very good results. As a matter of fact, Mr. Chairman, I went out to St. Claude last summer on a tour of the Grasslands Society Program there and they have quite a number of farmers involved with that program, most of them dairy farmers. They were amazed, Mr. Chairman, as to the benefits of that program. They were totally unaware that they could have increased their efficiency in production of milk until they ventured into that program. They were there to tell me that. They were amazed to find that land that produced one cut of hay per season - they were into their third cut on that experiment, into their third cut on land that normally produced one cut per year; thoroughly amazed at the

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(MR. USKIW cont'd) . . . .possibilities that were opened up to them by management of the soil.

That program was introduced to them by a chap who came over here from Wales, Peter Jones, one of the best people we have in the grassland farming areas of this province and in that particular area of expertise. He is the head man of innovation in terms of grassland farming and bringing about greater efficiency. He indicated to me that in Wales they have to make grassland farming pay on land that is valued \$800.00 an acre. That was the challenge they have in Wales. He bemoaned the fact that we have an attitude of extensive farming in this country, land extensive, and that we are not management intensive. That is his major concern. Why cannot we produce more production per acre? Why can we not tailor the breeding program in such a way that we get more value per animal and so on. These are all of his concerns and that fits right into the comments of the Member for Lakeside. No one would want to disagree with that. That is motherhood.

In terms of the Interlake Grasslands Society we have one example here of the progress that is being brought about. Beef produced per acre on straight grass, 294 pounds. Under a grass and alfalfa mix, 305 pounds. Just an example. Average gain per head, 264 pounds on ordinary grass pasture; with an alfalfa mix, 275 pounds. Average daily gain 1.94 pounds on the ordinary grass pasture, with an alfalfa mix, 2.02 pounds. Operating costs per pound gained, 20 cents on ordinary grass land; 18 cents on the land that we've applied some alfalfa to. There are many other experiments that relate in the very same way and many of the farmers that are involved in that program experimentally are now setting about to change their own operations on their own farms because of that kind of success.

So let the Member for Lakeside not convince anyone, Mr. Chairman, that we are not prepared to allocate funds. I don't recall ever in the six years or seven years, I forget how many budgets now that I've had to approve, where we have cut down something that would enhance the production capabilities and efficiencies of our producers in this province. I don't recall it. I don't recall ever having to say "no" to a reasonable proposal in respect to production and the budgeting for production services.

Now in terms of training, and this is just an example, and you know I suspect that the Member for Lakeside has not had an opportunity to read the Annual Report of the Department because if he had he wouldn't have said what he has just said.

We have had eight farm management courses. We've had four farm business planning courses. We've had thirteen beef production management courses, two hog production management courses, five in basic agriculture management. You know, these are just examples of what is going on in the department. Let me tell my honourable friend that yes we have 790 staff in the department and that's about double where we were in 1969. We have held the line in the last two years. Not one addition. We prioritized programs.

Let's talk about new crop investigations. You know all of those programs are on-going, no one has curtailed anything. In fact they've been expanded. 1975 trials with black beans, a very new crop in this province and turning out very successful in my opinion. We've got about 2, 4, 6, 8, 10, 12, 14, 16 different trials on different crops listed in this document, Mr. Chairman. I don't have to read them all for my honourable friends. I'm sure they can avail themselves of a copy of this particular document.

All of these things are well under way and we are hopeful that we are making progress in the way that we would want to and of course, it's a never ending argument. You know, it's like the arguments about more money for cancer research. You can pour a hundred million in, you can pour a billion in and until you find a cure for that disease it is never enough money poured in in research. Likewise in this area there is never a limit to the amount of dollars that you can allocate towards research. Additional to what is going on within the department we, of course, have a very sizable grant to the research program of the University of Manitoba. This year we have upped that by \$130,000 again so that we're up near to three-quarters of a million dollars in our annual grant to the University of Manitoba, Faculty of Agriculture in its program. So that the Member for Lakeside is, Mr. Chairman, truly out of context with what is really going on and I would invite him to pick up all of the information that is available for him at the Department



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(MR. USKIW cont'd) . . . .and to read it through and in fact, maybe take into practice on his own farm some of the recommendations that --(Interjection)-- I'm not sure what the Member for Lakeside is suggesting.

Well in any event there's no point in belabouring that question, Mr. Chairman. It is a motherhood position and I endorse his comments that it's needed but I reject the suggestion that it's not being applied.

MR. CHAIRMAN: The Honourable Member for Morris.

MR. JORGENSEN: Mr. Chairman, obviously the Minister of Agriculture has completely missed the point that the Member for Lakeside was attempting to make. What he is suggesting is that the mere addition of numbers of bodies into the Department of Agriculture makes for the kind of program that will encourage agriculture to produce.

The point that the Member for Lakeside was attempting to make is that all of the research in the world, all of the innovations, all of the progress is going to be of no avail if we are going to attempt to meld farmers into the grey conformity of collectivism. And that's what we object to about the Minister's program.

No matter how much you do in the way of research, no matter how much you do in the way of encouraging better forms of production, increased production, if you're going to lose all of that because you're going to be taking away incentives, then the end result of your program is not going to be achieved.

It makes no difference that we spend a great deal of money and energy and time in performing research on how to produce more eggs in this province or in this country if, because of supply management techniques you're going to have to destroy 28,000,000 dozen of them. It makes no difference how much you improve production techniques in livestock if you're going to have to pay farmers out of taxpayers' money to keep that livestock on the farm. It makes no difference what you do in any field of production if by programs designed to counterbalance what you have gained in technology, you're going to lose in production. That's the objection that we see to the Minister's approach to agriculture.

He continues to talk about the need of putting more people on the farms. Sure we're not disagreeing with the concept that there should be a better distribution of population across this province, not at all. In fact everything should be done to encourage the movement of people in all the areas of this province. It makes for a better development. No one disagrees with that. But to suggest that the only way that can be achieved is by putting farmers back on the land and making quarter-section farmers out of farmers that are capable of managing twelve hundred to fifteen hundred acres by themselves with today's modern technology and machinery, well, one gets the impression whenever we listen to the Minister that that's what he's talking about. --(Interjection)-- Yes, and when we go to land hearings. That is the cry that we hear all the time from the Minister and from his colleagues constantly, that there should be smaller farms.

