

THE LEGISLATIVE ASSEMBLY OF MANITOBA
2:30 o'clock, Friday, March 1, 1974

INTRODUCTION OF GUESTS

MR. CHAIRMAN: Before we proceed this afternoon, I would like to draw the attention of the honourable members to the gallery where we have 50 students of Grade 8 standing of the Elmwood High School under the direction of Messrs. Grenkow, McAlpine and Johannson. This school is located in the constituency of the Honourable Member for Elmwood, the Minister of Public Affairs. On behalf of all the Honourable Members of the Assembly I bid you welcome.

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MR. CHAIRMAN: The Honourable Member for Winnipeg Centre. The Honourable Member has 27 minutes.

MR. BOYCE: Oh I don't need 27 minutes, Mr. Chairman. But just to finish off, because I realize that really the Estimates belong to the Opposition. They belong to the House, yes, but nevertheless I still think that they should be given ample opportunity to investigate. But to go back to the Member for Morris' comment, if you separate the wheat from the chaff then all he was really talking about was his opposition to the concept of supply management, and before lunch I said supply management in itself solved nothing, that we had to approach it from a much broader viewpoint and that he himself was intimating this when he suggested that the storage cost of grains primarily, to ensure an adequate world supply of grains, that we had to pick this up on a broader base than leaving it on the shoulders of the producer. But I mention just in trying to sum up in three minutes that the city members on this side support the Minister of Agriculture because he is trying to rationalize in a total concept, production and distribution, because the faults in our system is in distribution.

Liberal policy in the past, or at least I shouldn't use that term because the Liberals have no policy in this or any other regard, I would suggest. The Conservatives at least have a policy; they say that the problem should be solved in this particular way and we have a fundamental disagreement with them that perhaps it should be solved in another way, but nevertheless the policy of the Liberal government in Ottawa in the past has been to try and steal some of the thunder out of the old CCF and the NDP policy and just take part of it without addressing themselves to the whole problem; and a very good example of this is manifest in Mrs. Plumtre's recommendation that perhaps egg producers should be chastised for increasing the price of eggs. Of all the people in the country to pick on are the egg producers because all of us, even the city members, realize not too long ago they were killing chickens because there was really no supply management in that regard.

But, Mr. Chairman, as a city member I think it behooves the Opposition to behave responsibly in representing their rural constituents, that if they are going to ask us as city members to support - and as I said before, we do support - an adequate return on production and labour for the farmers, then they have to subscribe to the idea that rational production and rational marketing procedures have to be established, so that during the lean years we in the city communities will support on a broader base the storage costs of commodities to make sure that we have them in the lean years. It's always surprised me how independent we all can get, every one of us as human beings, when things are going well. In the current market where the farmer is finally getting a fair price for some of his produce, they seem to want to get more independent, but here a few years ago when the Liberals once again came up with LIFT and all the other ad hoc programs that most of us suggested isn't going to solve the problems, especially when you hit those valleys of low supply in other parts of the world - that what we should have done at that particular time was once again addressed ourselves to the distributive system.

But I just wanted to take these few brief moments, Mr. Chairman, to put on the record in the House that the city members of this government support the Minister of Agriculture and the programs that he is trying, within the limits of a provincial policy, to implement, so that there is some rationalization of not only supply but of the distributive system.

MR. CHAIRMAN: The Honourable Minister of Agriculture.

MR. USKIW: Mr. Chairman, I should like to begin this afternoon by responding to some of the comments that were provided here in this House this morning by the Member for Morris, when he indicated that one of the main problems of the world food supply situation emanated

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(MR. USKIW cont'd) from the fact that world-wide we had a supply management policy, and that therefore production was being curtailed by way of government intervention and therefore that particular intervention was the root cause to our problem today.

I think that one has to agree with him that that is partly true, that is partly true, but that in itself is a decision based on another situation, Mr. Chairman, and that is the fact that governments world-wide have never seen it as their full responsibility, along with the producers of the world, to assure an adequate supply of food throughout the world. And so, because they failed to make that decision, then it follows logically that if their market was far short of world food needs that they would have to adopt the other decision and that is to gear their production in accordance with the restricted market in which they were prepared to function, not in accordance with the demand for food world-wide.

And so we witness a situation, Mr. Chairman, where, while we have hunger throughout various parts of the world at all occasions, every year and every day of the year, and have had for many, many decades, the world has not been able to assemble its resources with some degree of dedication that they would eliminate that problem, and so following from that inability to agree, to deal with that kind of a problem, yes, countries did take the other step and encourage from time to time a reduction in the production of food. Particularly the United States, not far from us here, Mr. Chairman, you will recall a number of land-bank programs and soil-bank programs, subsidies to keep land out of production, and even our own experience of two or three years ago would indicate that that is the way in which governments have functioned. So I think it's worthwhile noting that while that is true to a large degree, it is because of the nation's inability to take the more positive steps and to commit agriculture towards the supply of, or the adequate food supplies for the world.

Now in that respect, Mr. Chairman, I think it's fair to say that if one is to provide an adequate food supply - which is the ultimate - then of course there has to be some guarantee provided to the producers of food no matter where they are, whether they are in Manitoba or Asia or South America, whatever, they have to have an incentive of some sort to produce. That incentive can only be brought about, Mr. Chairman, by direct government intervention since this is an international event that we're talking about, the idea of supplying the world with sufficient food. And so it requires stability programs with basic guarantees in order to ensure that there will be an incentive for producers to gear up for whatever food requirements they must face from year to year.

