

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

THE LEGISLATIVE ASSEMBLY OF MANITOBA
2.30 o'clock, Thursday, March 9th, 1961

MR. CLERK: It is my duty to inform the House that Mr. Speaker is unavoidably absent. Will the Deputy Speaker take the Chair pursuant to the Statutes.
Opening Prayer by Mr. Speaker.

MR. SPEAKER: Presenting Petitions
Reading and Receiving Petitions

MR. CLERK: The petition of Bruce Kenneth Pell and others, praying for the passing of an Act to incorporate Breezy Bend Country Club.

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

MR. KEITH ALEXANDER (Roblin): Mr. Speaker, I beg to present the first report of the Special Committee appointed to prepare a list of the members to compose the Standing Committees ordered by the House.

MR. CLERK: Your Special Committee appointed to prepare a list of members to compose the Standing Committees ordered by the House, beg leave to present the following as their first report, Mr. Speaker.

Standing Committees as recorded by the Clerk of the House are as follows:

PRIVILEGES AND ELECTIONS:-- Hon. Messrs. Roblin, Evans, Lyon, Messrs. Cowan, Corbett, Desjardins, Dow, Guttormson, Hamilton, Lissaman, McKellar, Martin, Paulley, Peters, Prefontaine, Reid, Scarth, Shewman, Strickland, Wagner, Weir.

PUBLIC ACCOUNTS:-- Hon. Messrs. Roblin, Hutton, Lyon, McLean, Messrs. Alexander, Bjornson, Campbell, Christianson, Corbett, Cowan, Mrs. Forbes, Gray, Hamilton, Hillhouse, Hryhorczuk, Ingebrigtsen, Klym, Molgat, Orlikow, Paulley, Roberts, Schreyer, Smellie, Strickland, Watt, Weir, Wright.

PUBLIC UTILITIES AND NATURAL RESOURCES:-- Hon. Messrs. Roblin, Carroll, Johnson, Witney, Messrs. Christianson, Corbett, Mrs. Forbes, Gray, Groves, Guttormson, Ingebrigtsen, Jeannotte, Johnson, (Assiniboia), Klym, McKellar, Molgat, Oriikow, Roberts, Schreyer, Seaborn, Stanes, Tanchak, Watt, Wright.

AGRICULTURE AND CONSERVATION:--Hon. Messrs. Roblin, Hutton, McLean, Thompson, Messrs. Alexander, Campbell, Dow, Mrs. Forbes, Froese, Hamilton, Harris, Hawryluk, Jeannotte, Klym, McKellar, Mrs. Morrison, Prefontaine, Roberts, Schreyer, Shewman, Strickland, Wagner, Watt, Weir.

MUNICIPAL AFFAIRS:--Hon. Messrs. Johnson, Lyon, Thompson, Witney, Messrs. Alexander, Cowan, Desjardins, Dow, Froese, Hamilton, Johnson (Assiniboia), Klym, Lissaman, Mrs. Morrison, Prefontaine, Reid, Scarth, Schreyer, Shewman, Shoemaker, Smellie, Wagner, Watt, Wright.

LAW AMENDMENTS:--Hon. Messrs. Roblin, Carroll, Evans, Hutton, Johnson, Lyon, McLean, Thompson, Messrs. Alexander, Bjornson, Campbell, Corbett, Cowan, Christianson, Desjardins, Dow, Mrs. Forbes, Gray, Groves, Harris, Hillhouse, Hryhorczuk, Jeannotte, Johnson, (Assiniboia), Klym, Lissaman, Martin, Mrs. Morrison, Orlikow, Paulley, Peters, Prefontaine, Roberts, Scarth, Schreyer, Seaborn, Shewman, Smellie, Stanes, Strickland, Shoemaker, Tanchak, Wagner, Weir, Wright.

PRIVATE BILLS, STANDING ORDERS, PRINTING AND LIBRARY:--Hon. Messrs. Carroll, Hutton, Johnson, Messrs. Bjornson, Cowan, Mrs. Forbes, Guttormson, Hawryluk, Hryhorczuk, Ingebrigtsen, Jeannotte, Lissaman, Martin, Mrs. Morrison, Paulley, Peters, Reid, Scarth, Seaborn, Shoemaker, Tanchak.

INDUSTRIAL RELATIONS:--Hon. Messrs. Carroll, Evans, Hutton, Thompson, Witney, Messrs. Christianson, Desjardins, Groves, Guttormson, Hamilton, Harris, Hillhouse, Ingebrigtsen, Johnson, (Assiniboia), Lissaman, Martin, Molgat, Orlikow, Peters, Stanes, Wright.

STATUTORY REGULATIONS AND ORDERS:--Hon. Messrs. Lyon, McLean, Messrs. Christianson, Groves, Hillhouse, Hryhorczuk, Orlikow, Scarth, Smellie, Wright.

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

Mr. Speaker presented the motion. Are you ready for the question?

HON. DUFF ROBLIN (Wolseley) (Premier) (also Provincial Treasurer): I move,

(Mr. Roblin, cont'd.)....seconded by the Honourable Minister of Industry and Commerce, that the debate be adjourned.

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

MR. SPEAKER: Notices of Motion

Introduction of Bills

HON. J. B. CARROLL (The Pas) (Minister of Public Utilities and Minister of Labour): Mr. Speaker, I beg to move, seconded by the Honourable the Minister of Health and Public Welfare, that Mr. Speaker do now leave the Chair and

MR. SPEAKER: We haven't come to that item yet. Introduction of Bills.

MR. CARROLL: Oh yes, I am sorry.

MR. SPEAKER: Committee of the Whole House. The Honourable the Minister of Public Utilities.

MR. CARROLL: Mr. Speaker, I beg to move, seconded by the Honourable the Minister of Health and Public Welfare, that Mr. Speaker do now leave the Chair and that the House resolve itself into a Committee of the Whole to consider the following proposed resolution: Resolved that it is expedient to bring in a measure respecting The Manitoba Hydro-Electric Board to provide, among other matters, (a) for the board acquiring all the assets and assuming all the liabilities of The Manitoba Power Commission; (b) for the amalgamation of Winnipeg Electric Company with the board; (c) for the making of temporary advances and other loans by the government to the board and the terms thereof; and (d) for guarantees by the government of securities issued by the board.

Mr. Speaker presented the motion and after a voice vote declared the motion carried; and the House resolved itself into a Committee of the Whole with the Honourable Member for Roblin in the Chair.

Mr. Chairman presented the proposed resolution.

MR. CARROLL: His Honour the Lieutenant-Governor, having been informed of the subject matter of the proposed resolution, recommends it to the House.

MR. D. L. CAMPBELL (Lakeside) (Leader of the Opposition): Mr. Chairman, I presume that the Minister is going to make some statement on the resolution. I recognize the fact that the debate properly comes at a later stage, but I would think in recognition of the fact that this is a very important matter, that likely the Minister wishes to make some statement. Certainly I would like to ask or to hear him cover some of the major factors here. No. 1. Is the name going to now be the Manitoba Hydro-Electric Board? Does the name Manitoba Power Commission disappear? Just exactly what is the set-up?

MR. CARROLL: Mr. Chairman, I really hadn't planned to make a lengthy statement at this time. I think the resolution covers the principle pretty well. However, the question of the name of the new utility perhaps I could mention that. As you know, the Hydro-Electric Board have at the present time outstanding rather large amounts of debentures, and because the board has earned a name in the money markets throughout the world, it has been felt that it would be wise to amalgamate the two and to retain the name of the Manitoba Hydro-Electric Board. I think that the subject matter of the resolution deals with the balance of the principle involved in this bill.

MR. RUSSELL PAULLEY (Radisson) (Leader of the CCF): Mr. Chairman, I would like to ask the Minister, in reference to the amalgamation of the Winnipeg Electric Company with the Board, does this mean that henceforth when we have the one board, the Hydro-Electric Board, that the name of the Winnipeg Electric Company will cease to exist as such and it will all become one board?

MR. CARROLL: Yes. The proposed legislation is permissive with respect to the Winnipeg Electric Company. It will be up to the Lieutenant-Governor-in-Council as to whether or not this amalgamation will take place. If it did take place, then the combined utility would accept all the responsibilities and obligations of the Winnipeg Electric Company, and the liability with respect to the public and the bondholders would remain as at present. There would be no change in the trustee agreement and things of that kind.

MR. CHAIRMAN: Resolution adopted? -- Agreed. Call in the Speaker.

MR. ALEXANDER: Mr. Speaker, your Committee of the Whole has adopted a resolution and asked me to report the same.

MR. CARROLL: Mr. Speaker, I move, seconded by the Honourable Member from Churchill, that the report of the committee be received.

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

MR. SPEAKER: Orders of the Day.

MR. CARROLL introduced Bill No. 39, and Act respecting the Manitoba Hydro-Electric Board.

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

MR. ROBLIN: Mr. Speaker, before the Orders of the Day or before the questions begin, first of all, Sir, I would like to tell the House that though Mr. Speaker himself is not with us this afternoon, I believe that his indisposition is merely a temporary one and we may hope to see him back again soon. The other purpose of my rising, Sir, is to make a statement to the House respecting the Manitoba Savings Bond Issue. I said some time ago, Sir, that I would be making a statement on this, and I must confess that I had originally intended to make it tomorrow and not today. Unfortunately, it seems that some of the people who were consulted about the terms of the issue, although they were requested in writing to keep that information confidential until such times as a statement had been made by myself in the House, that some either overlooked that earnest request or otherwise; anyway, I received on my desk this morning in the mail, a statement from one of the companies concerned which gave more information about this particular issue than the House itself has received, which I find very disturbing indeed. So I thought that the best thing that I could do would be to give the House the full particulars of this bond issue at the present time so that that information might be available.

The Manitoba Savings Bond Issue, of course, was announced in the Throne Speech and applications will be received from all licensed dealers, chartered banks, trust companies, and authorized sub-agents, on Monday, March 20th. I think it can be said that the bond issue will serve the same general purpose in Manitoba as the Canada Savings Bonds have done nationally; and because we believe there is a need for a readily cashable bond that will permit, mostly the small investors, to use their capital funds to support the development of the province, yet they will have the advantage of being secure at the original value for redemption and also be easily cashable should it be required to do so. We think there is a considerable fund of money in the province that would be attracted by the opportunity to make such an investment and to participate in the growth of the province.

Now the terms of the issue -- the bonds of this issue are to be dated April 1st, 1961, maturing on April 1st, 1971, and bear interest at the rate of five percent per annum, payable annually by cheque on the first day of April in each year during the currency of the bond. Bonds will be payable on demand on any date on and after October 1st, 1961 at the office of the Deputy Provincial Treasurer, Legislative Building, Winnipeg, in accordance with the following table: -- perhaps I'd better give that, Sir, because it has a bearing -- if presented for redemption before April 1st, 1966, at the price of 100; on or after April 1st, 1966 but before April 1st, 1967, a price of 100 1/2; on or after April 1st, 1967 but before April 1st, 1968, at a price of 101; on or after April 1st, 1968 but before April 1st, 1969, at a price of 101 1/2; on or after April 1, 1969 but before April 1, 1970, at a price of 102; on or after April 1, 1970 but before April 1, 1971, at a price of 102 1/2; on or after maturity, April 1, 1971, at a price of 103. Where bonds are presented for redemption prior to maturity date, accrued interest will be paid for each full monthly period which has elapsed since the last interest payment date, according to the interest date table forming part of the conditions of the bond. Bonds may be purchased for cash at a price of 100 for each \$100 principal amount purchased. In the event that this issue remains on sale after April 15, 1961, interest at the rate of 5% per annum from April 1, 1961 will be charged. Bonds will be issued in denominations of \$100, \$500, \$1,000 and \$5,000 in fully registered forms only. Exchange for registered bonds of different denominations will be made at the office of the Deputy Provincial Treasurer up to 15 days prior to an interest date without charge. Not more than \$25,000 may be sold or registered in the name of an eligible purchaser, who may be: (a) an individual in his own right, either adult or minor who is, at the time of purchase, a resident of the Province of Manitoba or has a permanent mailing address in the Province of Manitoba; (b) an incorporated company having a registered office in the Province of Manitoba; (c) an incorpor-

(Mr. Roblin, cont'd.)....ated society, association or trust, having a registered office in the Province of Manitoba. Registration will be made in the name of the executor or administrator of the estate of a deceased registered holder or in the name of a beneficiary, provided the beneficiary meets the condition of registration set out above.