Now, Mr. Chairman, the fact is that we have achieved a level of productivity per man in agriculture that is the envy of the world and I know it's the envy of the Russians. I had the experience with the Russians, because every time they came to Ottawa with delegations one of the first things they would do - and they always had a bunch of farm experts around - and the first thing they'd do was seek out people who had some experience in agriculture and the constant question that they asked almost invariably when they were meeting with farm delegations in Canada, is how do you achieve that level of productivity? What are you doing that we're not doing? And my answer was always the same: there is no incentive for your farmers to produce when you've got 500 to 700 people working on a communal farm of 12,000 acres where six people could produce off that 12,000 acres in this country a greater level of production. If you have to pay wages to that number of people then naturally the cost of food is going to be a great deal higher than it is under the circumstances, under which food is produced in this country.

You know my honourable friends opposite are afraid of technology. Their constant fear is that if somebody finds a better way of doing something, a job is going to be lost. What they have not recognized and what has been the experience that every time a job is lost in one industry because of technology, two more are created in another area. It has been that way all the time. Take for a classic example the firemen on the diesel railroads. It's a classic example of a waste of manpower. That has been taking place in

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(MR. JORGENSEN cont'd) . . . .this country and instead of trying to get away from the idea that technology is destroying mankind we should be accepting the fact that that technology is going to make for the survival of mankind. --(Interjection)--

Well my honourable friend from Churchill seems to take objection to that concept. But it's true in every industry and if it had not been for technology the prices that we would have been paying for most of the consumer goods that we use in this country today would have been far beyond our capacity to pay for. Technology has managed to keep prices down but it can only keep them down to a certain level.

But the Minister seems to forget that if he is going to promote mediocrity in the marketing of farm products, and if he's going to attempt to prevent the leaders of our farm communities and the best farmers from showing the way, from demonstrating their superior capabilities, and I've always found in the farming community there's one or two farmers who happen to be just a little bit better than the others and the lessons are learned from them. They're the ones that lead the way. They are in effect doing a considerable amount of research on their own without any payment from the government. Their reward is doing a better job of farming; their reward is producing for a hungry world, and it's a natural inherent instinct in a farmer to want to do the best job he can to produce the most he can. Anybody can reduce production on a given number of acres of land, anybody, but it takes a very good farmer to increase production. --(Interjection)-- Well he says give it away; he doesn't give it away.

The farmers are prepared to accept the fact that there are going to be up and downs in the market, and those ups and downs in the market, without my honourable friends opposite knowing anything about it, perform a service for that very farmer, because what they do they make for the adjustments that are inevitable from time to time. And if those adjustments do not take place periodically from time to time, then they take place at one time and they create a great dislocation. That's when you have the price situation developing because you've not allowed the market to make for the periodic adjustment. I would much rather, I would much rather see adjustment taking place time to time over a constant period of time, rather than thinking that we're being protected by Big Brother Government only to find that we're not protected at all, and in the final analysis we're destroyed, as one aspect of agriculture industry after another has found out and as the Americans have found out. They've discarded that idea that the government can be the salvation of the farmers in the United States.

The Minister - we make no quarrel with his efforts to improve production and planning techniques but we say that all of that is lost, all of that is lost if he's not going to enable farmers to take advantage of it. And whether my honourable friends opposite like it or not, there is one great motivation behind what a farmer does, and that is the incentive to improve his standard of living by making an extra dollar by improving his techniques; in other words the profit motive which is something that scares the hell out of my honourable friends opposite. And because they are so afraid of somebody making a buck, they're prepared to destroy the whole nation and the whole world and all of mankind. They would rather see people in this world starve to death as long as they were all starving at the same time, and that's exactly what's going to happen if we're not capable of producing the food requirements that are needed in this country. FAO have indicated, and every world food study has indicated, that we're falling behind in food production, that demand is increasing at a faster rate than production. And yet my honourable friends opposite have the audacity to stand up in this House and talk about curbing and managing production when food is needed so badly in the world today. Our responsibility as citizens of this world is to make that food available to the people who need it, not to deny them the opportunity of that.

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MR. CHAIRMAN: Order please. The Honourable Minister of Agriculture.

MR. USKIW: Well, Mr. Chairman, it was interesting to hear the Member for Morris; I've heard him many times before and he hasn't said anything new. I haven't noticed any change in his story from what it was several years ago. He overlooked one important point, and he always overlooks that important point, and that is that for some reason he still can't quite understand that agricultural producers are no different than any other group in society and that is that they require some means of establishing a negotiating or bargaining position in the marketplace, as does everybody else. They don't have the monopoly that the MLAs have, we're only allowed to elect one per constituency, and of course if we were allowed to elect a 100, we would have to keep expanding the size of this Chamber and it wouldn't make much sense either, would it? And likewise with the production of agricultural products, you have to produce for a market that you are aware of. You cannot produce for a market that is not there or you will end up doing exactly what the member alluded to, and that is you end up dumping products because there is not the means of distribution and the ability to purchase the production that you have on hand.

INTRODUCTION OF GUESTS

MR. CHAIRMAN: . . . interrupt the Honourable Minister for a moment to introduce in the loge to my right, the Honourable Bill Tetley, Minister of Public Works and Supply from the Province of Quebec. On behalf of all honourable members I bid you welcome this afternoon.

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MR. CHAIRMAN: The Honourable Minister of Agriculture.

MR. USKIW: The fact of the matter is, Mr. Chairman, that since I guess the beginning of time it's recorded history, we have always had a poor system of distribution of our agricultural production. We have had abundance, while at the same time we've had starvation, and we continue to do that. So that if my honourable friend from Morris is suggesting that all they have to do is keep producing and that will solve the hunger problems of the world, then thousands of years of history have already proven him wrong, unless he is also prepared to put his hand in his pocket in order to help those people that are hungry purchase the product that he is producing.