The Conservative position has never been that though, Mr. Chairman. They have always dwelt on the philosophy that farmers know what to do; that the open market will tell them what to do -- that the open market will tell them what to do, Mr. Chairman; that because prices are high this year, Mr. Chairman, that next year we will have more production, and that is usually true of that given commodity. The problem is the lag time involved after a decision is made is such that we most often compound our problems by responding to a situation of the moment. We compound our problems. And so, you know, when a particular commodity is bearing a very high market price at any particular time, we get an awful lot of interest in the promotion of that particular commodity the following year, following which you have a disaster in the marketplace. That's been the way in which agriculture has functioned since, well, I guess since time began, where the market was not organized.

So therefore that is not, Mr. Chairman, the answer to the needs of the world. The needs of the world can only be provided for through an organized system wherein government participation is basic and necessary. It's too bad, Mr. Chairman, that the Leader of the Liberal Party is not here because he was very much interested in some of the comments that I would be making; at least he implied that he wanted to hear some of my comments.

I should like to take a moment or two to remind the Member for Morris in case his memory has failed him, that the statement on the farm labour problems of last year that he implies that I made, was dealt with a year ago in a debate, and if he would only check Hansard he would know the true facts. And when I suggested to him that he should stick closer to the truth I meant exactly that, Mr. Chairman, because he had the statement before him if he took the trouble to look it up. But let me re-state it for his benefit, Mr. Chairman, and that is that that particular report was not an accurate report; there were omissions in the report and, taken out of context, it does appear as my honourable friend suggests, and it is true I contacted

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(MR. USKIW cont'd) the reporter in question who was there, and he agreed, by the way, Mr. Chairman, to put in a correction the following day, which didn't appear -- which didn't appear; and so when I called him two or three days later he said to me, "You know, you didn't have a text so therefore how can you prove what you said?"

At that point, Mr. Chairman, I barred that particular reporter from my office to this day. To this day, Mr. Chairman, he is not welcome in the office of the Minister of Agriculture, and that is a reporter for the Winnipeg Free Press, none of whom are present here this afternoon - none of whom are present here this afternoon. And so my friend from Morris, Mr. Chairman, chooses to seize on that kind of opportunity in order to make his political point.

I should like to now respond to some of the points that were raised by other members which I have not had time to on at least two other occasions in this debate, and I find it difficult because so many are not here, I will try to forego those particular points that were referred to by members that are not present and deal only with those that are here from the moment, in the hopes that other members will come in a little later.

The Member for Lakeside . . .

MR. JORGENSON: I wonder if the member would identify those members who are not here.

MR. USKIW: Well, Mr. Chairman, I don't think there is anything wrong because a particular member is not here. He's probably not here for a good reason and I don't think it's good to identify those that . . .

POINT OF PRIVILEGE

MR. JORGENSON: On a point of privilege, Mr. Chairman, the Minister has said that there are a number of members from this side of the House who are not here. I want him to identify those members who spoke in this debate and asked particular questions, identify those who are absent who spoke in this debate and are not here now.

MR. USKIW: Mr. Chairman, I think that would be an awfully silly thing to do because we are not casting any aspersions on those individuals who are absent.

MR. CHAIRMAN: Point of order.

MR. ENNS: We are not trying to play little games here, but the Minister definitely is casting aspersions on at least -- at least we regard it as such in the Official Opposition Party, as members who have been listening to his comments, have been asking questions on his estimates. He has now suggested that it is impossible for him to answer some of the questioning by the Opposition because members aren't present, and I think we realize who he means isn't present - namely, the Leader of the Liberal Party, and I don't particularly want to name him either but I think if you check, the Member for Rock Lake, the Member for Birtle-Russell, the Member for Rhineland, the Member for Gladstone, the Member from Lakeside, the Member from Morris, the Member from Brandon West, all of these honourable gentlemen who have asked specific questions on the Department's estimates are here and in their seats. Now, Sir, this was really nonsense for me to have to go through this but for the public record's sake, so at least it cannot be said that the members of the Official Opposition did not take time to hear the Minister or his comments.

MR. CHAIRMAN: I thank the honourable member -- Order! I thank the honourable member for his information, but for his information that was not a point of order.

MR. ENNS: Mr. Chairman, I think . . .

MR. JORGENSON: I am going to raise another question of privilege. It is a question of privilege of the members of this House when the Minister falsely accuses members of this side of the House for not being here. I asked him to identify the members and unless he identifies those members who are absent, who spoke in this debate, then he should withdraw the statement that he made.

MR. CHAIRMAN: The Honourable Minister of Agriculture.

MR. USKIW: I made the point that my notes were such that they would have to be answered to specific individuals who were not here and that I would wait until they arrived before I would deal with those. Now there is nothing wrong in pointing out that we don't have all people present at all times, and the Honourable Leader of the Liberal Party was here only a few moments ago and he was asked to go out, there was a message brought to him and he left the House for a few moments, and I don't think it's fair to him, Mr. Chairman, for members

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(MR. USKIW cont'd) opposite to try to impute that there was something wrong in his absence.

MR. JORGENSEN: Then the Minister had no business making the accusation in the first place if he feels . . .

MR. CHAIRMAN: Order please. The Honourable First Minister.

MR. SCHREYER: Mr. Speaker, there can only be a point of order or a point of privilege, and I'm sure that the Member for Morris is well aware that it does not constitute a point of privilege when an honourable member who is speaking at his place observes that he will be replying later to certain specific questions when certain honourable members have returned. It would in my opinion, Sir, constitute a point of privilege if the Minister had made reference to a particular individual being absent when in fact he wasn't absent or whatever. That does border on matter of privilege. But the mere observation that an answer will be given later when a number of honourable members have returned, in no way constitutes a breach of privilege or procedure in this House.

MR. JORGENSEN: Mr. Chairman, the First Minister can't weasel any better than the Minister of Agriculture, and the fact is that he did say there were members on this side of the House who had spoken in this debate and asked questions, that are not here today. I want him to identify them. Surely that is not out of order. Surely that is . . .