I think, Mr. Speaker, that those are the main details respecting the issue that the House might be interested in, and I'm glad to place them before the members by means of this statement. We are not sure, of course, how much money will be attracted to this form of investment, probably somewhere between \$4 and \$8 million might be an estimate of the possibilities at this time. The House will recognize the fact that, while this has been done elsewhere, it is something new with us and we may face certain problems in connection with an issue which is essentially cashable in its nature. I think perhaps we would be unwise to set our sights too high on the amount of money to be placed in an issue of this sort. That is one reason why we have restricted the issue to the Province of Manitoba, as you will have noted that we have done. We think that this is a very worthwhile medium of investment for the people of Manitoba and will enable them, if they wish to do so, to help us with our very important undertakings in building up the fabric of the province. The issue will go on sale, as I stated, on the 20th day of the month and will probably remain open for 14 days or some period of that sort. At the discretion of the government, it can be terminated by giving reasonable notice or it can be extended if that should be deemed desirable. As this is an initial venture in this respect on our part we'll have to see how it goes and frame our attitude toward the issue by the results that are achieved; but I do hope that this will prove to be valuable for our people and valuable for the investments that the province is making in the social structure in the community.

MR. CAMPBELL: Mr. Speaker, I recognize that the statement that the Honourable the First Minister has just made is not debatable, and I must adhere to the rules in that regard. I now raise the question of privilege, because I believe that the privileges of the members of this House are affected in this matter. I don't invariably agree with the Honourable the First Minister in his statements, but I certainly agree with him in one here today when he said that he's concerned over the fact that this notice went out to the general public before the information was given to the members of this House. I'm concerned about that, too. I listened very carefully to what my honourable friend said, and while he appeared to attempt an explanation, I didn't hear any apology for that breach of the privileges of the members of this House. Here we have the spectacle, Mr. Speaker, of a matter of considerable financial importance to this province, mentioned in the Speech from the Throne as one of the important items to be dealt with at this session of the House. Later on the Honourable the First Minister stated in this House, when asked about when he would be prepared to make an announcement regarding the bonds, that he thought that he would do so next week. And what do we find in the meantime? Before that announcement is made in the House, before the information is given to the members of the House, we find that essentially the same information that the honourable member has now given to us is on the desks of a great many people in the city of Winnipeg, and no doubt in a wider area as well. And I say, quite definitely, that this is a breach of the privileges of this House. My honourable friend says that he doesn't know how this got out, but I say to him that it's his business to know. It's not at all to be wondered at that such a message came to his desk because, after all, he's the First Minister of the province and he's the Treasurer of the province; but when you have this same information going to dozens and hundreds of people before the members of this House are told about it, I definitely raise the question of privilege. I say that the privileges have been breached here, Mr. Speaker, and I protest in the most strong terms. If my honourable friends can't take better care of the business of this province than that, then they certainly owe the House an apology.

MR. ROBLIN: Mr. Speaker, I don't think that the government owes the House an apology, but I do agree with my honourable friend about the question of the breach of privilege. I think it will be understood that when one is formulating the terms of a financial undertaking, that a good many people are consulted. That happens, not only in dealing with financial matters but in many administrative procedures that are adopted by government and many policies that are considered, that a certain degree of consultation necessarily takes place with the experts in the field who will be asked to implement the policy. It will come as no surprise to my honourable friend, who has been a Provincial Treasurer, to know that the government did consult with

(Mr. Roblin, cont'd.).....financial people of reputable name in this community with respect to the details or with respect to the kind of an operation that would be received well in the market. We were very careful to tell them that this was a confidential discussion and that we did not expect them to treat it in any other way than that. I believe that the Deputy Treasurer who conducted negotiations made it clear in writing, in fact I know he made it clear in writing to the parties concerned, that while they were at liberty to discuss this matter within the circle of their own organization who would be charged with the responsibility of handling this operation when it came on the market, that it was confidential; that they were not to communicate or attempt to make sales by letter, radio, TV, publicity or any other way which is known. I think it's clear that the government took what, under the circumstances, seemed to be reasonable precaution to insure that this situation was not breached. In fact, we made it clear that a statement would be made in the House on the 13th as it happens, or before the 13th, setting out the details in accordance with the undertaking which I gave to members of the House.

Now I agree with my honourable friend and I regret as he does that unfortunately those concerned did not regard, as they should, the very explicit precautions that were taken by the administration in the matter. Now it's a bit of a difficult thing to know what to do about it. We can, of course, summon them to the Bar of the House and I would have no objection to that procedure if it was thought by the Chamber that it was a desirable thing to do. I quite share my honourable friend's feelings -- I think probably outrage would be fair in this instance -- his feelings of concern at any rate as to what has happened, and I can only share those feelings. But I do think that we took reasonable precautions in respect of this matter, and that perhaps if any blame is to be allocated, we must look to those who released the information against the explicit instructions of the administration. I must say that in my short experience, and other members who have been in the Executive Council on the other side may be able to share this experience with me, my experience has been that when one took people into one's confidence in this way to devise the machinery of an operation that was announced or intended, that it was seldom indeed that that confidence was not respected. I regret to say that it has not been on this occasion and I share my honourable friend's feeling about it. If in any way I have offended, or any of the people for whom I am responsible have offended, then undoubtedly I apologize to the House. I feel that I would owe that apology to the House. If any member feels that I have offended in that way, I tender my apology to him now. I do think, however, that under the circumstances, we took reasonable precautions and that had respect been given to the instructions received through the Treasury Department, that we wouldn't be faced with this situation today. These are the facts as I know them, and if any other member has anything to add or has any suggestions to offer as to what should be done about it, I think the House would be glad to receive them.

MR. CAMPBELL: Mr. Speaker, I have only this to add, that I'm not advocating that anyone be summoned to the Bar of the House. We have the Honourable the First Minister himself in his capacity as Provincial Treasurer already at the Bar here, and I think we must hold him responsible. -- Does my honourable friend the Attorney-General want to make a speech on this matter?

HON. STERLING R. LYON, Q.C. (Fort Garry) (Attorney-General, and Acting Minister of Municipal Affairs): I would just like to interject, Mr. Speaker, that no one is at the Bar of the House unless called before the Bar of the House.

MR. CAMPBELL: Well it's a use of a term, and my honourable friend doesn't usually be so technical. I say we have the Honourable the First Minister at the Bar here where he can be examined on the question of privilege, and I think that the charge that the Honourable the First Minister makes against the firms concerned, and they are reputable firms, is one that should be taken into account. I have found that on such occasions that they are completely trustworthy and, for that reason, I think that the instructions that have been given or requests made, whichever is the correct term, have not been specific enough. I would ask the Honourable the First Minister to produce the evidence that they were specific instructions; and I don't think that he should blame the other folks until he's established the fact that the department itself, over which he presides, is completely blameless. I think he should tell the House how many firms were involved; how many got confidential information; how many sent out the information. I think we need to know all of that before we're in a position to judge in this matter.

MR. PAULLEY: Mr. Speaker, I beg the indulgence of the House to say a word or two in connection with this. I might say, Sir, that I was prepared on Orders of the Day to raise the point in the House because I have in my possession a news story, of today's Tribune, listing the details of the bond issue. I'm not quite as firm in my denunciation of the Provincial Treasurer as apparently my honourable friend to my right is, because I can -- may I first preface that by saying that had the explanation of the Provincial Treasurer, the Premier not been what it was, in my opinion, I would have most vigorously protested the violation of the privileges of this House. I'm a rational individual at times and I find, in the explanation of the Provincial Treasurer, a matter for great regret; but at the same time, I might say in all fairness to the Treasurer and to this House, I think that in some respects at least it is a reasonable explanation and one that is given in sincerity. It is a most unfortunate circumstance that has happened, particularly when one can find in the newspaper report as I have it here, not fully, but almost fully, all of the details that the Premier has given us this afternoon. It may have been, as the Honourable Leader of the Opposition suggests, that somebody, through leaving correspondence or the likes of that around in the Department of the Provincial Treasurer, may have inadvertently "spilt the beans" figuratively speaking, but it seems to me from the newspaper report today that it could well have been the investment houses, or one of them, from which the information was first released. I recommend to everybody to read this article because it said that the information leaked out when the syndicate of 34 dealers sent out circulars dated March 8th to their clients. Then it goes on to mention that one of the circulars which went out from Wood, Gundy & Company, Limited, told the clients these bonds would provide an opportunity to invest savings without risk.

Now I'd like to suggest to the Provincial Treasurer and, if necessary, the Committee of the House, although I think possibly the Department of the Treasury can do it, or in the alternative, the suggestion that the Committee of the House investigate to see if we can find out where the leak was from. I would suggest this, that if it could be ascribed to any one of the 34 investment houses, if that is the correct number, that that particular investment house be debarred from having any part in this transaction, or the sale of the bonds through their agency. -- (Interjection) -- I don't know whether that would be possible or not. Now it is most unfortunate, but then again, being mellow this afternoon, I'm prepared to accept, as I say, the Treasurer's report to the House. Had he not made it again, Mr. Speaker, I'm sure that he would have been in for a hot few moments as far as I'm concerned in this House.

Now then, I would like to ask the Provincial Treasurer a question or two in connection with this. I don't know if that's proper on his statement or not, but I'm going to anyway. Does this require legislation which will be before us? Are the bonds which are purchased allowable under The Trustee Act as an investment? Is there to be a reserve fund set up in the Treasury Department to cover the redemption of the bond? I think, Mr. Speaker, that's all I have to say at this particular moment.

MR. ROBLIN: I'm willing to reply, Sir, if I'm allowed to do so. I agree that some steps should be taken to examine the course of events that led to this situation, and I'm happy to initiate such an examination. I think though that we should expect some departmental officials and myself to be available for questioning at the Public Accounts Committee, and to answer any questions that we can and to make the fullest statement that we can on this matter. That will give members an opportunity to explore the thing in a more wide-ranging fashion than is possible before the Orders of the Day.

Respecting the points raised by my honourable friend, I believe that these will be subject of legislation. There will be an amendment made to one of the loan acts, I believe, and a bill will be brought in to cover one or two particulars. It's not a major piece of legislation but it does bear on the particular point of these bonds -- (Interjection) -- No, that can be done any time. The second point he asked was in connection with their status for investment purposes. I believe that they rank fully with other bonds of the Province of Manitoba for investment purposes. The third point that he raised had to do with what reserves are to be held against the liquidation of these bonds. Well our intention at the present time is to make use of our lines of credit with the banks of the country, which are very extensive, to act as the general support for these bonds. One of the big puzzles, something that we have been unable to find out, is at what rate these bonds are cashable, or cashed by the general public. We enquired of some of

(Mr. Roblin, cont'd.)....the other provinces, by the way, who were in this business, but they were rather chary with their information. -- (Interjection) -- Well the province concerned was British Columbia, so you may have to shout a little louder than if it was Saskatchewan. They haven't got their experience lined up in Saskatchewan yet. We did try to find out what we might expect in that regard, and we really can't say. However, in view of the relatively modest amount that we anticipate selling of this particular bond, there will be plenty of resources available to take care of the question of encashment. That is something that must never be lost sight of in dealing with bonds of this nature, and is a limitation which must be frankly recognized in respect of their usefulness. Nevertheless, we feel that in spite of that obvious drawback, it's still a worthwhile thing to do.

MR. CAMPBELL: The Honourable the First Minister perhaps didn't intend to reply to my question, but if he just advertently missed it, I would ask him if the information emanated from more than one firm?

MR. ROBLIN: I don't know, Mr. Speaker. I have only heard of it from one firm but I'll have to find out whether others were in it as well. From what was said by the Honourable Leader of the CCF Party, quoting from the newspaper, I gathered from the story that it came from the whole shooting match of 34.

MR. PAULLEY: There was only one mentioned.

MR. ROBLIN: Only one mentioned -- well that's something we'll have to check into.

MR. CAMPBELL: Could the Honourable the First Minister tell us the number that sat in on the discussions?

MR. ROBLIN: I can't answer that, Sir, I'll have to find out.

MR. GILDAS MOLGAT (Ste. Rose): Mr. Speaker, while we're still on this matter of privilege, I presume the Honourable the First Minister will undertake to get the further information and that when we come to Public Accounts, as he suggests, that we can have at that time an explanation. I feel that that is most important. In this particular case, while certainly it is the privilege of the House affected, I don't think there is any speculative possibilities on this particular issue in view of the fact that they will not go on sale until the 20th of March. But we must face the fact, Mr. Speaker, that the Province of Manitoba is a very large borrower of funds, and if information of this type has got out at this time on an issue, what are the possibilities on other issues where there are tremendous speculative possibilities? This is of extreme importance to the government, to the House, and to the people of Manitoba, and we must have complete assurance that there is no possibility of leaks on other transactions of more important and dangerous natures. So when we come along to Public Accounts it will be most important that that issue be fully cleared up.