And, Mr. Chairman, that has not been done, that has not been done historically. Yes, we have had token efforts: we have got the United Nations Food Program; we've got Canadian food programs, and we contribute a small percentage of our GNP towards foreign food aid - and quite often, Mr. Chairman, we don't even do it for the right reasons; most often we do it because we have to unload a surplus that is in our way, and instead of helping the people in the way that they would want us to help them we place conditions on the receipt of food aid to satisfy our needs with respect to the disposal of our surpluses. That is the attitude that we have, and the world has maintained, with respect to foreign aid. It often has been used as a convenience to get rid of an over-supply situation, not as a response to the cries of a hungry world, and anyone that would argue otherwise hasn't read the history books.

So, Mr. Chairman, if the Government of Canada, whether it be a government of that party, or the government that now is there, and I'm speaking historically, no matter which one of those two were in power, Mr. Chairman, for the last hundred years they were never able to tell the producers that there is no limit to your production, we will guarantee that there will be a market for the totality of your production regardless. That has never been a policy of any government that I am aware of in the history of this country. Never been. And so we have had the lows and the highs, you know, the busts and the booms, and the booms and the busts; every few years we have a down trend in the beef market and then we get an upturn. Then it's the pork producers and so on.

And out of all of this nonsense producers have decided that they want to do

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(MR. USKIW cont'd) . . . . something about it and they have lobbied the Government of Canada to place on the books some regulation which would try to reduce the boom and bust cycle. That is the history of the farm community in Canada. And the response of the Governments of Canada over the last hundred years and indeed even provincial governments, the very purpose of the Natural Products Marketing Act in this province which was put on the books in 1949, was to try to cope with that problem; the very purpose of the Milk Control Act, Mr. Chairman, and that is the best example. I mean if my honourable friend was right, then he would be advocating the repeal of any regulations governing milk production and its distribution in this province. That's what he should be recommending. Mr. Chairman, I believe that if I was to introduce a measure into this House tomorrow or Monday to abolish any regulation of the milk industry, I believe my friends opposite would vote against that. I believe they would vote against that. Mr. Chairman, they will vote against it because it makes no sense. Because you cannot afford the luxury, if it is a luxury, but they cannot afford a system which does not take into account the needs of the consumer and the needs of the producer. But more particular the needs of the consumer with respect to milk production.

Prior to the milk control system being established in this province we had a variation in milk production to the extent that some years the consumers of this province had milk to drink, other years there was a shortage of milk. No one could ever be assured that the milkman would be at the door the next day with an abundant supply of milk under that system. And that was always because of the price, the boom and bust system where you had a year or two of good milk prices that encouraged new milk producers into the business to the point where you had one truckload more of the product than the consumers required. And the moment you have one truckload too many of anything, you know, you only need a one or two percent surplus and the whole market collapses. And so you have the down turn and the first thing, you know, you then have people getting out of milk production and then you create the shortage. And over and over again when you create the shortage you then gear up to produce more. That is the way we have been operating in this country.

And my friends opposite would not endorse - I challenge my friends opposite to tell me today that they are prepared to scrap the Milk Control Act of this province. I challenge them to tell me that.--(Interjection)--No, no, Mr. Chairman. The Milk Control Act is fully in tact, fully intact, and they have a responsibility to assure the consumers of milk in this province an adequate supply pursuant to the legislation that's been on the books for many many decades. And they have the responsibility of assuring, and they have the responsibility of assuring an adequate return to the producers to make sure that the supply is there. That is a dual responsibility under the Milk Control Act. And when my friends opposite tell me that they don't believe in that, then I challenge them to put a resolution on the Order Paper asking this government to consider the advisability of repealing the Milk Control legislation. I ask my honourable friends, because I wouldn't do it. But I would like to know whether you would do it, and I am convinced that you would not despite your philosophical shenanigans here this afternoon.

MR. DEPUTY CHAIRMAN: The Honourable Member for Morris.

MR. JORGENSON: The Minister not only likes to play games with the grassland farmers but now he's playing more games with the milk industry. He knows full well that to a large extent the reason that the Milk Control Board was put into effect was for health reasons and that nobody, nobody--(Interjection)--I'd like my honourable friends to tell me when milk was in short supply in the City of Winnipeg. When?--(Interjection)--My honourable friend says in the Thirties. Well what didn't happen in the Thirties?

But the reason for my rising at this stage is to make some comments about what I consider to be the Minister's abysmal ignorance on the question of international food when he suggested that our concept of food disposal has been just when we were trying to get rid of surpluses. He is not aware then of what goes on under the World Food Program. And that was a program that happened to be introduced into FAO in 1961. And we've never heard a great deal about that program because you never do hear a great deal about programs that are successful. But I recall when that program was introduced.

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(MR. JORGENSEN cont'd) . . . . The Minister suggests that we are abusing our food surpluses by dumping them into countries in a way that's not suited to them, and I'm inclined to agree but not for the same reasons.

I happened to be at that delegation at FAO in Rome in 1961 and I recall, and I recall the difficulties that we had getting, not the donor countries, not the "have" nations who were going to be contributing food to that World Food Program but the nations that were going to be receiving the food. I recall the difficulties we had getting them to accept that kind of a program. It's one thing to say, oh, our distribution system is bad and we can't get food into these countries because of the lack of distribution, but it's another thing to prove it that that is the real cause. And I discovered in 1961 that the real reason is because of those nations themselves. They are self-governing autonomous nations in their own right, very anxious to develop their own economies just like we are attempting to develop and run our own economy here. Then I notice that in CEMA they are now prohibiting the import of eggs from the United States because there's a shortage of eggs in Canada right now. That's so much for supply management. A few years ago they were running out of their ears.

But the real reason that these nations are not anxious to get the kind of support, or the kind of food aid that we were prepared to give them is because it disrupted their economies too. They didn't want us to dump food into their countries any more than we want food dumped into this country here when we have problems with our own producers. For the very same reason. They're no different than we are.

And so under FAO a very strict system of controlling the dumping of food had to be devised and they would not accept it unless we put safeguards in that program that prevented the dumping of food. And those safeguards are there. The program since 1961, since its innovation, has been one of those assistance programs that has really served the purpose. It's almost as good as the Mennonite Central Relief Committee that has been going on throughout the world for the past number of years.