MR. SCHREYER: Mr. Chairman, if words like "weasel" are going to be used, then I will retaliate in kind, because it is certainly weaseling, Mr. Chairman, to accuse a Minister of breaching the privileges of this House when he makes the mere observation that certain questions that have been posed he will reply later when certain members have returned to their place. In no way is any member of this House being negatively reflected upon.

MR. ENNS: Mr. Chairman, I hate to prolong the point of privilege but it is a House privilege and besides, perhaps you are, Sir, entitled to know, at least appreciate the degree of sensitivity on that part, in so much as it is a practice of this government to keep people in the gallery and keep tab of who is in their chair and not in their chair, and then tabulate that and use it against us in the elections, as it was in this past election. I can name the person who, the Honourable Member for -- the Honourable Attorney-General knows of whom I speak, and have that used against us in print, tabulated, the days, the times the persons are absent. That kind of material was used against us in this last election, Mr. Chairman, and for that reason that kind of a general accusation that the Minister says that those of us who ask questions on these estimates at least for our own sake, I'm not speaking for anybody else, but for those members who ask questions on these estimates that they not come under this general, perhaps inadvertent statement of the Minister that he was not in a position to answer the questions of those questioning him at this time.

MR. CHAIRMAN: Order, please. I thank all of the honourable members for their contributions but I think all we have here is difference of opinion. The Honourable Minister of Agriculture, and I'm deducting . . .

MR. J. FRANK JOHNSTON (Sturgeon Creek): Mr. Chairman, I would like to . . .

MR. CHAIRMAN: There is no point of privilege before the House. I have listened to the various members on points of privilege. There is no point of privilege before the House. --(Interjection)--

MR. F. JOHNSTON: I would like to make a point of privilege.

MR. CHAIRMAN: Well would the honourable member state his point of privilege?

MR. F. JOHNSTON: . . . has talked about people who are not in this House and what happens when they're not, because I happen to be a member that while I went to a town hall this year during the election campaign the NDP member shone on the screen my attendance in the Legislature which has been being kept up in this gallery. --(Interjection)-- Daily. Now for the Minister to start talking about who's here and who's not here, I think that it's a point of privilege if these records are going to be kept, and I firmly believe it's a member of my constituency, who I think worked for the NDP Party, in the person of the Attorney-General's father. I think it was him who kept that record and I don't intend to be told that I'm not here.

MR. CHAIRMAN: Order, please. That is not a point of privilege. I have no knowledge of anyone in the gallery keeping records and that is open to any one, any member of the public. ORDER PLEASE. ORDER. Are we going to have order in this House or are we going to have chaos? There is no point of privilege before the House. The Honourable Minister of Agriculture.

POINT OF PRIVILEGE

MR. JORGENSON: Mr. Chairman, we'll have order if the Minister withdraws that imputation.

MR. CHAIRMAN: Order. I am not going to operate in this Chair with threats from any member, from any side of this House. The Honourable Minister of Agriculture.

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MR. USKIW: Mr. Speaker, I'm pleased to note that the Leader of the Liberal Party has returned from the phone call that he answered.

A MEMBER: Mr. Speaker, withdraw what you said.

MR. USKIW: . . . and there's no need to withdraw because there is nothing wrong in his absence, Mr. Chairman. The fact that a member is called out of the House for a few moments doesn't mean that there is something wrong with his absence.

Mr. Chairman, I should like to now deal with questions that were put to me by the Leader of the Liberal Party. On two or three occasions at least the Liberal Party Leader had asked me as to why it was that a particular document was printed for distribution and subsequently withdrawn. And I do have a report for him. A pamphlet entitled "Flaxseed and Rapeseed Futures Can They be Used To Advantage by Practising Farmers" was written by R. F. Mitchell, Farm Management Specialist of the Department of Agriculture, and printed in July 1969. I want to draw that date to the member's attention because it is not something of a recent, it is not a recent event, Mr. Chairman. This pamphlet was first produced in July of 1969, and by the way I don't know who authorized it because we were just sworn in to government at that time, Mr. Chairman. So I really don't know who authorized the printing of it. But it was printed in July of 1969 and reprinted in February of 1972. According to information from Queen's Printer it was withdrawn a year ago at the request of the Deputy Minister because it was out of date.

I wish to add, Mr. Speaker, that first of all it is against government policy to recommend the use of the futures market to farmers; second the information in the pamphlet was out of date; and third, the pamphlet was to some extent misleading in that it created the impression that by means of the futures market farmers would reduce their risk, where in fact they might very well increase their risk.

The pamphlet indeed tried to do the impossible, to explain in an oversimplified way the workings of what is unquestionably the most sophisticated gambling institution yet devised. The pamphlet creates the impression that farmers can use the futures market to lock in a price for their crop similar to contracting. That, Mr. Speaker, is a gross oversimplification. In the first place the futures market is not a market dealing with physical commodities as such. Farmers cannot deliver flax or rapeseed to the Winnipeg Commodity Exchange or to local elevators in fulfilment of a contract.

The mildest interpretation that can be given of the futures market is that when a farmer produces a crop for which the price upon harvesting is uncertain, he runs a risk which he can offset with a gamble in the opposite direction on the futures market. Unfortunately, Mr. Chairman, some farmers discovered in 1973 that the so-called offsetting gamble can introduce new and even higher risks, which I'm sure my honourable friend the Leader of the Liberal Party would appreciate. A farmer who, for example, sold a board contract of 5,000 bushels of flax in March for October delivery at \$5.00 per bushel had to deposit \$1,200.00. Every time the price increased he had to put up the full amount of the increase. By August when the price of flax reached \$12.00 per bushel he would have had to deposit \$35,000 on top of his \$1,200 margin.