MR. SPEAKER: Orders of the Day. The Honourable Member for Dufferin.

MR. WM. H. HAMILTON (Dufferin): Mr. Speaker, before the Orders of the Day, I'm very sorry to have to report to the House the Town of Winkler yesterday suffered a one-half million dollar loss due to a disastrous fire. This loss could have been substantially reduced had there been an adequate supply of water available. Negotiations are underway at present for this supply, but of course it is a little late in the day for Winkler. Similar conditions could easily develop in other towns in the province. I do hope this serious lack of water situation will be remedied. It is a shame that some previous governments neglected this situation in our rural areas. Water has been supplied to several adjoining towns near Winkler under the new Water Conservation Act, and I hope these negotiations re Winkler will be speeded up. Great credit is due the Winkler Volunteer Fire Department for the excellent job they did, even though their hoses ran dry at critical intervals. We can be thankful there was no loss of life or serious injury, and I'm sure the House expresses their sympathy to those who have suffered financial and unemployment loss.

MR. SPEAKER: Orders of the Day.

MR. T. P. HILLHOUSE, Q.C. (Selkirk): Mr. Speaker, before the Orders of the Day are called, I'd like to call the attention of the House to an honour which has been bestowed upon a young boy in my constituency, and if in the course of my remarks I mention the names of other boys and girls in Manitoba who have been similarly honoured, I wish to assure the members representing these constituencies that I'm not doing so for the purpose of trespassing on their property. The boy to whom I wish to refer is William Holmes George Oakes of Clandeboye,

(Mr. Hillhouse, cont'd.)...Manitoba, the son of James Robert Oakes, Secretary-Treasurer of the Rural Municipality of St. Andrews. Young Bill has been chosen one of the United Nations representatives, by the Oddfellows and Rebekahs of Manitoba, to attend the Pilgrimage for Youth which is sponsored by them annually. As I say, this pilgrimage, and the boys and girls who are chosen, spend two weeks touring the United States and six weeks attending the Session of the United Nations in New York. The boys and girls who have been chosen by Manitoba this year, and they are chosen by a committee set up for that purpose, and the basis upon which their applications are marked, 20% is for leadership; 20% for scholarship; 10% for extra curricular activities; 10% for civic welfare; 10% for church and Sunday School activities; 20% for character; and 10% for general fitness. Now this is the list of the boys and girls who have been chosen to represent Manitoba this year: Miss Maureen McConnell of Hamiota, Man.; Miss Cheryl Elaine Orr of Carberry; there's William Holmes George Oakes of Clandeboye; there's Jeffrey James Oliphant of Dauphin; and there's Miss Jacqueline Collins of East Kildonan; with two alternates, Norma Catherine Chipperfield of Minnedosa and Glen Douglas Nichol of Belmont. I think that the Oddfellows, and I can speak quite objectively because I'm not a member of that fraternal organization, and I think the Oddfellows of Manitoba and of the United States and Canada should be given due credit by this House for the wonderful work which they are doing on behalf of the youth of Canada and the United States.

MR. PAULLEY: Mr. Speaker, I would like to join the Honourable Member for Selkirk in the tribute paid to the Oddfellows and the Rebekahs in respect of this youth pilgrimage to the United Nations. It was our great privilege in our family some five years ago that our older daughter was chosen as one of the participants from Manitoba in the United Nations tour. I might say, Sir, that as a result of that I feel sure that she gained a very very broad knowledge of how the United Nations work, but more important than that insofar as we here on this continent are concerned, she had the opportunity of meeting with people of her own age, both boys and girls, from all across the United States and all of the provinces of Canada. I might say that, as a result of the associations she formed at that time, correspondence is still going on between her and many others. I think that it is proper that the Member for Selkirk should raise this and pay a tribute to the Oddfellows and the Rebekahs. I, like him, am not a member of that fraternal organization but admire the work they're doing, not only to the Oddfellows Lodge and Rebekahs, but to the students throughout the province who have earned this honour. I, of course, am particularly pleased that one of my own people is included in the group. Jeff Oliphant's late father rendered distinguished service to the town and community of Dauphin, and I'm certain that Jeff will be a worthy representative along with the other students. One comment that I would like to make, you know sometimes we speak as though the young people of this day and age have all "gone to pot", and it isn't a fact. This type of thing serves to remind us that we have in the Province of Manitoba an excellent group of young people, boys and girls, all throughout the province; and that it is by means of encouragement of this nature, which all of us can associate ourselves with in one way or another, that we encourage them to show their real potential as young people of Manitoba and as future citizens of our province.

MR. MOLGAT: Mr. Speaker, before the Orders of the Day, I would like to address a question to the First Minister. There was a report in yesterday's newspaper that the Federal Government, pursuing its efforts to expand international trade, has decided that there will be no Japanese flatware allowed in the cafeteria of the House of Commons. Noticing the flatware used in our own cafeteria here, it is marked "Made in Japan". I wonder if he intends to follow the same course of action.

MR. ROBLIN: I'd like to know what my honourable friend is doing with that spoon. I'm going to suggest, Mr. Speaker, that this matter be referred to the Public Accounts for a full explanation.

MR. E. I. DOW (Turtle Mountain): Mr. Speaker, I would like to direct a question to the Honourable Minister of Education. Does the Department of Education require that school districts or school divisions do hold the title of property that school or schools are being constructed on before any construction grants are made?

HON. STEWART E. McLEAN, Q.C. (Dauphin) (Minister of Education): Mr. Speaker, we have no rule of that sort. We would prefer it and are taking some steps to try and encourage school districts, and particularly school divisions which are new corporations, to acquire the

(Mr. McLean, cont'd.).... title to their land. We do not make that a condition precedent as long as we're satisfied that they have taken steps to acquire it, even though they do not hold the title.

MR. SPEAKER: Second reading of Bill No. 33. The Honourable Minister of Health and Public Welfare.

HON. GEORGE JOHNSON (Gimli) (Minister of Health and Public Welfare): Mr. Speaker, before the Orders of the Day, if I may, I would like to draw the attention of the House to the Speaker's Gallery where we are honoured today by the presence of the wives of the Western Division of Canadian Anaesthetists Society. The husbands of all these fine ladies in the gallery are experts in the business of putting sick people to sleep -- I'm sure they're not here today to see that performed without equipment. I'm sure all members of the House join with me in bidding them a very hearty welcome to the Province of Manitoba and to hope that their visit will be both profitable and enjoyable.

MR. SPEAKER: Second reading of Bill No. 33.

MR. JOHNSON (Gimli): Before the Orders of the Day, I would like to table a reply to a question of the House dated Monday, February 27th, by the Honourable Member from St. John's.

MR. SPEAKER: Orders of the Day. The Honourable Minister of Health & Public Welfare. Second reading of Bill No. 33.

MR. JOHNSON presented Bill No. 33, an Act to amend the Cancer Treatment and Research Foundation, for second reading.

Mr. Speaker presented the motion.

MR. SPEAKER: Are you ready for the question?

MR. JOHNSON (Gimli): Mr. Speaker, the amendments here are three-fold. The present act makes no provision for the length of time the members of the Medical Advisory Board to the Cancer Foundation may serve as members, and I think it's probably an oversight in the initial drafting, and this bill makes provision that the term of membership shall be for three years. Also, the Chairman of the Medical Advisory Board shall become an ex officio member of the foundation. Now this came up when we were reviewing the legislation and putting in the last provision, which is the large one, and thought we would make these amendments in the Medical Advisory Committee at this time. The members of the Medical Advisory Committee to the Cancer Treatment and Research Foundation are appointees by the Medical Association, the University of Manitoba and the College of Physicians and Surgeons. So many names are given to the Foundation Board and they pick two names, I think, from each group and these are passed by Order-in-Council. The last provision is the major one, which gives the Foundation the right to own property, sell debentures and borrow money. This has become necessary because, as we discussed last year, the Foundation are proceeding with their plans to erect a Cancer Treatment and Research facility and it is necessary for them to acquire land; it's necessary for them to build this building. This is clearly set out, quite self-explanatory I think, in the bill, that in addition to the Blue Cross monies and hospital construction grants to be matched by the province, it may be necessary for them to borrow and sell some debentures; and this is under the authority of the Provincial Treasurer. Thank you.

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

MR. SPEAKER: Committee of Supply. The Honourable the First Minister.

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

Mr. Speaker presented the motion and after a voice vote declared the motion carried, and the House resolved itself into a Committee of Supply with the Honourable Member for Roblin in the Chair.

HON. GURNEY EVANS (Fort Rouge) (Minister of Industry & Commerce, and Provincial Secretary): Mr. Chairman, before you call the first item, I'd like to place on the record of the committee the answer to a question asked by the Leader of the Opposition in the Legislature on February 28, 1961, and found on page 350 of the Debates and Proceedings. The following figures are the best overall estimate of the number of civil servants. The figures taken are from Schedule "B" of the Annual Report of the Civil Service Commission and those for June, 1958, are from the Civil Service Commission staff count. December, 1950, 3,271;

(Mr. Evans, cont'd.)....November, 1957, 4,003; June 30, 1958, 4,506; December, 1958, 4,417; December, 1959, 4,758; December, 1960, 5,201. Those are the figures requested by the Honourable the Leader of the Opposition.

MR. CAMPBELL: Mr. Chairman, as I heard those figures, it sounded to me as though the figure given for June 30, 1958 was a smaller figure than for December, 1958.

MR. EVANS: No. The figure for June 30, 1958, was 4,506; and the figure for December, 1958, was 4,417. You know when I was reading it I thought I repeated one figure twice and that's why I paused at that point. So as to make it quite clear, I wonder if I should read these again and then those who are compiling the Hansard will be quite sure they are right.

MR. CAMPBELL: Mr. Chairman, the Honourable the Minister was good enough to show me a copy yesterday of the figures as he had them at that time, and I see that what I had requested at that time has been met in that they made a cutoff at June 30, 1958 and then it gave the December '58 figure. What I stated a moment ago is correct, in that this shows a smaller number of total employees in June 30, '58, than December '58, and the Honourable the Minister will realize that I find that very hard to believe.

MR. EVANS: I think, Mr. Chairman, that's accounted for by the fact that the numbers employed in the summertime on special additional work and summer holidays and so forth is larger at that time of the year in every year.

MR. CAMPBELL: The reason for asking for this, and I'm sure my honourable friend will find it in the Hansard report, was on a comparable basis. It was on a comparable basis, and I submit that that is not on a comparable basis, because we're trying to establish a method by which we can have some comparable figures. I make no apology for the fact that I am trying to get on the record the increase in the number of civil servants. I've mentioned that before, and if there is a difference because of the fact that the summer figure shows one thing and the winter one shows another, then I'd like to get the comparable figure so that we'd get them on the same basis at June of the year as well as December.

MR. EVANS: Mr. Chairman, I compiled the information he first asked for and discussed it with him privately yesterday. He thought that was satisfactory but requested the June figure in addition. Now if there are further figures that the Leader of the Opposition would like to have and if he would care to ask me for them, I will be glad to get them.

MR. CAMPBELL: And I also, as my honourable friend will see by rereading Hansard, I asked for comparable figures. However.....

MR. EVANS: I must profess that I did give comparable figures in my return as originally compiled and discussed with the Honourable the Leader of the Opposition. Then at his request he said that he would accept it if there were one further figure added, that of June, 1958, so I added it and read it into the record as he requested it be done. Now if there are further requests, I should be glad to take care of them.

MR. CAMPBELL: All right, there are further requests. One is to bring it in on the basis that my original request mentioned -- on a comparable basis.

MR. EVANS: I'm afraid that I can't accept that statement. That is done exactly according to the terms of the original request and done exactly according to the terms of the supplementary request he made at a later date. Now if he wishes to ask for a further return, let him do so.

MR. CAMPBELL: Mr. Chairman, it's not in accordance with my original request. The figure that the Honourable the Minister showed me yesterday showed a grouping of figures down to December, 1958; and the grouping, as it is in here at the side, was Campbell Government. The Campbell Government was not in office in December, 1958. It was just plain incorrect. I told my honourable friend that I would certainly object if he didn't get a comparable figure for June, not June 30th -- not for the honourable gentleman to bring in a return that showed the figures down to December 30th. December, 1958 as being the Campbell Government, was just obviously wrong.

MR. EVANS: Well I think my honourable friend will agree that the only record that we have put on the record of the House is ending June 30th, 1958. That is the last figure that is grouped here, and I didn't even read it onto the record of the House as being under the Campbell Government. Nevertheless, he has drawn attention to it and so I refer to it too. This grouping now that has been submitted to the House, after I extended what I thought was a courtesy

(Mr. Evans, cont'd.)....of letting him see the return before I did so, ends at that point, when my honourable friend also ended. Then the further figures are for the Roblin Government.