But one has to consider that the nations who are going to be receiving food certainly have something to say about whether or not they want that food. We can not impose it upon them. So the Minister when he stands up here and says that we're not dishing out enough food of our surpluses to these countries, just doesn't know what he is talking about. --(Interjection)--No I didn't say it. I didn't say that we had to give it to them. I suggested that the world was in short supply of food and it should be made available to them. But before it can be made available to them they have to have the dollars with which to buy it, and if we are going to insist that our prices are so high that it is beyond their capacity to buy that food, then we are certainly not being the kind of country that is doing anything to help those nations.

I suggest to the Minister that we have a responsibility to the world as well as to ourselves, and that responsibility mainly, and nobody can fault us if we are producing food at the lowest possible cost. And I am not suggesting for a minute that the farmers have to produce below cost, but I think the Minister found out himself in travelling through this country there were farmers when we were going through the hearings on the Hog Marketing Board a few years ago, there were a number of farmers, and much to the surprise of my honourable friends opposite who came before that committee, said we're making money at hogs, even when they were at a low price. Over a period of years, we will lose some years and we'll gain some yaars, but on the long haul if we stay in hogs and know what we are doing, we're going to make money, and that can be done. I don't think that it is up to this government or any other government to guarantee that the farmers are going to get a set price for that product, because it is a mistake to guarantee that price, you create all sorts of distortions that will create more problems for the farmers than they are intended to solve, and that's indeed what the Minister has done. Any more than --(Interjection)--Voted for what?--(Interjection)--No I did not vote for any guaranteed price, and neither did the Minister, because the Minister as was pointed out by the Member for Lakeside this morning, is still depending on that market to determine whether or not he is going to break even on his program.

But the cattlemen themselves, and I know the Minister has scant regard for the

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(MR. JORGENSEN cont'd) . . . . voice of the Cattlemen's Association, as he did for the Hog Producers Association, but he has a high regard for that minuscule number of people who are involved in the farm unions; their numbers are so far less than any other organization in this country that one wonders if they are existent at all, and yet, that is his voice. He listens to them, and follows their advice in whatever he does; it just happens that he agrees with what they say. . . . a Minister that we have that is determined to assist the producers, I'm convinced that that is not his concern. His great concern is to have his way in bringing the entire agricultural industry in this province under a program of Supply Management so that he can become the biggest rancher, as he proudly bragged the other day, that he can become the biggest rancher in Manitoba. That's his objective.

MR. CHAIRMAN: Resolution 8(c)(1)--pass. The Honourable Member for Birtle-Russell.

MR. HARRY E. GRAHAM (Birtle-Russell): Mr. Chairman, I've not entered the debate on agriculture up to this point, because I have heard some of the words of the Minister, and quite frankly they have left me cold. He has not so far indicated to me the leadership that is essential in the agricultural industry. He has given us figures there that indicate he has, I believe, 790 in his department. He says he has roughly doubled the personnel in his department, and he in his own estimation, feels that he is providing the leadership, planning and management and leadership in the field of agriculture.

Well I have some words for the Minister. I don't believe that there is one aspect other than the field of Supply Management where the Minister showed any leadership whatsoever in the agricultural field. He quoted us not too long ago in the field of beans, what his department is doing in research and production in that field, and I can say to the Minister, if he wants to see leadership in the field of research and new products in the agricultural field, he had better look to the private sector where the leadership has always been, and still is, I know as a farmer, as one who has participated in research programs in this province. I speak as a farmer who has grown beans in the past. Who has produced cranbe, radish, cumin, coriander, buckwheat, mustard, rape, etc. --(Interjection)--And wild oats, too. Yes, we have lots of wild oats, and we haven't solved that problem yet. And I say to the Minister that if he wants to really encourage research into new products, he had better encourage the private enterprise system, because I have grown many of those crops. Many of them have been failures, but the farmer who is concerned about the Province of Manitoba is the farmer who is willing to take a risk, is willing to try, and doesn't wait for government to show him the lead, because if he waits for government to show him the lead, government will inevitably lead him down the wrong path.

I rise at this time only to impress on the Minister that if he wants to encourage the agricultural industry, then please listen to those who are the leaders in agriculture.

MR. CHAIRMAN: Resolution 8, (c)(1)--pass. The Honourable Member for Ste. Rose.

MR. ADAM: It was not my intention to enter the debate on this particular section, but there were a couple of statements made by honourable members in the Opposition which I think should not go unchallenged, and I don't believe they would want to leave any misrepresentations on the record.

The Member for Lakeside in his comments seemed to leave the impression that the Beef Assurance Program would be a disincentive to produce good livestock. I think that's the import of his remarks, and I don't believe that that is correct. I think if we put it in layman's language so that . . . I'm sure that he knows, he knows that that is incorrect. I'm sure he knows. And if we look and analyze the statement he made, and if we look a little closer at what the intent of his remarks were - and let's take for instance that a producer produces mediocre cattle, produces dogs for calves, 50 pound calves, 200 pound calves, whichever, poor quality cattle, he is getting his \$110.84 subsidy on those poor cattle, and he may get \$20.00 up to \$60.00, \$100.00 for the calves, for maybe a total of \$150.00, \$175.00 for the total calves.

Now let's look at the other side of the coin where a good producer would be raising

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(MR. ADAM cont'd) . . . . 400 pound calves and up to 550 pounds, he would get for his calf on market, on the free market, perhaps up to \$200.00, plus the \$110.84 for a total of around \$300.00, and I see that there is an incentive for that particular farmer to keep on producing good calves, good livestock. Because the fellow who tries to produce dogs for calves will go out of business, even with the incentive and the stabilization. So I wanted to make that clear.

I don't think that the Member for Morris when he said that the members of the Land Committee on our side, the New Democratic Members at the Land Hearings were trying to solicit size of farms from those who presented briefs, and Sir, I don't recall at any time when this question was raised with that intent. The only time I ever heard at the Land Hearings was an answer, or to question a person who had presented a brief, who did say in his brief that the size of farms should be restricted, and in those particular situations I recall very well that the Agriculture Minister got up on occasion and tried to find out what that person had in mind when he was referring to restricting the size of farms. So I wanted to straighten the record on that.

MR. CHAIRMAN: Resolution 8, (c)(1)--passed. (c)(2) Other Expenditures, \$90,100--passed. Special and Emergency Program \$100,000. The Honourable Member for Lakeside.