Furthermore, Mr. Speaker, the pamphlet does not even mention the very great differences in price, in the prices that occur so frequently in the futures market of flax and rapeseed. How is a farmer to know when to sell a contract and when to buy it back. A week's difference could make a difference of \$1,000 or more. It is obvious, Mr. Speaker, that a commodity exchange is a sophisticated system of trading for sophisticated traders. It is not a place where farmers can go to reduce their risks. Commodity exchanges are a good deal more volatile than stock exchanges and it is incumbent upon the Manitoba Department of Agriculture's staff to so tell the farmers.

Farmers should not be led to believe that the futures market is a simple mechanism to lock in a price for their product. If farmers like other citizens want to take a crack at

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(MR. USKIW cont'd) gambling the commodity exchange is an excellent place to do it. And any one of a number of brokerage houses will be anxious to assist them and provide them with the information. The Manitoba Department of Agriculture staff must not waste theirs and the farmers' time with discussions, or discussing institutions that are not suited to help farmers in their marketing problems.

Finally staff is generally not familiar - and I want members opposite to appreciate this point - staff is generally not familiar with the intricacies of the futures market and could conceivably leave themselves open to be used if they talked a farmer into using the mechanism should the farmer lose by it.

In conclusion, Mr. Speaker, and to answer specifically the question put by the Honourable Leader of the Liberal Party, I did not order the withdrawal of the said pamphlet. I wish to make it clear however that while I am Minister of Agriculture no more pamphlets recommending the use of the futures market by farmers will be printed.

Now I should like to add to that, Mr. Chairman, that to assure that this kind of thing does not recur again that I have issued instructions to my department that I should want to see copies of all brochures before they are printed so that we could not be caught in a situation where some farmers may lose financially because of advice that they have received through one of our own brochures. I think that is a very important precaution that must be taken. The Honourable Leader of the Liberal Party wishes to ask a question?

MR. ASPER: Thank you, Mr. Chairman. I wonder if the Minister would indicate whether or not the offensive sections of the pamphlet to which he's referring were these statements and would he comment on whether it's this with which he disagrees? "Futures contract" - I'm reading, Mr. Chairman, from the document in question, Page 1.

MR. USKIW: Mr. Chairman, I think that my honourable friend is going to take too much of my time and I've already lost a great deal of time so if he wants to participate in the debate later on I will have another opportunity to answer him.

Now, Mr. Chairman, the Leader of the Liberal Party did indicate to me yesterday in debate that he would like to become aware more fully as to how I could stand here accusing the Members of the Opposition to the effect that they would be willing to be responsible for the demise of the Hog Producers Marketing Board. And I want to for his benefit, Mr. Chairman, for his benefit, relate some of the experiences, and he can make some judgment as to the kind of ethics that were employed in this whole affair.

I should like to draw attention to the fact, Mr. Chairman, that a few years ago when this whole battle erupted I happened to attend a meeting at Carman sponsored by the Pork Producers Association, and I originally had refused to attend that meeting on the basis that I was preoccupied elsewhere, which was subsequently cancelled. But the local people in Carman did not know that it was cancelled, it was a last minute thing, and really the set-up at Carman was that they would invite Max Hofford and they would rake Max Hofford over the coals, so to speak. They were going to make mincemeat out of the Chairman of the Manitoba Hog Producers Marketing Board, and it was all set, Mr. Chairman. The Member for Morris was there, there was about 100 people, the Meat Packers Council were there, Mr. Chairman, quite a unified group was all ready to set the attack. And then what happened, Mr. Chairman, the Minister of Agriculture showed up. And we had the most beautiful afternoon. --(Interjection)-- Yes, we had a brilliant experience, and the Member for Morris would recall that before the meeting was through, Mr. Chairman, that members that were set up to try to bring down the orderly marketing system absconded from the hall, Mr. Chairman. --(Interjection)-- That dates back a couple of years, Mr. Chairman, and I happened to notice the coziness with which my honourable friend from Morris was operating with respect to the Meat Packers Council. And, Mr. Chairman, I don't want to impute anything, I just make that observation, --(Interjection)-- just make that observation.

MR. JORGENSON: Mr. Chairman, I must rise on a question of privilege. What the Minister is doing is suggesting that just because I was there - and I was at the meeting. I admit I was at the meeting, because one of my constituents, a neighbour of mine, happened to be driving through Morris, he asked me if I'd like to go to the meeting. I hadn't heard about it prior to that time. I hadn't even heard about it prior to that time. I was at the meeting but for the Minister now to suggest that I organized the meeting, that I organized a group of farmers to come there in order to destroy the orderly marketing system is just not

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(MR. JORGENSON cont'd). . . . in accordance with the facts. And the Minister keeps telling members on this side of the House that they should only relate facts. I ask the Minister now to produce evidence to substantiate his argument or his claim, and his charge that I was there for a specific purpose. He cannot do it. And if he's doing it in the way he is, it's an imputation of motive which is something that members opposite decry so much, and if they decry it so much, then why do they do it? Now then the Minister has simply got to produce evidence to substantiate that charge or withdraw it.

MR. USKIW: Mr. Chairman, I didn't know the Honourable Member for Morris would be sensitive about being noticed at a meeting in Carman.

Let me give another event, Mr. Chairman, let me give you another event in 1972, occurred in 1972, at, I believe, the Ramada Inn here in Winnipeg, where the Pork Producers Association were having an annual meeting - and they had two characters there, the Member for Lakeside and the Member for Morris. --(Interjection)--

A MEMBER: What's wrong with that?