MR. CAMPBELL: Does the Honourable the Minister deny, Mr. Chairman, that the letter that he sent over to me yesterday showed a figure of June — a figure of December, 1958, and the bracket out there saying Campbell Government.

MR. EVANS: That has nothing to do with the case. I extended it as a courtesy to him to see it. He asked for a change or an addition; I did so; and I ask him now if the return which I submit to the House is not, in fact, exactly correct.

MR. CAMPBELL: It would be correct as far as the designations at the side are concerned. That's correct, that's what I want. I didn't want it the way it was before, but I want the June 30th figure to be arrived at on the same basis as the December figure. In other words, the casual and summer help excluded in both cases.

MR. ROBLIN: Mr. Chairman, if I could say just say a word here. That is the difficulty, to try and weed them out at that point. Now if my honourable friend wants similar estimates for other Junes, I think we would be glad to get that for him, if he thinks that helps at all. The difficulty is that once we move away from the end of the year we don't get the civil service count as per report; we have to deal with the civil service figures that are not per report. That's the trouble. I enquired into that and it's difficult to weed them out. Of course I think the substance of the point is that up until the end of 1958 any increase that took place in the civil service did not reflect the activities of this administration. Although we were in office at that time, we hadn't made any of the changes by that time that we've made. But if my honourable friend wants the figures for the Junes, if that would help him at all, we'll do our best to get that for him.

MR. CAMPBELL: That would help. I want comparable figures.

MR. CHAIRMAN: Resolution 27 --

MR. J. M. FROESE (Rhineland): Mr. Chairman, I was going to speak last night but time didn't allow me to, so I would like to make a few comments this afternoon and also pose a few questions to the Honourable the Minister of Agriculture. Last Tuesday that was private members day, questions were posed to one of the members of this side of the House from one of the members on the government side, and the question was, "What is the cost of production of the price of a bushel of wheat, or a bushel of oats, a bushel of barley, or a bushel of flax?" I think that the member on the government side certainly has at his disposal the advice of the Minister at any time and that he is in a much better position to get that information than the people on this side of the House. After all, the government has access to various sources of information and has the necessary staff and facilities to procure that information for us and, therefore, I would request from the Honourable Minister of Agriculture to give us the cost of production of a price of a bushel of wheat, a bushel of oats, of barley, and a bushel of flax. Further, I would also want another piece of information from him as to what would constitute and what would be the parity price of a bushel of wheat at the present time. I think that would be valuable information for the committee and also for the members of the House to have.

Now coming to the main topic that I was going to discuss today, which is the one of water supply and water conservation. After listening to the debate the last two days on the Winnipeg Floodway

MR. ROBLIN: I rise on a point of order. I think that if my honourable friend is going to discuss a particular point like the water supply situation, may I respectfully suggest that he do so on the item, otherwise we have the debate twice; once on the Minister's salary and once on the item. Debates so far have been really of a general character, to which I have no objection, but I would suggest that we should try and now deal with the items and perhaps my honourable friend could speak on that occasion.

MR. FROESE: I think, Mr. Minister, that it is going to be very general. I am not being specific in any way and therefore I would still like to carry on.

MR. CHAIRMAN:guarantee the debate wouldn't carry over on to section 15 on Water and Conservation.

MR. FROESE: Well I don't think my topic that I am choosing here -- am going to discuss, is pertaining to one particular item alone. It deals with various matters. I already mentioned the debate that went on here the other day on the Winnipeg Floodway. I was going to suggest at

(Mr. Froese, cont'd.)....that time to scrap the whole matter of the floodway. After all, it will be a big cost; involves a lot of money; it would be an unproductive asset and will cause a dead weight debt to the province; and by the time it is paid for, will cost much over the \$100 million mark. Even if half of the money were spent on water and conservation and on the water supply in rural Manitoba, that money, in my estimation, could be put to better and more productive use. The protection it affords to the city people will not apply to the farm people and the towns south of Winnipeg close to the Red River. The meandering river bed slows the flow of the water in the Red and, therefore, the floodway as such will do very little to improve the situation upstream, other than to eliminate the bottleneck in the city. Well the report, and I am referring to the commission report on the flood cost-benefits -- I do not have a report of my own and I happened to borrow one the other day. I have not had time to go into it thoroughly as yet and to study it closely however, it raises many issues and aspects that if those considerations should be given to a water conservation and supply effort, it would make it that much stronger.

Water conservation is a must in Manitoba, and especially in the southern portion. The spring run-off should be conserved to avoid flooding and to stop soil erosion by water. In many areas this is a problem too large for the individual farmer and also too large, in many cases, even for the local municipality to cope with. The damage done is large, very large, and not repairable, especially on some of the heavier soils, where the top soil is washed away leaving a hard unproductive hard soil which will take years -- if it ever will be replenished. During the '30's we had a lot of soil erosion by wind, but through a change in cultural practices, many a field of lighter soil has been brought back into production. You can only come down to my constituency, in the southern part thereof, and you will see what has taken place. The fields are really productive and the farmers today know how to handle the situation and thereby avoid erosion by wind. We need a greater effort in the matter of water conservation. Where there is a supply available, irrigation could be practised in the lighter and medium soil areas of the province. Production of special crops could be increased, giving longer seasons to such crops as beans; and especially beans, because in the canning of crops, we find that beans is the one crop where you can have a very short season, probably just a day or two. If you have dry weather and a hot wind they dry up and the beans are not good for canning; and this also applies to other vegetables. In order to provide better quality products for fresh fruit and vegetable markets we need water; and for the canneries, in order to can a good product that the people in Manitoba, and in Canada as a whole, will buy and will go after.

There are very great possibilities in store for us in the vegetable growing and processing industry, but in order to take advantage of these we must have water, and an ample supply of water in the areas where these crops are produced. Whenever an industry wants to locate they establish first, and in most cases it's first, and give consideration whether a supply of water is available. If it isn't available, what happens? They just move out or never come in, and you don't get the industry. Many more industries would have located in our area if provision of good water and a good supply of water was on hand. Or towns and communities are suffering in southern Manitoba because of this lack of water. I'm sure that if we did have the supply we could establish industries in our areas that would be operating the year through and would avoid the flocking of people to the city for employment during winter months, aggravating the situation in the city. Altona and Gretna recently have received the service of water through a pipe line from Nechi, North Dakota, but the cost of water is very high. I think too high to attract industry that would require it in larger volume and substantial amounts.

I would suggest, Mr. Minister, the advisability of subsidizing these rural towns in the cost of water. After all, the province is going to spend close to a hundred million for half the people of the province for this floodway, why not give some consideration to these areas in the matter of water. The town west of us, Morden, is being serviced by Lake Minnewasta. The lake was created by the erection of a dam which was built by PFRA and, as a result, they have gained a number of industries. Now the people in the Winkler area, Plum Coulee as well, are considering the matter of having a pipeline to Lake Minneswasta in order to get some water from that lake. At the present time Winkler is completely dependent on well water. They were very fortunate in having good water there, good well water, in order to have some industries and have a supply for their home use, but they do not have it in sufficient quantities.

(Mr. Froese, cont'd.)....That was amply demonstrated yesterday again. I have both the Altona and the Winkler papers here, and the Altona paper says, "Blaze Levels Winkler Businesses, Sweeps Half a Block, Water Shortage Felt". And the Winkler paper, which is the Pembina Triangle Progress, has this to say, and I'd like to read a quotation. "The Winkler Fire Department said that every available foot of hose and both their trucks were in service fighting the fire, assisted by two fire trucks from Morden, together with the full Morden Brigade and the Plum Coulee Brigade. Both these departments have pumpers with tanks. Wells thrown into service were the C.P.R. well, the creamery well, and the 6th Street fire well. In addition, water was trucked from Morden and other local fire wells by tank to the 6th Street well, which has a large reservoir." And they go on to say, "The Winkler group said they were grateful for help from the other towns and assistance from Winkler spectators who pitched in when they were needed." And further on they go to say, "While today's fire will go down in the history of Winkler as its worst disaster, the February Fire of 1949 comes close in size. At the time, seven buildings, a garage, a seed plant, implement agency, woodwork shop, drug store, meat market and egg grading station were wiped out due to lack of water and high winds. These have all been replaced by modern fireproof buildings over the years. It is expected the present burnt-out block will be rebuilt in a short time however. As Mayor Kroeker said in a statement to the Progress today, 'Something must be done to get water to Winkler. This fire would have paid for a water system two times over. I feel with a hydrant supply the fire could have been confined to the furniture store'." And that is actually the case, because the fire brigade had the fire under control two or three times but then there was no further water and, therefore, the fire got started again and the whole section was burnt out.

Now when, Mr. Minister, can we expect in our area to have water in ample supply in order to go ahead, in order to establish industry, in order to have a sufficient supply of water for the town. And that applies to the other towns, such as Plum Coulee and Warrendine, as well. We know that the government is planning a long term program in connection with the International Joint Advisory Committee, if that's the correct name, and I hope something will come out of that. It would be very beneficial to the area. It is needed very badly, but at the same time we need something now and the sooner the better. We need a supply as soon as possible and I think a pipeline from Morden would be quite in order and proper. Now I have been told from some sources that the supply in Lake Minnewasta is not large enough for the two towns. I'm sure you will be in a position to answer that, whether there is a sufficient supply and whether it would be warranted to pipe water from Morden to Winkler.

Recently the Department of Industry and Commerce had a workshop at the Winkler High School Auditorium where people were gathered from the surrounding towns and communities from as far as Morris, Altona, Gretna, Carman, Morden. All of the leaders of those communities were present where they discussed agricultural production and the promotion of the same and so on. They weren't going very long and the subject centred on the supply of water. That is the essence of it. That is what happens. Whenever you discuss promotion of any kind in that area, you immediately centre on the matter of a water supply, and before we have a water supply, we cannot go on and expand any more. So, Mr. Minister, I hope that something will be done and that you can advise us as to what has been done; what is being done; and what is being planned for the future.

MR. CHAIRMAN: (b) - passed.

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MR. E. R. SCHREYER (Brokenhead): Mr. Chairman, I thought the Minister would answer but I see he's waiting for the item. I would like to add a few remarks to those which were just made by the Honourable Member for Rhineland. I think that at the outset members will agree with me when I say that up to now I have at all times tried to be fair in my criticism of the program of this department or any other department. I would like to say that insofar as the discussion on the floodway in this Chamber was concerned, I pointed out the fact that there was concern out in the area north of the City, east of the river. I meant this in all seriousness. I'm glad to note that the Minister will have someone out to a public meeting there next week. In connection with the floodway along a different tack, I might say that I for one had never been too enthusiastic a supporter of it for reason of the fact that it certainly creates a tremendous dislocation for the people living in my area. But then too, I've read part of the cost-benefit study report -- the Manning Report, I believe -- and I can well see reason for going ahead with it. So it's really half a dozen of one and six of the other.