MR. ENNS: Mr. Chairman, just briefly I wonder if the Minister would indicate the nature of the Special and Emergency programs under this item.

MR. CHAIRMAN: The Honourable Minister of Agriculture.

MR. USKIW: Mr. Chairman, the members opposite would appreciate that that used to be a figure of about \$16,000 over the years, and we've finally decided to ball-park it more realistically. It has to do with the Special Hay and Emergency Relief Programs that are entered into from time to time. It's just an opening for us to issue "special warrants against" should we have the need, should there be an emergency. That's what it's all about.

MR. CHAIRMAN: The Honourable Member for Morris.

MR. JORGENSON: I note that in the year 1976 that a total amount of \$96,800 had been appropriated. Was that full amount spent?

MR. CHAIRMAN: The Honourable Minister for Agriculture.

MR. USKIW: No. Well that would be last year's appropriation in the course and terms of Emergency Programs between the Federal and the Provincial Governments. With respect to the Hay Program alone we have agreed to a \$9 million program; 4½ million from both levels of government. Now we've spent about a million and a half to date, and I don't know where it will end up by spring, but that'll be substantially higher than the \$96,000 shown.

MR. CHAIRMAN: The Honourable Member for Lakeside.

MR. ENNS: Mr. Chairman, then perhaps it is the appropriate time under this item to discuss some of the emergency programs entered into by this government, with which I take no quarrel with. Indeed they were of absolute necessity in the dire circumstances that so much of our northwestern part of the province cattle producers found themselves in, the country that the Honourable Minister from Autopac resides in, and while it just touched the northern extremity of my constituency, it nonetheless affected it.

But I have a specific question that I would like to have the Minister explain to us, and he can, Mr. Chairman, suggest that I ask it on some other item if he feels that this is out of order. It has to do with the Hay Programs, specifically the program announced and entered into by the Minister and the purchasing of pelleted alfalfa feed, I believe from the Province of Saskatchewan. My concern is, Mr. Chairman, that it's my privilege to have in my constituency over the years a number of farmers who have made it a business and a successful one, in the business of alfalfa farming. I refer to that area in the Oakville country which has on so many occasions supplied feed for feed-short areas, and as I say, they are commercial growers of roughage, of top quality alfalfa feed. Now it has come to my attention, Mr. Chairman, that as the Minister was undertaking commitments to purchase the feed from other sources that this year - the latest information has it that some of the feed is moving now - but I would ask him to give us a brief resume

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(MR. ENNS cont'd) . . . . of what the procedure was. We have several alfalfa dehydrating, or pelleting plants in the Province of Manitoba. Did he have occasion to meet with our Manitoba plants and our Manitoba alfalfa growers, or some of them, outline the problems facing the producers for which he correctly felt the responsibility for, and indicating to them that he was prepared to initiate a substantial government relief program. I would like to think, Mr. Chairman, that the Minister was, you know, prepared to give the alfalfa growers and the alfalfa pelleting plants in Manitoba every opportunity to participate in this program. I will hold no brief for them if in fact they held him up to ransom for higher prices that were otherwise acceptable to him.

So, Mr. Chairman, would the Minister consider giving us just a little resume of this program, including those statistics and figures that he has at hand, the price of pellets purchased at the plants where he eventually purchased them, I believe somewhere in Saskatchewan; the kind of situation that the industry found itself here in Manitoba in terms of supply, and has the Minister got any information with respect to how the Manitoba supply of pellets and alfalfa, that is the saleable amounts of it are faring. I would not like to think that the Manitoba alfalfa growers, who have over the years traditionally had markets up north and other places, found their stocks left standing while we were busily purchasing alfalfa elsewhere. That suggestion has been made to me by some in the business. I solicit the Minister's opinion on this subject.

MR. CHAIRMAN: The Honourable Minister of Agriculture.

MR. USKIW: Mr. Chairman, the points the member is raising are valid. We also have had discussions with people who are in commercial hay production, and they were somewhat concerned. This is a bit of a conundrum that we really don't know the answer to, because one can truly never estimate accurately what the need is going to be, and if one is not to set aside any reserve at all, then one could be in the embarrassing position of not being able to meet the demand whatever, whenever it occurs. And so we were advised by our staff that we would have a net short position in this province, and that if we could locate some quantities of pellets or hay in Saskatchewan, that we should do so. That was the best advice we had after we had the department do a survey. So we did lock in a number of tons of pellets that were purchased from a co-operative in the Province of Saskatchewan. But before we did that we did consult with every source in Manitoba who virtually had nothing to offer. We did consult. I believe we had an offer of our Manitoba people willing to be agents of ours to sort of negotiate and bring into Manitoba from outside areas pellets, but we didn't think that that would be advisable and we dealt directly. We didn't need that kind of intervention which in our opinion would have cost more money. But we did make sure that every effort was made to buy from Manitoba manufacturers before we moved into Saskatchewan.

Now the number of applications that we have to date total 1,685. Total transportation assistance paid to date is \$79,000. Total purchase assistance is \$1,098,000 for 1.177 million. 54,000 tons of hay have been purchased under the program to date; 9,000 tons of pellets non government, which is the private pelleting plants and 9,000 tons from those that the government purchased in Saskatchewan. That is a breakdown as of the 20th of February.

Now with respect to Item (3) - more specifically to reply to the Member for Morris. We have two items that have been ongoing for a period of years now. One of those is \$14.8 thousand re the Winnipeg Gardeners' Co-op loan arrangement. That's pursuant to a federal-provincial arrangement which was entered into by the Member for Lakeside when he was the Minister and that's a retirement of a loan.--(Interjection)--I'm paying your bills, yes. The other has to do with a hay supply to Lake St. Martin Indian Reserve pursuant to the flood problems of Lake St. Martin, . . . Lake and so on which have been ongoing for a period of years and there may be another year in that I'm not sure. We have finalized an agreement with them to terminate this program through an exchange of land and land development policy that was introduced. So one of these years we will not have that item there any more. But that more specifically covers the expenditures mentioned here in the item, roughly \$100,000.00.

MR. CHAIRMAN: The Honourable Member for Lakeside.



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MR. ENNS: Mr. Speaker, I thank the honourable minister for those answers. I must express some satisfaction that the problem area of Lake St. Martin has the feature of being resolved. It's one of long standing and perhaps on some other occasion we can discuss that more fully.