MR. USKIW: Not a thing wrong with it, Mr. Chairman. --(Interjection)-- And the Meat Packers Council. And there were resolutions promoted, Mr. Chairman, and I'm advised, I'm advised that our political people had something to do with the kind of resolutions that were formulated at that meeting, and the executive of the Pork Producers Association came to see me following that convention, Mr. Chairman, and they said you know our convention did a God-awful thing. We passed resolutions that we don't believe in. And I said, well how could you do that? I said how could you do that? And do you know what they said to me? They said to me, resolutions were introduced rather quickly; the politicians were in the act, and we as the executive of the Pork Producers Association don't want you to act on those resolutions, because of the political interference of that time, Mr. Chairman. The executive of the Pork Producers Association came to me and said please disregard these resolutions, because there was too much political activity at that meeting. So let not my friends opposite plead innocent.

Now there's one more for instance, Mr. Chairman. And that has to be the last event in Winnipeg this year, or last year, last year, wherein again the Member for Lakeside and the Member for Morris had a lot to do with the events of that particular day. Another meeting of the Pork Producers Association, and again, Mr. Chairman, again, Mr. Chairman, when Mr. Cameron was introduced as the spokesman, as the spokesman, and where he alleged certain things, which were subsequently proved wrong, false, and where it was alleged that the Minister of Agriculture was invited but didn't show up but, Mr. Chairman, who never got an invitation. Who never got an invitation? Now I leave it to the imagination of the Leader of the Liberal Party as to whether the politicians are involved in the pork business in this province. I leave it to his imagination, Mr. Chairman.

I just want the House to be aware that the Minister of Agriculture is aware of all of the inputs that have been made, and therefore I have to take from those particular suggestions that come from those organizations, in kind.

Now we deal with the point that the Member for Lakeside raises, Mr. Chairman, because he tried to imply in the House the other day that I have some peculiar notion of the democratic process. And again, Mr. Chairman, I want to address my remarks to him, because he is in particular, or should be, familiar with the Natural Products Marketing Act. And let's assume, Mr. Chairman, that in the elections that were held only a few months ago, that instead of one Mr. Cameron being elected that there were two or three of that type elected. Let's assume, let's assume that three people were elected whose motive was to destroy the system. Let's assume that. Let's assume that, Mr. Chairman. I want the Member for Lakeside to tell me what he would do if he was Minister had that situation arose, because the answer's very clear, Mr. Chairman. The act indeed requires that the Manitoba Marketing Board, which is an agency of the government, supervise the operation of producer boards and marketing commissions; and the act also provides that the Lieutenant-Governor-in-Council may amend or evoke any regulation or directive made by a producer board or a marketing commission. Therefore, Mr. Chairman, just picture the tragedy of three Mr. Camerons elected to that board, or four. Just picture the tragedy as far as the producers of pork in this province are concerned, and just picture, Mr. Chairman, picture, Mr. Chairman, a delegation of pork producers coming to the Minister's office wondering what they are going

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(MR. USKIW cont'd) to do about these characters that are trying to bring this whole thing down.

And then, Mr. Chairman, picture the Minister of Agriculture going to the Manitoba Marketing Board, asking them to resolve the dispute in the pork business. And then, Mr. Chairman, imagine who would have to carry out the decisions or recommendations of the Manitoba Marketing Board if not the Minister of Agriculture, through the revocation or amendment of regulations under which that board operates. And he knows that, Mr. Chairman, so let him not, let him not suggest that I have a peculiar way of interpreting the democratic process, because if - if, Mr. Chairman, if there was chaos brought to the marketing board there is no doubt in my mind for a moment that there would be intervention; not for one moment. And my honourable friend would have to do exactly the same if he was in my place. And he ought to know, Mr. Chairman.

MR. CHAIRMAN: The Honourable Member for Lakeside.

MR. ENNS: Mr. Chairman, I won't follow suit or take up the argument of the Honourable Minister. You know, his portrayal only helps to make the point that we have been trying, with some success obviously, in the last little while to make.

However, Mr. Chairman, the remarks that he started off his contribution with this afternoon when he talked about the need for greater government intervention in the whole scheme of world food production really has spurred me on to interject at least at this time, perhaps it would be considered a bit of humour; I want to assure you it is not meant that way but for this particularly humorous Minister of Agriculture that we have, I suggest the members can take the contribution that I am about to make in whatever way they choose to take it, but it demonstrates my point about the problems associated with that greater government involvement and bureaucracy that he thinks is so necessary to the successful production of food.

It is, Mr. Chairman, an item that comes to us from a country well-known; it comes to us from a very authoritative source, namely, the official government newspaper of that country, and it's quite ironically and suitably entitled "The Great Fertilizer Foul-up". Now, Mr. Chairman, we may have a fertilizer foul-up in this province - we will be finding that out undoubtedly at committee stage - but let me relate and read into the record for the Minister's edification, the history of a greater fertilizer foul-up that comes with the kind of mass government intervention and bureaucracy that he dreams of. Headline - or the dateline, Moscow:

People the world over fall victim to the power of paper and the rigidity of bureaucracy. But rarely have the awe of documents and the iron hand of the Soviet bureaucracy been more simply captured than in the great fertilizer foul-up.

As the government newspaper Izvestia told the story -- not some non-friendly western press or the Free Press or the Tribune, but the government newspaper Izvestia tells the story -- a railroad car full of bagged fertilizer was being shipped to Terbuny, a town 250 miles south of Moscow. At the same time, a shipment of 728 jute bags full of top-grade coffee beans was being sent to Yelets, only 33 miles from this same town of Terbuny.

But, at the New Proletariat Railroad Station near Moscow, two railroad workers inadvertently put the shipping documents for the coffee on the fertilizer car and vice-versa, sending each to the wrong destination.

At the Terbuny station there was consternation at the unusual appearance of the 'fertilizer'. The granules, although similar to the expected color and form, failed to dissolve in water, Izvestia reported. Moreover, the cargo was in jute bags instead of plastic, as expected.