I would like at this time to say just a few more words about crop insurance. I do this because of the thorough panning given me by the Honourable Minister on this subject. It seems to me that I'm still justified in maintaining that the government didn't take the right approach in giving the extremely hard-sell to this program of crop insurance, because although the Minister is a firm supporter of it, so am I, it seems to me that you can't make a program as attractive, or as easily acceptable when you go out and give it the hard-sell without first trying, trying real hard to make some basic improvement in the existing plan. I would like to point out to the Minister some points, some thoughts, which we on this side have on the matter and perhaps he can read Hansard tomorrow and deal with it on the item. As I said, it seems to me that one of the major considerations of this system of crop insurance as we have it now, is that it places emphasis on the wrong place. It's the Federal Government which should be paying, which should be bearing a much larger share of the responsibilities for underwriting the liabilities of the program and not the Provincial Government, so I'm not blaming him for that. Let me take just a simple example to illustrate the point. Let us take an average premium rate of 10 percent, take 10 percent an arbitrary figure, as being the premium rate in consideration. Now this is a reasonable assumption. This means then, that for every \$100 of risk assumed by the Provincial Government, the premium would be \$10.00. Since the Federal Government is prepared to pay a contribution, or maximum contribution of 20 percent, this means then that the Federal Government would be paying \$2.00 for every \$10.00 premium. Therefore, for every \$2.00 paid by the Federal Government in premium contribution, the province is being asked to carry the ultimate and full responsibility for \$100 of risk. Now multiply this simple illustration, Mr. Chairman, and we can see the unreasonableness of the Federal position. If the Federal Government were to pay into the Provincial Crop Insurance Plan in any year, the sum of \$2,000,000 it would mean then that the province would have to bear risk responsibility of \$100,000,000 for crop insurance. This is obviously outside the fiscal capacity or responsibility of the province. It seems like a rather easy way out for the Federal Government, for \$2,000,000 in contributions on the premium, the province is obliged to assume \$100,000,000 of risk. Now in the United States Mr. Minister, the Federal Crop Insurance Program there does not ask the states to assume a single dollar worth of underwriting risk, nor are the individual states asked to pay anything towards administration. They're not asked to pay anything towards administration at all. I think that the Federal Government should consider once and for all, whether they wish a token program which might be accepted by some, or only through a hard-sell campaign by the province, or whether they want a comprehensive and meaningful prairie crop insurance scheme, eagerly, if not eagerly, well then quite readily acceptable to the farmers concerned. Now it seems to me that if the government considers the situation objectively and sincerely, then they cannot but conclude that to make all crop insurance practical under the situation facing the prairies calls for a much larger assumption of the responsibility of the risk by the Federal Government. There are several ways, Mr. Chairman, that I would put before the Minister for his consideration at this time - two ways I would put before him at this time. Firstly, the Federal Government could offer to assume a certain portion of the crop insurance risk, say up to 75 percent for a similar percentage of the premium income so that there could be a sliding scale depending on the size of the program; with the province assuming initially more than half of the risk and the share accruing to the province diminishing

(Mr. Schreyer, cont'd.)....when the total liability grows in size. Now the Federal Government could offer a stop-loss type of proposition to the Provincial Government where they would for a certain percentage of the total premium income -- for example 5 percent -- assume 90 to 95 percent of all losses beyond a certain amount in a given year. The difficulty with the present set-up, Mr. Chairman, is that there is entirely too much concentration on the risk and it is quite possible if we have a re-occurrence say of 1954, for the losses in one year to come up to 50 percent or more of the total liabilities. If such a situation occurred where you had a general crop failure or near failure as in 1954 the province would be responsible for debts then in a period when owing to poor crop yields or crop failure the provincial revenue would be declining. This is a poor time for the province to have to be responsible for debt accumulated as a result of a poor insurance scheme.

Second place, Mr. Chairman, I believe that the minimum participation requirements of 25 percent of the farmers in an area may be too high to be practical or reasonable. Maybe, I'm not too sure on that one. In the first place the fundamental principle of insurance is the dispersion of risk over a wide area, over as wide an area as possible, enabling a greater overall assumption of risk. Now this requirement of 25 percent may very well negate the very principle of insurance. There's nothing sacred, nothing inviolate about the requirement of 25 percent of farmers; it seems to me that some percentage participation requirement is necessary in order to avoid taking in only the extremely bad risks, but the amount should be left flexible in some sense and we should not be denying some of the farmers insurance simply because of the factor that they might be living in an area where the percentage of those who sign up is below the 25 percent level. I think the Minister might be interested to know that in the United States they have removed this 25 percent limitation figure. This might be done here also; it's something for him to look at.

Thirdly, Mr. Chairman, it seems that the Federal Government is being very narrow minded in demanding and insisting that all interest charges incurred with respect to loans made by the various provincial crop insurance agencies be charged directly to premiums rather than being absorbed under administration. I don't see why the interest rate should be charged to the premium. It seems that that is the case now. Why not have it charged to the administration? This then you see, it would be absorbed by the Federal and Provincial Governments. If you continue to allow the interest on loans to be charged to the premium rate which for the most part must be absorbed by the farmer through his premium contributions, it seems to be a violation there of the fundamental principle that farmers should get as much out of the insurance as they put in without causing premium rates to jump around from year to year. For example, let's assume that in a given year there is \$10 million of crop insurance liability and the premium income averages 10 percent - it would be \$1 million. Taking a year such as 1954, '54 or '55 - one of those years - was lower than the average yield-wise, \$5 million of loss claims might be paid out in a single year. Five times as much as the premiums taken in. The Federal Government then you see would still be insisting that loans made by the province to take care of the losses that the Federal Government would still insist that this particular loan bear the prevailing long-term interest rate, plus a small margin for handling. Suppose this is 5 percent, so if the province had to pay out \$5 million and it had to borrow this from the Federal Government as it could conceivably do, it would pay 5 percent approximately, and on \$5 million this should come out to \$250,000 in interest charges. This would be 25 percent of the total premium income. I don't know whether this is a desirable trait of our insurance scheme. This is something that the Minister could well look at, and it's in this sense that I offered some comment the other day that I felt that he and his government were not making adequate representation to Ottawa, because I haven't heard of any, asking that the Federal contribution be stepped up premium-wise, so as to make the scheme more easily acceptable. Now I'm not the only one voicing those views. The Minister no doubt has read pages 14 and 15 of the M. F. U. Brief. He knows what they have to say. I'm sure that they seriously studied the matter; and what's their basic view on this? They feel too, that there's room for vast improvement. I don't think the Minister should feel chagrined about that. Nothing is within the realm of perfection here anyway. And by way of suggesting a lot of room for improvement, it seems to be that their basic complaint is that the contribution by the Federal Government should be increased insofar as the premium is concerned. I still feel that if we want to make crop insurance an attractive concept

(Mr. Schreyer, cont'd.)....in the minds of the farmers we must make it attractive enough that we don't have to go out three times to each farmer to cajole him -- what other word can I use -- to accept and to sign up into the scheme. This isn't harsh criticism. I hope the Minister doesn't take it in that light.

I would, Mr. Chairman, however, like to take serious, but really serious objection with the manner in which the Minister answered some of the remarks regarding the sewer and water program in this province. I think if we in this Chamber were ever treated to a rather vitriolic and vindictive reply from any Cabinet Minister it was on that day. And why? Simply because the Minister has no case, and when you have no case you speak long and not only that you use a great deal of innuendo. The Minister certainly had a lot of it at his disposal that night. He quoted extensively from the regulations of the Department of Agriculture pertaining to the sewer and water program in Saskatchewan. Now it seems that the Minister took us to imply that we should have a similar program in this province. Nobody on this side ever said that. What we did say however, was that if we're going to have publicity in the newspaper on page one, that was last year, and in the Throne Speech -- (Interjection) -- this was the day before the, or the day after the Throne Speech was read in this Chamber. We hadn't even discussed it. It appeared on page one of the Tribune. The sewer and water program for Manitoba farmers: a paragraph unto itself in the Throne Speech. And it's this that we took exception to, and I feel rightly so, because if there's one thing that Ministers in this Chamber should not do it's certainly not to create illusions, not to create false ideas of things to come in the minds of the people of this province. Now I certainly can appreciate that the Minister has a good many projects on tap and it could be that in building up the various programs that he has, the matter of sewer and water may be very far down on the priority list, and we could very well agree with him on that. The thing which we take objection to is the manner in which he handled the publicity of it. So what did he do rather than accept this as being an indication of what is not or what is in the right taste publicity-wise? He took us to a great deal of -- well he really attempted to rub our noses into the dirt, trying to show us what they have or haven't done in Saskatchewan. I'm not going to repeat what they have or haven't done there. I have all sorts of information. The plain fact of the matter is that there there are \$300,000 in grants paid out to the individual participant. In this province there are \$369.23 for the whole province, not to mention the trailer. There's only one thing I want to extract from the Minister

HON. GEO. HUTTON (Minister of Agriculture) (Rockwood-Iberville): Mr. Chairman, could I ask the honourable member a question? He used the figure \$300,000. Is that for this coming year or for the past year? (Interjection) Oh, they haven't been paid yet?

MR. SCHREYER: Well last year, I have the estimates right here -- it seems the Minister is anxious to get into debate on that again -- last year it was \$212,500 -- estimates of last year. There's only one thing I want to have the Minister admit in all this Mr. Chairman, and that is that this is really not a program, it's an item -- and we give him credit for it -- an expanded item under extension service. Page one of the Tribune last year. Does the Minister feel justified in what he attempted to do the night before last -- make a comparison? We're not blaming him for not undertaking a comprehensive program because it could be that it's not high on the priority list, and perhaps rightly so in this province. But for Pete's sake don't use innuendo and try and prove a case that is in fact indefensible. But perhaps what I take most serious objection to is the manner in which he dealt with my colleague from Fisher. My colleague doesn't feel disposed to answer to some of the rather unworthy remarks about being a poor, unfortunate, misguided, misled soul and giving poor leadership and so on. In connection with this Farm Rehabilitation Act which the Minister made a great deal ado about, it could well be that in that particular legislation there is a good deal that may or may not be done for certain areas of the farm community in this country; but I say that the Member for Fisher is giving good leadership when he advises his people to take an attitude of, "I'm from Missouri, you'll have to show me," because if there is one thing that the present Federal administration in Ottawa is guilty of -- and that is it's guilty of giving indication of action, when in fact none is forthcoming. I mentioned Bill 237 the other day. Do you know that in the preamble to the Act there is mention of parity price supports? But have we got it? And so many people got taken in by that preamble to the Act two years ago. I think the Member for Fisher is being very prudent in being leery of it, instead of leading his people down the garden path, to accepting

(Mr. Schreyer, cont'd.) . . . something holus bolus that may very well turn out to be a hoax. I say it may turn out to be a hoax if it is in fact implemented like Bill 237 has been, and so I don't think that my colleague from Fisher needs any lectures as to how to provide leadership. I think that the Minister of Agriculture is doing a good job. I mean this, I think he is doing a good job. He was justified in going after us in crop insurance, to a point; I think we're justified in pointing out some of the weaknesses. In the sewer and water program defence he put up the other night, he had no justification whatsoever. (Interjection)

MR. HUTTON: Well it certainly riled somebody.

MR. SCHREYER: The way in which he took after my honourable friend as to this Rehabilitation Act, I think that certainly those remarks, some of them were uncalled for. I want to read into the record, while we are speaking on the Minister's salary, speaking in general terms. I want to take this opportunity to read into the record a statement which I think has a great bearing on the agricultural situation in this country today. Why is my honourable friend, the Member for Fisher leery of the Rehabilitation Act, because experience of the last two years has shown him that the Federal Government has no intention of doing anything to anywhere near live up to the implications of the preamble in Bill 237. And here's the pay-off. We today, agriculture today in this country, is existing on a price structure which depends upon the whim and caprice of one man. I want to read to you page 17 of the Manitoba Farmers Union Annual Report this statement: "Today farmers are prepared to accept this past theory of majority representation in Ottawa as a fallacy. The crowning height of hypocrisy in this regard was reached in Ottawa on September 13th, 1960 when the western liaison committee met Prime Minister Diefenbaker and members of the Cabinet Wheat Committee, regarding favorable consideration of the objectives of the mass delegation to Ottawa -- deficiency payments on wheat, oats, barley, etc. For six months, Western farmers were unable to see the Prime Minister because of his refusal to arrange a date for a hearing, and not until a decision was made regarding another acreage payment was a date finally agreed upon. At this hearing, " -- this is the important part -- At this hearing farm leaders were liberally treated to a lengthy lecture and told that proper recognition and support for government policies were not forthcoming in sufficient volume for the government's liking." Not enough praise and support; and this didn't suit the Prime Minister. "After being admonished for their criticism, farm leaders were warned about future government policies. The inference was apparent: if there is no appreciation for government action there will be no favorable government action. But to make it bluntly clear to the assembled farm leaders, the Prime Minister said, and I quote: 'If there is no pay-off, there are no more payments'." Western farm price support depends upon a pay-off or satisfying the whim and caprice of the Prime Minister. You know there is some harsh words that one could use at this point to indicate what sort of a relationship that was. The only reason I quote it, is not only to show the rather informal foundation upon which our price system rests, but also to point out to the Honourable Minister that if we on this side are leery about certain legislation proposed or coming down, it's with good reason, because there is a good deal of disillusionment as a result of legislation of two years ago. The Honourable Minister isn't guilty of that so far, but I would hope that he would not be so anxious to come to the defence of the Federal Government; sometimes it might be at the expense of the Manitoba farmer.

MR. HUTTON: Mr. Chairman, there is too much Irish in me to sit down and take that. The Honourable Member for Brokenhead seemed to feel that he was panned the other night on crop insurance. I really didn't think I panned him on crop insurance. I stated that crop insurance in Manitoba has been launched successfully. He seems to deny that. He seems to feel that crop insurance in Manitoba is very unsatisfactory and that it isn't very popular with the farmers. Well as a matter of fact, crop insurance is going to be offered to about a third of the province this year, and all indications are in the field that it is much more popular this year than it was last year; that they don't have to sell to the same extent as they had to sell last year. The agents and sub-agents in the field are very happy about the response this year. Now is this due to our hard-selling campaign last spring; or is it due to the fact that the farmers believed what we said last spring? I don't think that our farmers are such saps that they'll be stung twice as the Honourable Member from Brokenhead seems to feel. Well I want to say a few things about crop insurance because he said an awful lot of things about crop insurance and the more he said about crop insurance the more apparent it became that he doesn't know very much about crop insurance.