Just two items. The Minister indicated - I believe his figure was 9,000 tons of pellets purchased under the government sponsored--(Interjection)--nine from the government. My understanding at the time of the announcement of this program and the specific purchase of these pellets was that you had contracted yourself for "a" amount, a somewhat substantial amount. Where do we stand on that figure? Have we committed ourselves to purchasing 25,000 tons and we're using nine or . . . ? The status of those pellets that we committed ourselves to purchasing. Where are we standing on that?

MR. CHAIRMAN: The Honourable Minister of Agriculture.

MR. USKIW: Yes, we have a commitment to purchase about 18,000 tons.

MR. ENNS: Just one final question and I'll leave the Honourable Member for Arthur to get in on the debate at this moment. It does strike me, Sir - and it's five after four, I don't want to resume the full blown debate that we had a little while ago but I can't help but pass a comment, Mr. Chairman, to the Honourable Minister. Here is a Minister who is quite prepared to project the future requirements and needs for such mundane items as the total supply of beef or of milk or of other important - eggs and other commodity groups. But he indicated to me in his response on this question that it was of course impossible for him to project the requirements for hay in a relatively confined problem area. And I agree, I agree with him. I don't argue. It is difficult to project the nature of a disaster, the nature of flooded land, the nature of all that. Just, Mr. Chairman, as it is difficult to project the actual crop outputs, the actual weather conditions that develop a crop, the ingenuity of farmers to respond under certain circumstances to produce far beyond the imaginations of any bureaucrats, etc., etc., etc. Mr. Chairman, I leave it. It's late in the afternoon and I ask the honourable member for . . .

MR. CHAIRMAN: The Honourable Member for Arthur.

MR. WATT: Mr. Chairman, I don't intend to enter into a debate on this particular item but I just want to ask a question of the Minister. I recall the Throne Speech made reference to and I quote, I think I'm correct: "My Government has instituted a Feed Assistance Program which was made applicable to the feed assistance that was applied last fall," I think. I'd like to ask the Minister what is the basic difference in the assistance program that was applied in the fall of 1975, the basic difference between that and the feed and Seed Assistance Act that was brought into being, oh, during the '30s by D. L. Campbell as I recall and which has been used consistently since that time and is considered always to be a good Act. The base for that Act was used in the years 1961 to 1969. My question is: I wonder if the Minister could give us some indication of the basic difference between the Assistance Emergency Feed Act that was applied to last fall or 1975.

MR. CHAIRMAN: The Honourable Minister of Agriculture.

MR. USKIW: For the benefit of the Member for Arthur they're really tied together. The program that was announced, a \$9 million program, was the sort of authority to provide for so many tons of hay to so many farmers who suffer disaster. Then of course there was the mechanism that had to be developed and those that were able to operate in the normal way where they didn't have personal financial constraints that made it impossible for them to operate in the normal way through application through our Agricultural offices, they were then allowed to enter into arrangement through a municipality pursuant to the legislation that my honourable friend is referring to so that they would not be financially constrained from participating in the program. But we have not had one applicant under that authority to date. But it is there for their use. That was the purpose of the Order-in-Council.

MR. CHAIRMAN: Resolution 8(c)(3)--passed; Resolution 8(c)(4) - The Milk Control Board--passed; The Honourable Member for La Verendrye.

MR. BANMAN: Thank you, Mr. Chairman. I've been asking the Minister several questions in the House about the Manitoba milk quotas . . .

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MR. USKIW: Mr. Chairman, I rise on a point of order.

MR. CHAIRMAN: The Honourable Minister.

MR. USKIW: The Member for La Verendrye, if he wants to pursue that question, should wait till we get to Item 7 which is two pages down. The Milk Control Board has nothing to do with operating or administering quotas. It is simply a price-setting authority.

MR. CHAIRMAN: The Honourable Member for La Verendrye. The Honourable Member for Arthur.

MR. WATT: Mr. Chairman, on the same point of order, then. I wonder if the Minister could indicate then at this point just what authority the distribution of the Manitoba quote is operated under. Under what . . . ?

MR. USKIW: . . . authority of the Manitoba Marketing Board.

MR. CHAIRMAN: The Honourable Member for La Verendrye.

MR. BANMAN: I wonder if the Minister could then inform us at which point then we could also discuss Crocus Foods.

MR. USKIW: The Manitoba Marketing Board.

MR. CHAIRMAN: The Honourable Member for Arthur.

MR. WATT: What can we discuss then under this item, the Manitoba Milk Control Board?

MR. USKIW: You can discuss the price of fluid milk if you like; you can discuss the way in which that price is arrived at. You can discuss the effect on the processor or whatever sector you wish with respect to any decision made, of that Board. You're talking about the operational expenses of the Milk Control Board which is a price-setting authority.

MR. CHAIRMAN: The Honourable Member for Crescentwood.

MR. WARREN STEEN (Crescentwood): Mr. Chairman, I have three questions to the Minister if he wouldn't mind answering them. The first one being: why has the operation of the Milk Control Board gone from 25,000 to 63,000? Second question is: on Page 11 of his Department's Annual Report on the Milk Control Board it mentions the removal of the Federal consumer subsidy. Does that mean that there is no Federal consumer subsidy whatsoever? The third question is: on Page 12 of that same report it gives the retail milk prices for a number of provinces, some seven provinces. In Manitoba it says that the milk price was 51 cents a quart in paper containers as of September 1st, 1975. I'm wondering if the Minister might give me a breakdown as to where that 51 cents goes. How much goes back to the dairy farmer? How much goes to the . . . ? Can such a breakdown be provided? Those are my three questions, Mr. Minister.

MR. CHAIRMAN: The Honourable Minister of Agriculture.

MR. USKIW: Mr. Speaker, with respect to the first question, the change in the cost of operating the Board from 25,000 to 63,000, this will reflect the first full year of operation through a provincial grant. Up till a part of last year they were operating on their own and out of the deductions that they were making from the industry itself. That of course was cut off mid way during that period and their responsibilities were then altered and the Province of Manitoba undertook to fund totally the cost of operating the Milk Control Board in that it was a different role that they were then playing. So that's the change there.