The workmen concluded that there must have been an error, reported it to the stationmaster. But he was a man with unflagging faith in documents. "Don't make up new tales of the Thousand and One Nights," he retorted. "Send the railroad car to the distribution point of the Agricultural Technical Agency for unloading."

A MEMBER: That's that.

MR. ENNS: There, too, doubts arose, but the stationmaster was in no mood for trifling when they called him. "Unload your car quickly or else I will fine you for idling the railroad car," he ordered.

An agronomist, from the Soviet Department of Agriculture, was summoned and took a

SUPPLY - AGRICULTURE, cont'd

(MR. ENNS cont'd) handful of bagged beans over to the local agricultural administration. Specialists there decided it must be coffee, but they could not summon the courage to overrule the documents.

"Since it is fertilizer according to the papers, you should unload the shipment quickly," the farm administration ordered.

Izvestia, incensed by what it called this "mindless routine" work of all concerned, observed that this was in violation of the standing instructions to agronomists that in cases of doubt all materials should be kept in one storehouse.

Nonetheless, the unloading and distribution to state and collective farms went full speed ahead. Some farms stored the coffee beans under sheds; at other places they were simply dumped to await use as fertilizer.

Meanwhile, the agronomist called on a chemist for a scientific test. The chemist put a pound or two in a jar, but he forgot to take it to his laboratory, Izvestia noted sarcastically, and even now "the sample" stands at the agricultural administration building.

Izvestia reported that an order eventually went out to all Terbuny farms: "Immediately gather all the material, down to the last bean, and bring it back to the station." Three months later, the paper lamented, nine bags of first-grade coffee showed up -- mind you, then being worth a sizeable sum too.

Izvestia did not choose to describe how the other shipment went before the people who were expecting coffee discovered that they were using fertilizer instead.

Now, Mr. Chairman, it's Friday afternoon, there's certainly a note of humour in this story; if it weren't for the fact the tragedy that this is . . .

HON. BEN HANUSCHAK (Minister of Education) (Burrows): Would the honourable member be kind enough to quote the source of that story? I believe that the story itself quotes something reported in Izvestia, but not the story that the honourable member is reading. Would he quote the source of it? --(Interjection)--

MR. ENNS: Do you get it? The story is as the government newspaper "Izvestia" told the story. Now, Mr. Chairman, Mr. Chairman . . .

MR. CHAIRMAN: . . .

MR. ENNS: No, I won't entertain another question at this time. I don't want to -- I don't want to take up much more of the committee's time with a story. But to make the point that I am trying to make: The Minister of Agriculture, the Minister of Agriculture has suggested that the only solution to the problems of food production in this world are more and greater and bigger government bureaucracies and greater and bigger government involvements. And we have suggested from time to time, Mr. Chairman - indeed, Mr. Chairman, I suggest that it's not even necessary for us to suggest, is simply look at the trading patterns in the world. I said so before in this House that it is a crime, it's criminal negligence on the part of that part of the globe not to be able to consistently feed itself and help with the feeding of the rest of the hungry in this world. (Applause) Never mind coming to this . . . or to this country and counting on either us or the North America farmer in general to bail them out of difficulties from time to time, because, Mr. Speaker, for the kind of nonsense that goes on in these kind of massive bureaucracies.

While I'm at it, I'll read you another little tidbit I see I have here, attention, Mr. Chairman. "Harvest Helpers Foiled," is the headline. "Moscow (AP)." AP is American Press Service. But, Mr. Chairman, are members opposite suggesting that these stories are not true? They're saying they're not true? Well, I don't hear any takers. I don't hear any takers.

"The whole town came down to the railway station when the freight train pulled into Kurgazhinski with 68 new 11-ton Kolkhida trucks. The trucks had been sent from the factory in Georgia to Kazakhstan to help get in the wheat harvest." You can feature this, how proud the people were out there. Fine.

"None would start. They discovered the distributor caps had been stolen from 48 of the trucks and the rotors from the other 20. They were towed out to the town and formed up in a line along the highway.

"A reporter for the youth newspaper" - I won't try to - "a youth newspaper associated with Pravda said Wednesday that the trucks were still there when he passed two, three weeks later, some now minus windshields, headlights and other equipment that was part of the original unit."

SUPPLY - AGRICULTURE, cont'd

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

Now these were trucks that were brought in especially to help with the harvest. Now, Mr. Chairman, whether the honourable members opposite want to challenge the authenticity of these little tidbits and stories, the fact of the matter is that every fall, every harvest, from the leaders of this country themselves, come dire pleadings, and speeches are made in the Politburo, in the highest government circles, pleading with the Russian workers to ensure that their crop comes in. And all so often, all so often, it's not that they don't have a crop -- there's no incentive to gather it apparently -- that causes some of the difficulties, foul-ups that they have in the food production of that country, in the production of that country.

Now, Mr. Chairman, the Minister of Agriculture would like us to -- well, Mr. Chairman, I'm attempting to isolate one particular point that the Minister felt very strongly about, that what was necessary to produce more food . . .

A MEMBER: More government.

MR. ENNS: . . . was more government, more bureaucracy. I think that's what he said, in fairness, in the opening statement that he made in response to the Member from Morris, when the discussion centred around at FAO conferences and meetings and so forth. Well, I'm only suggesting, Mr. Speaker, that more bureaucracy, more government does not necessarily produce food in this country. I'm suggesting, Mr. Chairman, the North American economy, you know; let's leave aside for a moment the inequities that we have within our system, the difficulties that farmers face under our system; but at least grant me -- and that's the one thing that we have to try to bring across to members opposite, that at the moment we can produce food in North America -- and we do it singularly better than any place else, and I don't give a damn how these fellows want to tinker with this system, but they should always keep in mind that established fact.