(Mr. Hutton, cont'd.) seems to feel that because the interests on any monies that are borrowed to support the Crop Insurance Scheme during years of poor yield and heavy indemnity is going to knock our rates cockeyed. Well I don't think that we would have gone into the crop insurance program if this had been the case. Our rates are established on the basis of a 35-year period and the rate that is arrived at is supposed to look after the interest charges that may accrue during years of heavy indemnity and when a man pays -- and he likes to use the rate of 10 percent; but he is a little bit high -- the average rate in Manitoba last year was 7-1/2 percent and it is a little bit lower this year.

MR. SCHREYER: Would the Minister allow me to ask a question? Is it not true that interest costs are charged to the premium?

MR. HUTTON: Yes, but they are figured into the premium. These factors are taken into consideration. This is why we talk about research. This is part of research -- is an arriving at a premium that will take into account all the factors that may affect it and it is designed to come out even at the end of a 35-year period. He painted quite a gloomy picture of the Federal Government making a \$2,000,000 contribution and the Province of Manitoba assuming a \$100,000,000 liability. Well, in the first place, I doubt very much if the Province of Manitoba or even the Federal Government, if it were selling crop insurance on its own hook, in this province, would ever carry such a liability. We feel that something between \$25 and \$40 million worth of business would be a reasonable amount of business for the Crop Insurance Agency to carry -- not on the basis of what we make available -- but as to what the farmers want in this province. The Provincial Government of Manitoba has not been asleep as to the ramifications and the implications of the Federal Government's part in crop insurance. I think that we have made no secret of the fact that we were not satisfied with the extent to which the Federal Government was prepared to go in backing up and under-writing heavy losses in the province. A very long time ago, we have left in the laps of the Federal Department, not suggestions, but details of methods of re-insurance, methods of sharing the liability, which we felt were fair both to the Federal Government and to the Provincial Government. So I didn't need any lecture from the Honourable Member from Brokenhead about the role of the Federal Government in crop insurance and a caution or warning to the Province of Manitoba to be aware of getting in over our heads. He took great exception to the fact that I got carried away when I witnessed the Member for Fisher laughing, laughing in derision -- and that's what he did -- he laughed in derision at a program, and about the only kind of a program that can do anything for very many of the people that live in his constituency -- and he laughed.....

MR. PETER WAGNER (Fisher): Mr. Chairman, how can the Honourable Minister say that I was laughing out of it, when I didn't challenge him on that item, or anything? How can he say why I'm laughing or

MR. HUTTON: You want me to find it in Hansard to prove it to you?

MR. WAGNER: What did I say?

MR. HUTTON: You were laughing at the Honourable Minister of Agriculture for Canada on his new tree planting program.

MR. WAGNER: Yes, I just made an inference

MR. HUTTON: All right. You were laughing at his program. You were laughing at it and you can't deny it.

MR. WAGNER: Most people are laughing.

MR. HUTTON: And I took exception to it because I was surprised that your only concern with this program was with the tree planting aspects of it and you hadn't made yourself aware of the significance that it has for the marginal and sub-marginal areas of the Province of Manitoba and in other jurisdictions. (Interjection) I know I was sitting here listening to you. So I think that I had very good reason to say what I did, because this has been with us for generations. And I know how my honourable friends over there love to advocate parity prices as a salvation -- as a salvation of the farmer.

A MEMBER: You used to before you were in power.

MR. HUTTON: I never was a talker of parity prices.

MR. DAVID ORLIKOW (St. John's): The Prime Minister of Canada did it.

MR. HUTTON: You never heard the Minister of Agriculture of Manitoba before he was Minister, or while he was Minister advocate the principle of trying to establish a parity price

(Mr. Hutton, cont'd.). . . . by arbitrarily lifting the prices to the farmer.

MR. ORLIKOW: Could I ask the Minister a question? Did the Minister ever disagree with the statement that the Prime Minister of Canada made when he called for "parity, not charity"? Did you ever disagree with that?

MR. HUTTON: I don't see that that has anything to do with it. (Interjection) No it hasn't. Let me explain my position. I allowed the honourable members over there to make their little speeches. Now, can I make mine? Everybody believes in parity, but what I object to is that our honourable friends in the CCF feel that there's one way to get parity, and that's to arbitrarily jack the prices up, by subsidies or some other method, but they want to play with the prices arbitrarily. There is no long term sound basis for parity, if you follow this procedure. It just won't stand. It wouldn't matter what you did with an area where there are 1,600 farmers and there is only room for 300 of them to make a living. And when I say a living, to realize a \$2,500 return to labour per year. And there are 1,600 of them in there. Now you've got to do something more than raise prices. You've got to help these people make necessary adjustments. The government must help these people too, some of them to get out of there, others to consolidate holdings. The only program that I can see that's going to assist these people is one of education, of relocation, of consolidation; not advocating parity prices by merely jacking up the prices in the market, by throwing in money from the Federal Treasury. I'm not against subsidies, but I am against people who advocate that a subsidy can be used to cure everything. It can't.

MR. SCHREYER: Nobody said that.

MR. HUTTON: Oh yes, you intimated. You spent an awful lot of time talking about it. Going back to some other points here. He found fault with our crop insurance program because we have a stipulation that 25 percent of the farmers must sign up, must sign up 25 percent of the the farmers, or sign up 25 percent of the cultivated acreage in a designated area before crop insurance can be made available. Well this is only in the initial year; it's only to get the program started. It could be — I think it should be obvious to anybody who thinks about it for even five minutes — that if you allowed a lesser group to go into it, you could very well get all those people who had had poor crop experience in the past. I think it's been pointed out here before in debate, that we've got to have both the lucky and the unlucky farmer in this, and that to go into it with less than 25 percent participation is asking for trouble. Certainly the United States can dispense with the 25 percent figure. They've been in crop insurance for 20 years down there and when we've been in crop insurance for 20 years we won't need it either. In fact we don't need it in those areas where crop insurance has been initiated in previous years. We do have a figure, and the figure is one that is arrived at through negotiation between the Ministers of Agriculture of the province and of the Federal Government.

The question of parity prices is bothering the Member for Rhineland and he would like to know what the cost of production is for wheat, oats, barley and flax. I haven't any figures at hand but my memory tells me they carried out a survey, a study in Saskatchewan, back I think about three years ago, three or four years ago, and they found that the cost of producing a bushel of wheat varied from 50 cents a bushel to \$3.00 a bushel. Now you tell me what parity is. That depends on what basis you try to determine parity. What we try to do over here, without much avail, is to show how impossible it is, how utterly impossible it is to give everybody parity. I don't know whether you'd give one farmer one price, another farmer another price. But certainly no one can deny that if it's costing some farmers 50 or 60 cents a bushel to produce wheat today, that at the present Wheat Board prices and a final return of something in the neighbourhood of \$.30 to \$1.40 a bushel, that they're making a pretty handsome profit. It's also very apparent that anybody who's trying to produce wheat at a cost of production of \$3.00 per bushel is losing money hand over fist. I can't think of a faster way to do it, unless it's go to the races.

I was also interested in the suggestion, and believe me I want to say this, that I have the greatest sympathy and I was shocked at the news that the people of Winkler had suffered this disastrous fire. The pity of it all is that negotiations are under way, and have been under way for some time with Winkler to get water to them. We expected to be able to give these people satisfaction this year; and it just seems we're a little bit too late. But I don't think because this has happened that the Honourable Member for Rhineland should feel that the floodway should

(Mr. Hutton, cont'd.)....be discarded and that we should put all our money into a different type of flood control or water control works. I think we want a comprehensive, and this is what we're trying to give, a comprehensive program that will meet the needs of all of our citizens in Manitoba. I think it would be a terrible thing if we were to say -- and I don't know how far rural Manitoba would get in acquiring the type of water control structure that it needed throughout rural Manitoba -- I don't know how far we'd get if we denied the people of Winnipeg protection. I'm afraid the Honourable Member for Rhineland was reading the wrong book, he must have been. Because if he had read the cost-benefit study he would know that the cost-benefit ratio on the floodway, the Greater Winnipeg floodway is 2.9 to one. Almost three to one. For every dollar invested it will pay us back three. And you can't deny these benefits. You can't just say it's just a big ditch and it isn't going to do anyone any good. It's going to do a lot of good. And it isn't going to cost a hundred million dollars. It's estimated to cost in the neighbourhood of \$65,000,000. But we're going to spend a good many million more, and they're going to be spent in controlling the Assiniboine River; on water conservation on the Assiniboine River, on water control and flood control on the Assiniboine River; and we're now right in the middle of a very important procedure with respect to the Pembina River. And these things are going to cost money. The Honourable Member for Rhineland knows that the estimated cost of the dam at Pembilier is something like \$15,000,000; and the estimated cost of the works on the Assiniboine River run upwards towards \$20,000,000. I know that the honourable member is wrought up over what has happened in Winkler, and it's a tragedy; it's a double tragedy because we came so close to having water there, that this thing had to happen. We're going to carry water, I trust, to quite a number of towns this coming season in rural Manitoba. The committee here will be asked to approve very much larger sums for the Water Supply Board than it has in the past. But we can't get the water to all the towns at one time. It's a program that's going to have to be carried on over the years. I don't think you can criticize us because we haven't -- any other one of these towns might have been in trouble and we couldn't possibly get water to them all at one single time.

I think, Mr. Chairman, that covers the major points. I didn't say anything about sewage and water supply and if I don't say anything about it they'll think that I'm trying to evade the issue. (Interjection) Yes, let's put it this way; let's put it down the drain; let it go down the drain at least for this session. The fact of the matter is, this program is available to the people of Manitoba. I'm not going to argue about how much help -- I tried to show you the other night that according to the figures we have, if the people of Manitoba take advantage of our program they can realize an installation for approximately the same money as they can under the program carried out by the Government of Saskatchewan. I know they are making faces over there, but according to our estimates they can, and we have evidence to back this up. The program is there and it is available. Last year two communities took advantage of it. This year ten communities took advantage of it. Next year I don't know how many communities will take advantage of it. If the -- I will say this, the longer that my honourable friends in the CCF Party talk about it in the House I think the better it will go.

MR. WAGNER: Mr. Chairman, would the Honourable Minister answer a question?

MR. CHAIRMAN: (a) The Honourable Member for Birtle-Russell.

MR. ROBERT G. SMELLIE (Birtle-Russell): Mr. Chairman, I would beg the indulgence of the committee to introduce to the committee a group that's sitting in the gallery. Have I your permission? Mr. Chairman, in the gallery immediately to your left you will see a group of 31 forward-looking farmers from God's country. These farmers have come to Winnipeg under the leadership of their agricultural representative, Mr. Bill Urnick; their United Grain Growers agent, Mr. Frank MacDonald and the United Grain Growers superintendent, Wilton Brown. These farmers are looking forward to the future of agriculture in the Province of Manitoba and they are doing something themselves to help their own cause. Yesterday they visited Canada Packers, United Grain Growers Limited, and the Board of Grain Commissioners; and by their study I'm sure they have improved their knowledge of the handling of their products in Manitoba. Today they have attended lectures at the Farm Conference Week at the University of Manitoba, and this afternoon they are appearing in this Legislature to see how agricultural estimates are passed.

We have now been discussing the question of the Minister's salary for some time. We

(Mr. Smellie, cont'd.)....commenced on Monday afternoon and we discussed it again on Monday evening; we discussed it on Tuesday evening and on Wednesday afternoon and we have now spent considerable time on the subject this afternoon and I sincerely hope and trust that before these farmers leave us we may be able to pass the first item in the agricultural estimates.

MR. WAGNER: Can the Minister tell me what is the minimum cost in Manitoba for sewer and water and the maximum? Have you got those figures just for information?

MR. HUTTON: I have them here someplace but I think I can be approximate. I said the other night using hypothetical figures to make a comparison, it would run about \$1,400 to make use of the program in Saskatchewan and approximately the same in Manitoba. Now this depends upon how much and what is required in the installation of sewer and water. It can be done for less than \$1,000; it can be done for \$2,400; but just taking the average we feel it would be something in that neighbourhood, and it would depend upon whether you put in a water softener, how many buildings you carry it to, and so on.

MR. CHAIRMAN: (a) passed, (b)

MR. CAMPBELL: Under (b) Mr. Chairman, I was going to (Interjection) .. I observe that there's one grant appears in the item supplies, expenses. Would the Minister tell us what the grant is that's contained in the (b) item of one?

MR. HUTTON: Is that in administration?