Now on the question of Federal consumer subsidy, I appreciate that the Member for Crescentwood was not here and probably is not aware as to the history of the Federal subsidy program for the consumers of Canada with respect to fresh milk. That program was entered into and disbanded very quickly. That was a year ago and the subsidy is no longer available to the consumers of this province. It was up to five cents a quart and it was totally removed.

With respect to the breakdown of returns or the breakdown of the 51 cents. The producers receive 31.5 cents and the processing and retail margins in Manitoba are 19.5 cents for a total of 51 cents.

MR. CHAIRMAN: The Honourable Member for Lakeside.

MR. ENNS: Thank you, Mr. Chairman. Mr. Chairman, I'd like to question at this

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(MR. ENNS cont'd) . . . . particular point in time the existence, the virtual existence of the Milk Control Board. I realize that the question of the Manitoba Milk Marketing Board more correctly can be discussed under that item. But we are dealing with the Milk Control Board and I raise the question because there has been a fundamental change in the structure of the milk industry in this province that the Minister has initiated. I might add, Sir, the initiation was entirely on the part of the Minister. It was not done through a mandate from the milk producers of the province of Manitoba as such and it wasn't done through a vote. We don't have, Mr. Chairman, an elected producers' group on the Milk Marketing Board. We have an appointed group.--(Interjection)--Well the Minister says both but he's being pretty draggy, if I may use that phrase, Mr. Chairman, in making sure that it becomes a wholly elected board. Mr. Chairman, that's another argument on another appropriation but really I question the function of the Milk Control Board at this time. I would suspect that the other producer boards that we have - and the Minister of Autopac can correct me - but I would suspect that the duly elected members of the Manitoba Turkey Marketing Board would feel somewhat indisposed to having another body in between them and say their responsibility towards the overall Manitoba Marketing Board in conducting their affairs.

Now I appreciate the fact that the Manitoba Milk Control Board is a long time feature in this industry and it may be there for very good reason. But I don't think that we should allow ourselves to be in support of an agency simply because it's been there a long time and not be mindful of the changes that have taken place.

Now I humbly suggest to the Honourable Minister that in his efforts of restraint and control that he should consider not the removal of those functions that are now being carried out by the Board - and any of these comments or remarks are not to be interpreted in that way. But I have a respect, Mr. Chairman, for those producer groups that eventually gain a degree of autonomy in terms of determining the affairs of their own business. We have, Mr. Chairman, set up alongside of the Milk Control Board a producers' board. At this time it is not fully elected but it is my hope and it will be my intention to question the Minister to make sure that it is an elected board. But we seem to have the two bodies right now and I really can't justify in my own mind why the fundamental functions of the Milk Control Board as I knew it, and as it existed over the last 30 years, shouldn't be absorbed by the Milk Marketing Board. Indeed I'm not suggesting that that would necessarily be a reduction in expenditures because I would like to assume that the people on staff that are carrying out the responsibilities of the Milk Control Board at the moment, of whom some of them I am acquainted with and have every admiration for the work that they're doing, but I just question the Minister at this time whether he's given any thought to its future and to its place. Should it not more properly be considered to be placed within the jurisdiction of the Manitoba Marketing Board for milk.

The Milk Control Board was set up at the time that there was no producers' board. The Minister has in the meantime initiated a producers' board. I know that if I were in that commodity group I would consider my board appointed or elected as still being somewhat second-class if there was still another intermediary body between myself and making final judgments with respect to the regulation, with respect to the governing of the rules that the commodity group lives under. Have we got a case here, Mr. Chairman, where just through lack of doing something the Board just continues because it was there last year, 5 years ago, 10 years ago and 20 years ago. Cannot the responsibilities of the Milk Control Board be phased into the operation of the newly appointed and elected, if the Minister indicates, Milk Producers' Board. I don't indicate that, Mr. Chairman, as a major point in the overall problems we have in front of us with respect to the milk industry and the Minister will be made aware of some of those concerns that we on this side have. But as a matter of good housekeeping and as a matter of assisting the Minister in his administration of the department I suggest to him that he could well look at the functions of the Milk Control Board which was set up to cover circumstances of yesteryear. Those circumstances are changed and I find myself, and I think we find just in our questioning here in the estimates, somewhat confused as to when we want to talk about some of the major items concerning the milk industry, and we kind of get moved around from, well you can't

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(MR. ENNS cont'd) . . . . discuss it under here, we'll discuss it under there, and all too often when we get over there, well we missed our chance, we should have discussed it over here.

Now if that's the only reason why the Milk Control Board is still an item by itself in the estimates, well then maybe the Minister has reason for it, but I seriously suggest that he give consideration, not to impede or not to curtail those functions that are being carried out by the Milk Control Board, but whether or not it isn't just simply good management to consider taking a hard look at those two bodies in view of the established new Milk Marketing Board and combine the operations. And I would think that the Minister should have some empathy for the position that hopefully in time when you have a fully elected marketing board with respect to their product, milk, that they indeed be the final arbitrators and the judges as to how the industry should be handled and how they should be running their affairs. They have of course the overall Manitoba Marketing Board to offer further assistance and guidance to, but I have trouble with the jurisdictional problems between the Milk Control Board, the Manitoba Milk Marketing Producers Board, and then of course the Minister who seems to make in the final analysis most of the judgments just by the seat of his pants you notice.

MR. CHAIRMAN: The Honourable Minister of Agriculture.

MR. USKIW: Mr. Chairman, I would suggest to the Member for Lakeside that that is probably the most positive contribution that he has made to the debate so far, and I give him marks for that because I could almost assume that he is reading my mind, or that he has been talking to someone with whom I've been talking. So whatever it is, Mr. Chairman, let me say to him I appreciate that degree of frankness and support because we are indeed now considering the question of the current legislation with respect to the Milk Control Board and with respect to the Producer Board, and there will be some form of legislation being introduced in this session of the Legislature some time in the next two or three weeks, but we have yet to sort out in our own minds exactly the nature of it in its entirety.