Mr. Chairman, I note also that the Minister has really not made any effort at all. I had hoped perhaps that he would have accepted the challenge that I threw out to him yesterday, that he would use the intervening time, and indeed put some of his staff to work, and be able to document that consistent ridiculous charge that he insists on making, and in fact, Mr. Speaker, I know why he has to insist on making, because even though that has nothing to do with his peculiar position vis-a-vis votes, and his position vis-a-vis democracy, those are entirely two different arguments, even if everything he said was true, even if we were exactly what he painted us to be, as a sinister involvement trying to disrupt orderly marketing, even if that was word for word true what he is saying, that still would not, that still would not excuse the Minister's position that he's taken with respect to the legitimate rights of people in this province expressing themselves in whatever way they wish to. What the Minister is saying is that he will hide behind that little book no matter if 1,000, 5,000, 10,000, if every last farmer or if every last hog producer, or any other commodity group, has expressed a desire to do certain things in a certain way, that that won't happen because it still has to go across his desk, based on the law book that he has in front of him.

Well, Mr. Chairman, that's an inexcusable position. I leave the Minister with that position; I leave the Minister with that position. You know, it will -- it has shocked many many people in Manitoba and will continue to do so as he persists in voicing it, as he persists in talking about the right kind of people in this province, Mr. Chairman, because that is what he's talking about. But more important -- well not more important, I think that is the important thing, but equally important is the fact that the Minister, having now on several occasions made lengthy speeches about the involvement of my colleague the Member for Morris or my own particular involvement as to particular positions that we have taken, the tremendous influence that we wield in the agricultural community, one would have thought that if the Member from Morris or myself were single-handedly drawing together these forces where upwards of two to three hundred farmers are gathered, there surely, Sir, must be on record one public speech I must have gotten up somewhere. You know, politicians usually take every advantage to get up and speak, particularly a rural politician if he has two or three hundred farmers there. Surely there must be somewhere on record -- and these meetings were all attended by the press -- somewhere there's on record a statement of mine that would substantiate what the Minister is saying. Somewhere there should be on record in the Hansards of this House, in the Hansards of this House, that could for a moment substantiate the statements that he's saying that I am opposed to orderly marketing. --(Interjection)-- Not for a moment. Well

SUPPLY - AGRICULTURE, cont'd

(MR. ENNS cont'd) I have asked him now twice, Mr. Chairman, twice to show me one speech, one occasion, one resolution, one instance where he can make that charge. Mr. Chairman, he has dealt only in innuendo, he has dealt only in the kind of politics that he has decried.

Mr. Chairman, I have read back his words to him, he has gone one step further; he has accommodated me by repeating them so that there was no mistake about whether I was reading from a press copy that was initially wrong or whether I was taking it from hearsay evidence of people that might have heard the Minister. No, the Minister has repeated on several occasions now, to my edification, that the position that I was subscribing to the Minister was completely accurate, and down to the very last word as a matter of fact. Now I ask him at least to do me the same courtesy and find me somewhere on the public record, in fact find me some person, even on hearsay evidence, that has heard me stand up on a public platform at any farm meeting in the Province of Manitoba that would give ground for anybody to draw even the slightest conclusion that I was opposed to orderly marketing. Mr. Chairman, you know, I know and I appreciate there are changes and conversions that take place in the political process, but I happen to be very proud of that particular piece of legislation of (a) a very good Minister of Agriculture put that legislation on the books, the Honourable George Hutton, in its present modified form to the largest extent, the 1964 -- I'm referring to the general, the parent Natural Products Marketing Act, which was introduced by the Liberal Government in 1947, '48, '49, the major, the major review of that Act, the major bringing up-to-date of that Act, was undertaken by the then Minister of Agriculture the Honourable George Hutton.

Mr. Speaker, it was under that Act that we were prepared to allow and to assist the producers and various commodity groups to collect themselves into bargaining units, if you'd want to call it that way, to improve their bargaining position as a producer. Yes, Mr. Speaker, we were indeed very cautious, and I accept the First Minister's words that we were dragged into these boards. Mr. Speaker, I think the Minister is now demonstrating just how cautious he is. In fact he's showing now that he has the responsibility of that position, that it is not such a simple and easy question. After all, what did he tell the milk producers, the milk producers of this province, when they asked him, or at least a group of them or some of them asked him, that they would like to under the Act as provided have a producer-elected marketing board. The Minister lectured them and told them, "Well now, you know, milk is a pretty important food item. You couldn't be expected to have the authority to regulate the product, fix its prices, and have complete control of its distribution because --" Well, Mr. Chairman, I read the Minister's remarks; he didn't challenge me at that particular time, I possibly can find them -- no, I can't find them because I dealt with the matter, but the Minister knows full well what I'm speaking of; the Minister knows full well.

Well, then, Mr. Chairman, then I ask him, then I ask him the straightforward question now and I'll sit down. Is the Minister anticipating giving the milk producers of this province an opportunity to (a) vote on any proposal that he may put before them as to the future way in which milk is going to be marketed in this province; and (2) - well never mind; you know, this is again this qualifications of democracy that I'm planning in. No. 1 - ask for vote, and No. 2 will he in fact, will he in fact set up a producer-controlled marketing board for the distribution of milk in this province? Now, you know, ask that Minister that. Ask any member of the New Democratic Party that ten years ago, and there would have been an automatic response. There would have been an automatic response.

MR. USKIW: . . . to a question?

MR. CHAIRMAN: The Honourable Minister of Agriculture.

MR. USKIW: Does my honourable friend not know that the milk producers were asked if they wanted a vote and they said no they didn't want one, they wanted something done? Did he know that?