MR. CAMPBELL: Yes.

MR. HUTTON: There's no grant listed here. What are you referring to?

MR. CAMPBELL: No, I was just going through the public accounts.

MR. HUTTON: Are you referring to miscellaneous?

MR. CAMPBELL: No, it's a grant. It's listed in the public accounts as a grant under this same item. There is a large miscellaneous item as well but it is the grant that I was going to enquire about. The Honourable Minister will notice the public accounts; he will see that it's listed as plural grants not just one \$500. It's the current public accounts.

MR. HUTTON: I wouldn't know if I -- I haven't got the public accounts with me, and it's two years ago -- I could hardly know

MR. ROBLIN:find out tomorrow.

MR. CAMPBELL: Yes sure, the only point that I'm raising is that, as the Honourable the First Minister knows, it's quite usual for us to consider these public accounts that we have before us as a reference for the items that we're discussing here, and when we see anyone like that that appeared to be either out of context or a very large item such as the miscellaneous there, it's quite usual for us to inquire about it, so I'd suggest if the Minister would, that it would probably be better if he'd bring the information in to this committee rather than public accounts, so we can have it here.

MR. CHAIRMAN: (b) 1 passed. 3 (a) (1) salaries passed; (2) passed.

MR. CAMPBELL: Mr. Chairman, I noticed that this is one that does include grants of course, and livestock promotion, but I see that it is reduced this year, and as a matter of fact has been going down for some little time. Would the Minister give us the explanation for that?

MR. HUTTON: Well in the first place, you're referring to section (4) grants to Herd Improvement Associations and Veterinary Service Districts?

MR. CAMPBELL: No, this is 3 (a) (2).

MR. HUTTON: Supplies, expenses, equipment and renewals?

MR. CAMPBELL: Yes.

MR. HUTTON: There are no grants here, no. I'll say a word on this whole branch, probably answer some of the questions before they're asked. There's an increase in salaries and that's due to a lab assistant, increments and promotions. The reduction in supplies, expenses, equipment and renewals is for the most part due to the fact that there's no replacement of automobiles which is provided for in this appropriation. There's no provision for it this year. The new autos were purchased under the 1960-61 appropriations. The livestock promotion and club grants are up because we have embarked on a program of grants to sheep men who are interested in bringing in western ewes, and we are sharing in a program with the Federal Government to subsidize the cost of transportation. These ewes are hand picked in the west and are shipped down here to Manitoba under this program. We feel that there's room for an expansion of sheep production in Manitoba, and we're trying to encourage this.

(Mr. Hutton, cont'd.)....In fact a year ago I was told by my advisors that we could stand three times as many sheep in the Province of Manitoba. At that time we had about 70,000 head; it was felt that we could usefully use 200,000. The bringing in of these ewes is limited to a maximum of 200 and a minimum of 25 and we feel that it's going to be beneficial.

The grants to the herd improvement associations are not down. They're being maintained at the present level there are ten associations and they each get \$1,800. The veterinary service districts grants are being cut by \$1,000. You will remember that we introduced legislation last year which permitted the municipality and the local government districts to go together in establishing veterinary service districts. No one has indicated any interest in taking advantage of it and we dropped the \$1,000 grants. However, if something should happen that someone wants to go into it we will cross that bridge when we come to it. The Bang's disease and sire purchase policies you will note a reduction of \$35,000. I might say this -- and I trust that our farmer friends will go home and if they know of any farmers who are not carrying out the vaccination program that they'll step on their tail. There's an indication that the -- and I don't know what it's due to, possibly the spread of theand slaughter program of the Federal Government -- there seems to be some laxity on the part of the breeders in Manitoba to see that their calves have been vaccinated during the past year, and as a result this appropriation will be under-expended by about \$60,000 this year, and we're concerned about it and we're going to -- we are, and we're going to continue to press this vaccination program because there's no room for feeling safe at this stage of the game.

The sire purchase policy is another program that was under-expended. You will recall that a year ago we reduced the grants by 25 percent; this didn't account for the under-expenditure, not entirely. There was quite a reduction for some reason or other in the requests for assistance under this program. There is still a \$60.00 grant available, and it can be used twice by anyone that is interested, and it does seem that the breeders didn't take advantage of it last year, and so this accounts for the reduction. We're voting the same amount for the vaccination program, the Bang's Disease program, but we are reducing the sire purchase policy appropriation. Under the Veterinary Science Scholarship Fund -- in the past this was provided out of a fund that was established as a result of monies accrued at the time of the outbreak of sleeping sickness in horses here. These monies were set aside, reserved for the encouragement of our young people to study veterinary science, and these monies have been expended, and so this year it was necessary to vote \$8,000. We have eleven young people studying veterinary science and they are getting grants in the current year of \$4,180. That I think covers most of the items.

MR. CAMPBELL: Mr. Chairman, would the Minister be able to give us the break-down as between the Bang's Disease and sire purchase policies?

MR. CHAIRMAN: I'd hoped we could curtail the debate on each item as we go down.

MR. CAMPBELL: Well I think, Mr. Chairman, there's maybe some advantage to the way the Minister did it, because these do overlap a little bit. Certainly I have no objection to the way he takes them, and if he prefers it that way

MR. HUTTON: I believe it's \$1,200,000 for vaccination which would leave \$75,000 for the -- I believe that's the

MR. CAMPBELL: I've one other question on this general item and that is the report re the Horn Cattle Fund. Is this where that should be dealt with?

MR. HUTTON: It can be, yes.

MR. CAMPBELL: Would the Minister give us a report on the Horn Cattle Fund and the work that is being done under it, and perhaps he would like to comment at the same time on the answer to the brief that the MFU have filed with regard to it. I am sure he is familiar with it.

MR. HUTTON: I'd be happy to. This is a financial statement of the Horn Cattle Fund from the first of January, 1960 to the 31st of December, 1960. Grants to the Canadian Artificial Breeders Association, \$22,345; to the Neepawa Cattle Breeders Association, \$1,087; to the Dauphin Co-operative Cattle Breeders Association, \$702. Do you want these individual items or do you want the totals to the various programs? Totals? \$84,877 went to the AI Units, pardon me, \$84,877 is not the total to the AI Unit; that is a total less \$2,500 to the Livestock Protection Society, \$27,692 to the University of Manitoba for research in dwarfism, and \$1,000 to the Manitoba Stock Growers Association. The Horn Fund administration, inspectors' salaries, office rent, telephone, serum and printing and expense accounts, \$9,342; general

(Mr. Hutton, cont'd.) advisory board meetings, Cattle Breeders Association of Manitoba, prize money paid out, Dairy Cattle Breeders Association of Manitoba prize money, Livestock Breeders meeting, Brandon, Francis Holmes films on dairying; Golden Arrow Sprayers Limited, Mobile Spraying Equipment; these items came to a total of \$6,910.77. In reply to your question on the brief of the Manitoba Farmers Union. I can only -- you must remember that there is an Advisory Board, and after all they are charged with making the decisions as to who may have programs that qualify for assistance under the Horn Cattle Fund Act; so I can say this, that if you are asking me for a statement on the brief and what my position is as a Minister -- is this what the Honourable Leader of the Opposition would like?

MR. CAMPBELL: Mr. Chairman, particularly with regard to their point about just as large a percentage of cattle with horns as ever; now what program is being undertaken to cut down the number of cattle coming on the market with horns, and things of that kind.

MR. HUTTON: I don't think there has been much change in the amount of money that is being spent. Here of course -- this again I must refer to the decision of those who are making the grant -- I suppose you would say as Minister that I am ultimately responsible, and I accept that responsibility. It seems that over the years, going back an awfully long time, there hasn't been much improvement; on the other hand these monies are expended on some pretty worthwhile projects and you could say, very well, that you might spend a great deal more money on advertising, and so on, than is now done, and that it wouldn't have very much effect, because I think about the most sensitive part of a man is his pocket-book and if the penalty that he has to pay doesn't act as a deterrent, or hasn't acted as more of a deterrent over the years, then one would wonder how effective it would be to spend more money advertising, because certainly the penalty is a direct reminder to every producer that he should de-horn his cattle, and I don't know whether you'll ever get a better one, or a better advertisement setting forth the principle that cattle should be de-horned and the fact that he has to pay when he doesn't do it. I don't know what else the Honourable Leader would like me to say on this brief, or whether he wants me to make a comprehensive comment on it?

MR. CAMPBELL: Not unless you want to. Mr. Chairman, I wonder if the Minister has before him the names of the members of the board now, and when he answers that, would he tell us if he is a believer in the fact that hitting a man in the pocket-book is the real way to draw his attention to something. Has he considered, or has the board considered, that under those circumstances maybe it would be best to increase the penalty once again?

MR. HUTTON: I haven't the present personnel of the board right at hand. I don't know whether you should hit a farmer any harder at the present time than the \$2.00. I don't think that -- oh, it would have some effect, there's no doubt about that, but you could also say that if you made the penalties in respect of certain infringements of our laws correspondingly or relatively harsher, that we would have less infringements. I think that you wouldn't deny that, but still society seems to recognize the principle that there is a limit to which you can go -- in that you would go, in using these means to enforce, especially this type of educational program, because after all it's the man who ships the cattle, who takes the beating and he's his own worst enemy.

I don't mind going on record, as far as my own attitude is, on the brief that all the members have, from the Manitoba Farmers Union. I think that any organization in Manitoba that is carrying out and has carried out a program that is promoting, actually promoting the livestock production, cattle production in the Province of Manitoba, is eligible for assistance. I don't think it's eligible on the basis of its membership. It's eligible on the basis of the job that it's doing for the livestock industry of this province. This must be the principle and I think that sums up my position.

MR. M.N. HRYHORCZUK, Q.C. (Ethelbert Plains): Mr. Chairman, before we leave the item on livestock, I'd like to commend the government for a sheep program. I said "sheep" not "cheap". I think it's a wonderful idea. I think it's a very timely program and I think that there are large areas in the Province of Manitoba that are very suitable for that purpose; and as long as there's a fair demand for that type of product, I think we're wise in expanding it as much as we can. It seems, Mr. Chairman, that the farmers in the Province of Manitoba are becoming more and more conscious of the fact that livestock is one place where they can feel certain of a fair return on their investment and the labour they put into it. Now in order to

(Mr. Hryhorczuk, cont'd.)....make it possible for our farmers to go into livestock on a larger scale than they have done until the present, of course there are three factors that enter into that, and that's money, feed and pasture. Well with the programs we have, both federal and provincial, I don't think there's too much of a hardship to obtain money for a project that's sound insofar as building up a foundation stock is concerned. I don't think there's too much difficulty in raising the quantity of feed that we need, and I'm talking now mostly about wintering the livestock and finishing them. I think we have the land and we have the possibilities and we have the feed for doing that.

I do think though there's one thing that restricts the number of cattle that any farmer, or any number of farmers can raise, and that is the matter of the pastures -- the summer pasturing of livestock. Although we have in the Province of Manitoba several community pastures, I note from the last report that has been tabled with us this year, the Annual Report of the Department of Agriculture and Conservation for the year ending March 31st, 1960, that there are six community pastures listed and that five of them are just about open for occupation. Now there's one in the six that particularly concerns me, Mr. Chairman, because it not only is in my constituency but I think that it is ideally located and is an ideal area for a very, very large community pasture. In fact, I think that its capacity would equal that of all the others put together, and I'm referring to what is referred to in the report as the Ethelbert-Mossey River. And here's what appears in regard to this particular community pasture. A large block of Crown land in the Rural Municipalities of Ethelbert and Mossey River was proposed for a community pasture. P.F.R.A. carried out preliminary investigations, but no agreement was reached as to this pasture. Now I would suggest, Mr. Chairman, that the Honourable the Minister do everything in his power to reach an agreement. I think it's only fair that I acquaint him with this particular area so he'll realize as well as I do and many who are acquainted with it, as to the importance of this area to the livestock industry; not only in north Manitoba, but I'd say its affects would be felt further down towards the south. Now this particular area lies between the Duck Mountains and Lake Winnipegosis. It's covered with grassy lands, hay lands, shrubs, very little heavy bush -- it's all second growth poplar mostly, with a little bit of new growth of evergreens. The waters coming off the Duck Mountains, which find their source in the Duck Mountains, all run through this area and end up in Lake Winnipegosis. Now the area covers, I would say, several hundred square miles. It's mostly Crown land with very little settlement right in the area itself that has been proposed. There are farmers on either side, either the east and the west side of the proposed area, and these farmers are in livestock to a fairly large degree -- most of them in dairy cattle. I think that once in the past, Mr. Chairman, prior to the time that the Honourable Minister held his portfolio, I suggested that when this pasture is established, that a fringe of approximately a half a mile to a mile wide be left right around the whole block for the use of the farmers that are already established there. I don't think that any of these farmers, outside of the Crown lands, can add to their land holdings and are dependent on this area for the pasturing of the cattle that they now own and will continue to own; and I'd like to see a strip reserved around the block for the use of these farmers that have established themselves there.