I simply want to point out to him that he somewhat over-simplified the problem however. The Milk Control Board has the responsibility to set the price of consumer milk, fresh milk for the consumer trade; it has the responsibility to set the margins to the processor, and that of the price to the producer. That's three particular considerations, and therefore I don't think he would suggest, that is the Member for Lakeside, that a producer board should have the right to set the margins of a processor.--(Interjection)--No, no, I'm sorry, I don't believe there is any Producer Marketing Board in this province that has a right to investigate the cost of operating of a processor and to set their margin of profit on processing, other than through the Manitoba Marketing Board.

Now, if the Member for Lakeside is suggesting that what we should do is amalgamate the Manitoba Marketing Board and the Milk Control Board to provide that function, and in the meantime they have the power under the Act, but it's a matter of a regulation, and it's a matter of repealing the Milk Control Act so that we're not inconsistent, then I take that suggestion from him very seriously because that has preyed on my mind for some period of time, given the changes that have already taken place in the milk industry of this province. So I will be introducing changes in that respect with a great deal of anticipation for the support of my friends opposite.

So I have nothing more to say on that, excepting that the points that the Member for Lakeside has made are quite valid.

MR. CHAIRMAN: The Honourable Member for Birtle-Russell.

MR. GRAHAM: Thank you, Mr. Chairman. I want to verify again . . . I believe the Minister said that 31.5 cents of the price of a quart of milk was the producer's share, and 19.5 is the consumer's share. Is that correct?

MR. USKIW: Processor, processor and retailer.

MR. GRAHAM: Processor-retailer. Now out of that I assume that the 31½ cents to the producer is an overall figure and that includes the checkoffs to the Milk Producers Board, the checkoff to Crocus Food, etc. Is that correct?

MR. USKIW: Mr. Chairman, the 31.5 cents is indeed a gross figure, so that

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(MR. USKIW cont'd) . . . . whatever deductions are applied by the Milk Producers Marketing Board would be deducted from that amount.

MR. GRAHAM: Can the Minister then tell us how much of that 31.5 cents is a checkoff for Crocus Foods, and is the checkoff for Crocus Foods entirely born by the producer or is it also born 50/50 producer and consumer?

MR. USKIW: Mr. Chairman, I have no problem in answering my honourable friend except that we're now on Item 7 of our estimates and I don't think we should get into that aspect until we arrive there.

MR. GRAHAM: Mr. Chairman, on the same issue, it was the Minister that raised this, he brought the figures into the House, and I think that when he brings the figures in here he should give us the breakdown.

MR. USKIW: Mr. Chairman, that is rather unfair because I was asked to give the breakdown as to the producer's share and the processor and retailer share of that price of a quart of milk, and we're talking about a quart of milk that is bought in the store; we are not talking about anything else. So that in essence I have given the answer, but I don't think that should lead us into the larger question until we arrive at Item 7.

MR. CHAIRMAN: The Honourable Member for Morris.

MR. JORGENSON: Mr. Chairman, the Minister makes a very fine distinction. The fact is that the 51 cent figure was taken from the Report of the Milk Control Board, and any breakdown of that figure, no matter how you slice it, I would think that that becomes a very legitimate question under this particular item, and I would hope that the Minister now that we've dealt with it and the question has been raised, that it can be concluded at this stage rather than held over for another portion of his estimates. It seems to me that answering it now isn't going to make a great deal of difference.

MR. CHAIRMAN: The Honourable Minister of Agriculture.

MR. USKIW: Mr. Chairman, I'm advised by my Deputy that he is aware of the charge that is placed upon the producers with respect to the checkoff for Crocus Foods, if that ever gets going; it's 1/16 of one cent, that is the deduction for Crocus Foods, per quart rather.

MR. CHAIRMAN: The Honourable Member for Birtle-Russell.

MR. GRAHAM: A supplementary question then to the Minister. If by some fantastic stretch of the imagination Crocus Foods never does get off the ground will that money then be refunded to the producers?

MR. USKIW: Well again, Mr. Chairman, I think the members opposite should understand that the Producers Marketing Board make their own decisions. These are not decisions that are not arrived at by the Department of Agriculture, so whatever the Producer Board decides to do with their checkoff revenues that is up to them to decide, it is not up to me to tell them or to ask them about, other than in a report that they must submit, and through the operations of the Manitoba Marketing Board, which is their supervisory agency. But we should not attempt to interfere in their operation.

MR. GRAHAM: Then I can rest assured it was the Milk Board that made the decision for the checkoff on the Crocus Foods.

MR. USKIW: No, it's not the Milk Marketing Board, it is the Milk Producers Marketing Board that made the decision on the checkoff, the Milk Control Board has no authority there.

MR. CHAIRMAN: The Honourable Member for Lakeside.

MR. ENNS: Mr. Speaker, this little conversation just demonstrates what I was trying to say a little while ago, milk is milk and the checkoff is coming off. You're playing games with us, Mr. Minister, and furthermore you dodge behind a board that you appointed and charge them with the responsibility of a plant that you want to build, and you're already taking their money for a plant that has yet to get off the ground. This is bloody nonsense, Mr. Chairman, you know . . .

MR. CHAIRMAN: Order please.

MR. ENNS: . . . this is nonsense.

MR. CHAIRMAN: Order please.

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MR. USKIW: I'm not about to facilitate that because there is an opportunity, there is an opportunity on the next - well within the next few pages to fully discuss that question and there's no point in repeating the same arguments that we did last year on this very item.

MR. CHAIRMAN: Order please. The hour being 4:30 it is my understanding that the House wishes to rise. Committee rise. Call in the Speaker.

Mr. Speaker, the Committee of Supply has adopted certain items and has instructed me to report same and asks leave to sit again.

IN SESSION

MR. SPEAKER: Order please. The Honourable Member for Logan.

MR. WILLIAM JENKINS (Logan): Mr. Speaker, I beg to move, seconded by the Honourable Member for Lakeside, that the Report of the Committee be received.

MOTION presented and carried.

MR. SPEAKER: The Honourable Minister of Labour.

MR. PAULLEY: Mr. Speaker, I believe that there is an inclination, subject to formal approval, that the House should now adjourn due to inclement weather. If that is the case then, Mr. Speaker, I would move, seconded by the Honourable the Minister of Agriculture, that the House do now adjourn.

MOTION presented and carried.

Accordingly the House is adjourned and stands adjourned until 2:30 p.m. Monday afternoon.