Now one of the important things about any community pasture is water supply. There are several creeks that cut through this proposed block and they run the year round. There are any number of creeks, any number of creeks that take the run-off from the mountain in the spring breakup as well as during heavy rains, and these only run for a short period into the summer. But all this water can be very easily impounded there, Mr. Chairman. There are natural gravel ridges running right through the blocks from the north to the south, and as I said previously, the water runs off the mountain from the west to the east. Now they're natural spots for impoundment of this water. Insofar as grazing is concerned and insofar as water supply is concerned, the area is ideal for pasture. It has its natural shaded areas as well and I don't know how many cattle you could run in that area -- I don't think an estimate has ever been made -- but I know that it would run into the thousands without any improvement except the fencing and so forth. If you were to make improvements on it, well of course you could double or treble the load.

But there's one other thing that this community pasture would do. Prior to the people settling in this area, this was a very heavily wooded area and millions of feet of lumber came

(Mr. Hryhorczuk, cont'd.)..... out of that area and hundreds of thousands of railway ties. And when the merchantable timber had been taken out then, of course, fires throughout the years, starting in the dry years of the late thirties, just destroyed whatever timber there was. But I think that a community pasture in there would bring back some of this growth of timber and it would provide an excellent natural habitat for our wild life. At the moment, there is a large quantity of deer in this area and a large quantity of upland birds. I think with empoundment to hold water, we'd have a big population of ducks and it would be the breeding grounds for ducks. I feel that in addition to making it a worthwhile enterprise insofar as a community pasture is concerned, it would also bring back the wild life as it was there prior to the destruction of the natural habitat. And I would, in all sincerity, ask the Honourable the Minister to press for an agreement on this particular pasture, because it will not only help the people up in that area but it will make room for the cattle of many people further south, probably as far south as Portage. And I want to say again that there are other places probably as well suited, but I don't think there's another place that is as large. Not only that, we have on the west side of this, oh a matter of four or five or six miles, we have highway No. 10 that goes right alongside the whole block. On the east side, we have No. 20, so you have good roads on which you could enter into most of this block for a matter of about 30 miles.

MR. HUTTON: Mr. Chairman, I'd like to give the committee some information with regard to livestock that I think they would find interesting. I certainly will follow the admonitions of the Honourable Member for Ethelbert Plains and pursue every opportunity to get community pastures established in the province where they are needed. First, of course, I think with the story I'm going to tell you now about cattle in the past decade in Manitoba, that there can be no doubt that we'll be able to utilize far larger areas than we are at the present time for community pastures. Unlike some of my friends in this committee, I do trust that the program, the federal program, this Agricultural Rehabilitation and Development Program will stimulate the existing programs that we have for the establishment of land, because this is one very effective and economic method of reclaiming lands and putting them to good use, that of establishing community pastures. In the last ten years in Manitoba the cattle population has increased by one-third -- 33 percent; and in 1960 there was a further increase of 5.4 percent in the year 1960. And this is in spite of the fact that there has been a reduction in the number of dairy cattle. This has taken place in our beef cattle population, and not only has there been a substantial increase in the cattle population but this also applies to other livestock products. Comparing the 1958 to '60 era over that of '55 to '57 there's been an 18 percent increase in cattle and calves. Comparing these two periods in the last five years, 34 percent in sheep; 26 percent in pigs; 11 percent in poultry, in hens and chickens; and 56 percent in turkeys. Now in the past year we did have quite a drastic reduction in the hog population in this province due to the fact that the farmers, many of our hog producers were uncertain about what was going to happen as a result of the deficiency payment procedures that were initiated at the first of the year. This is quite a story and I think that it's a good omen for the Province of Manitoba, these substantial increases, especially in the last three years in the livestock production in the Province of Manitoba. I thought the committee would like to hear it.

MR. S. PETERS (Elmwood): Mr. Chairman, I would like to point out to the Honourable Minister -- I brought it up last year about the increase of brucellosis in human beings. I understand last year, this year just past, we had quite an increase as most of the reactors are slaughtered at the plant that I'm employed at, and if my figures are correct, I don't know if they're absolutely correct but I believe there were about 26 cases last year and I know that it's not his department, but I would ask him that in conjunction with the Minister of Health that they look into the idea of inoculating or vaccinating people that are handling these animals, the reactors, and reduce the incidence of this disease, because as you know, Mr. Minister, in some cases -- I think the shortest time they can be away it takes about six weeks to get cured of it, and we have had cases where there have been fellows away for about nine months to a year.

MR. WAGNER: I would like to go into full agreement with the Minister when he stated that he wouldn't want to see a rise in horned cattle, penalize the farmer. I'm in full agreement with that. However I understand that a donation is being made to the organization that deals directly with improving the herd but on the other hand as the Farm Union organization, they

(Mr. Wagner, cont'd.) go and preach, if I may use the word preach, among the farmers through the whole Manitoba indirectly and directly as far as Bang's disease is concerned and TB, and that the farmers should have better breed, and what feed they should use to get better quality of beef, passing all kinds of information to help the producer directly or indirectly. However it was interesting for me to note in the paper here, Tribune of February 27th, '61, and I'll be just short. It says, "However, MFU members include 8,428 cattle producers, with 256,000 head of livestock; the group said it includes many more livestock producers than any other farm organization in the province." Well I understand the point of view the Minister takes or the policy is, but I just wonder if it couldn't be overlooked, because as the Farm Union organization is very well-established and is here to stay and I would venture to say that there are very very many farmers having use of the organization. It was even brought to my attention that some farmers make a phone call to the Head Office where a veterinary they could get if the animal is taken -- all kinds of sort of information, and they distribute pamphlets on livestock. Possibly in this manner they could be assisted.

MR. CHAIRMAN: (3) - passed.

MR. TANCHAK: Mr. Chairman, before we leave this matter of the community pasture I have this annual report on agriculture and on page 49 I notice there is some proposed community pastures. I understand that the department is trying to organize an area around Gardenton to use as community pasture. I would like the Minister to throw some more light on that because I can't find it any other place.

MR. HUTTON: It's simply that I believe that a general agreement has been reached that there will be a community pasture in that area.

MR. TANCHAK: Is there only one proposed or two? There was one north of Vita too.

MR. HUTTON: Well there were several locations examined. We proposed, the province advocated the community pasture in this area, and we made -- of course we gave alternative locations; we carried out a survey in the area, the general area, and they agreed that it should be established in the Gardenton area. I believe it's south of Gardenton.

MR. E. GUTTORMSON (St. George): Mr. Chairman, what amount of money is paid by the Provincial Government toward the Sleeve Lake pasture?

MR. HUTTON: This is included under the Soils and Crops Branch. I haven't got the figure right at my finger tips but I'll try and get it for you when we come down to the end.

MR. CAMPBELL: Mr. Chairman, would the Minister prefer to leave any further questions on the community pastures until we get to Soils and Crops, or would, since we're into them, would he rather carry on now?

MR. HUTTON: It's easier for me, Mr. Chairman, if they would follow the items and I can keep my material -- it's in a big enough mess now -- it looks as if I'm building a nest over here.

MR. DOW: Mr. Chairman, did the Minister break down item 3 (b) (3), Livestock Promotion and Club Grants? Or if he didn't, would he?

MR. CHAIRMAN: (2) passed. (3) - Livestock Promotion and Club Grants - Passed?

MR. HUTTON: Do you want me to break them down? Well, there are quite a few of them. First there's the new Federal-Provincial Seed Policy, then there is the Sire Competition.

MR. DOW: Mr. Chairman, what I meant was did he have the livestock promotion in one sum and the Club grants in another sum? That's what I meant.

MR. HUTTON: I think I may have -- yes. If you'll give me a little time I'll endeavour to find it. The Royal Winter Fair is \$8,000, I believe, with a recovery of \$4,500; Lamb Fair \$110; Bacon Hog Sire Competition -- this is for the commercial hog producer -- \$2,500 with a recovery of \$1,000; Hog Producer Competition \$1,000 with a \$500 recovery; The Program \$11,000; Owner Sample cow testing program \$2,100 with \$1,000 recovery; drugs for the treatment of internal parasites of sheep \$300; Boar Rental Clubs \$4,300; Ram Rental Clubs \$7,500.

MR. CHAIRMAN: (c) passed. (4) passed. (5) passed. (6) passed.

MR. GUTTORMSON: Oh, I think I have to speak on No. 6. I'm sorry.

MR. PAULLEY: Mr. Chairman, No. 5 there. Is this still performing a good function in the province, the farm labour services?

MR. CHAIRMAN: (6). Oh, I'm sorry.

MR. CAMPBELL: I think this one is out of context, Mr. Chairman, but I was wondering is there no TB appropriation this year? Is the TB -- is the province -- I know that the Federal Government is largely concerned in re-inspection work. Do they carry all the cost of that? No contribution by the province now.

MR. J. P. TANCHAK (Emerson): Is there any change in the Sire Purchase Policy or does it remain as last year?

MR. HUTTON: No, it's exactly as last year. I trust you were -- did you hear my explanation as to why the amount was reduced?

MR. TANCHAK: No.

MR. HUTTON: Why this amount is reduced?

MR. TANCHAK: Oh yes I have that.

MR. CHAIRMAN: (5) passed.

MR. GUTTORMSON: The number of vets -- the veterinarian situation up in our area is serious in that we haven't got one at all up there. The nearest vet in that district is Stonewall and he has to be called upon from the area as far north as Gypsumville which is roughly 180 miles. I was just wondering what steps the government is taking to encourage the veterinarians to be placed throughout the province so the farmers in these areas could have easy access to one. I know it's causing a lot of concern in my area because of the shortage of this service and people are very anxious that veterinarians are made available to them throughout the province.

MR. HUTTON: Well, we have for some time been trying to encourage young people, and the fact of the matter is that there is a shortage of veterinarians. They're like everyone else; they want to go where they can get the most returns for their efforts and their time, and we hope to reap some of them -- reach the fruits of this program of veterinary scholarships in terms of more veterinarians for Manitoba, but it's a pretty difficult situation. I don't know how the government could compel veterinarians or use coercion of any kind to put people into these areas. I think what's happening up in your country though, is that it's getting to be such a good livestock country in terms of quality and in the numbers of cattle, that I should think that eventually it will attract the veterinarian into that area, and I might say that the people in your area are doing a tremendous job with their livestock. Maybe the department can take a little credit for the -- maybe this is some of the fruits of our extension service, but certainly the people up there are doing a bang-up job. They're coming out of there with prize-winning cattle, and they're to be complimented and I hope that the fact that they're doing such a good job will attract the service that you need.

MR. GUTTORMSON: Mr. Chairman, could the Minister say how many Manitoba boys are going through college at the present time?

MR. HUTTON: Eleven.

MR. HILLHOUSE: What is the situation, Mr. Chairman, regarding veterinarians from Europe who have come into Manitoba during the past years? Is there any difficulty in them practicing here? Have they got to pass the tests that the Manitoba Veterinarians have to pass? Isn't there any way that their services -- I know their services are being utilized today by established veterinarians, and I was just wondering whether there wasn't some way that the Department of Agriculture could take advantage of their services through an arrangement with the Veterinarian Association. I know that what the Honourable Member for St. George says is true, and it's acute; and it seems to me a terrible waste of manpower if these people are available, and they're qualified, that they're not being used.

MR. HUTTON: I wouldn't want to say that they were qualified. I believe that if they are qualified that the Veterinary Association will allow them to practice. The only case that has been brought to my attention was a case where the man was not qualified. He was well qualified to act as a technician under the supervision of a veterinarian, but he was not qualified to go out and act in the place of a veterinarian.

MR. CHAIRMAN: (6) passed.

MR. GUTTORMSON:veterinarians practising in the Province of Manitoba. Have you any idea?

MR. HUTTON: I knew it last year but I can't remember that far back.

MR. WAGNER: Just one question. What's the problem like in disorganized territory or the interlake area. The Honourable Minister just stated that we are allowed to form a veterinarian district. I tried to do that in my area but I was faced that, on account of financial position, your department allows \$1,000. The people were trying to arrive at some suitable amount that a veterinarian would come, and they couldn't raise the balance. What I would suggest, if it is possible anyway -- well it's possible for the Provincial Government -- but raise the minimum of \$1,000 to maybe \$1,500 or \$2,000. That may encourage, because no veterinarian wants to go unless he is guaranteed some nominal fee.

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