MR. ENNS: Mr. Speaker, I have to accept with some degree of skepticism when the Minister talks to me about, you know, who is telling who what. You see, a little while ago he found it tremendously difficult to accept a resolution that was duly passed at a duly called Pork Producers Association. He listened to in fact the executive who said, "My god, we did something bad; we passed the wrong resolution." So he decided to ignore the majority obviously who were at the meeting that passed the resolution and accepted the advice of a few

SUPPLY - AGRICULTURE, cont'd

(MR. ENNS cont'd) that told him this was the wrong thing to do. Well now, Mr. Speaker, and I'm asked to believe that obviously maybe some milk producers have said they don't want a vote. Well, Mr. Speaker, that does not change, that does not change the basis of the argument. It just shows the conversion that has taken place of members opposite. As I said, seven years ago, ten years ago, if you would have asked any one of them, including the First Minister, how should the milk industry be rationalized in this province? should we have a producer-controlled board? should there be elections for that board? should we have a vote or a referendum? you know, they forced us to pass a resolution in this House, as I said the other day, that we should have a vote even after we had the voluntary Hog Marketing Commission established. You were that interested in a vote at that time.

Well, Mr. Chairman, you know, I'm being carried away and really repeating a speech that I made yesterday. I didn't want to do that. I want to come back and ask the Minister and then I'll sit down, I ask the Minister: he has now had some time since I first asked him to do so, I have asked him to substantiate somewhere in the five or six years that I have been in public life, the years as a member or a Minister of the Crown, as the Minister of Agriculture or the years that I've been in opposition, where he can substantiate, where he can find a position which would substantiate his charge that my full purpose in attending these or these meetings or being interested in the hog producers of Manitoba is to destroy the orderly marketing process in Manitoba.

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

MR. EARL McKELLAR (Souris-Killarney): Mr. Chairman, I would just like to say a few words on the Agricultural Estimates this afternoon, and I would like to start off by mentioning a former Deputy Minister, Dr. Murray Cormack, and to wish him well in his new employment at the Manitoba Pool Elevators; and also another former member of the staff, Mr. Lorne Legget, who I remember came in on the staff of the Agricultural Credit Corporation in 1959, about March of 1959 at that time manager, and I understand that he's gone to Manitoba Pool Elevators as well. I would like to wish him well in his new employment.

Mr. Chairman, we have had a good debate on Agricultural Estimates, a debate I think which brings out the philosophy of the government party and which we knew so well for so long. Mr. Chairman, I don't have to tell anybody in this Chamber that the farmers of Manitoba didn't believe the government the last election. They didn't believe the Minister of Agriculture and the records are right here in this book, this green book. The records are right there. The records are right there. --(Interjection)-- That may be true. I'm talking about the farmers of Manitoba. We're on Agricultural Estimates, and My God, you Mr. Minister of Public Insurance, they don't believe you either. They don't believe you either. They don't believe you either, and it's just as bad as that right today.

And I'd like to know, Mr. Chairman, getting around to the Minister of Public Autopac, where do we deal with him in these Estimates? Where do we deal with you? I'd like to know where we deal with him because I want to get at him too.

Mr. Chairman, we've had a debate in these last three days on agriculture and I just happen to be one of those who's been in farming for some time, started farming about the same time as the Minister of Agriculture was born. I'm one of those who was around farming when the Canadian Wheat Board became the Canadian Wheat Board and, Mr. Chairman, who passed the Canadian Wheat Board? The Conservative government of R.B. Bennett? Those villains? Those villains of the free enterprise world? R.B. Bennett: My God, you don't even remember the guy; you weren't born. It was a Conservative Government brought in the Canadian Wheat Board and yet what are we hearing today? It's the fellows over on this side that's trying to destroy the Canadian Wheat Board along with the United Grain Growers and the private enterprise, free trade . . . the grain trade down there on Main Street. They are the ones who are trying to destroy it. What kind of nonsense have we heard? And I tell you, the farmers of Manitoba don't believe you and they never will believe you, and it just makes my head shake to think that you might be the heir apparent to the Premier, and God help the people of Manitoba if that ever comes about. I know full well that justice will prevail in the Province of Manitoba, the farmers will use good judgment, and the next election you'll be back out on your potato farm -- you'll be back out on your potato farm. That's where you belong. That's where you belong and I'm talking as a farmer and as a representative of farmers in the best part of Manitoba.

SUPPLY - AGRICULTURE, cont'd

A MEMBER: Earl, back down. We've got nothing against those kind of people either.

MR. McKELLAR: It makes me a little provoked. I've sat in here, I've been on the government side, I guess four or five Ministers of Agriculture starting out with the late Errick Willis, former Lieutenant-Governor, going on to the Honourable George Hutton. Then my seat mate here was the third Minister of Agriculture. The Member for Arthur was the fourth one and you're the fifth one, you're the fifth one that I've sat in this Legislature, and I tell you, I tell you the most progress that was ever made was made during the first four or five years that I was a member, because what did we bring in? One of the first things we brought in was agricultural credit to help young farmers. We did something for young farmers. We didn't tell them to rent land. We did something for them so they could go out and buy land. We gave them a four percent interest rate and that's what we did for the young farmers, and the young farmers are still farming today because of the Conservative Government of that day.

SOME MEMBERS: Hear, hear!

MR. McKELLAR: What is the next thing we did? What was the next thing we did? It was crop insurance, crop insurance brought in by the Conservative Party.

A MEMBER: Crop or crap?

MR. McKELLAR: . . . assisted by the Government, the Conservative Party in Ottawa, who helped fund the administration costs and helped and planned it on a national scale. It was the Conservative Party that did that. No other government brought it in, it was us that brought it in at that time and I'm quite proud of it. Two programs.

Mention was made by the Member for Lakeside about The National Products Marketing Act that the Conservative Party brought in. We're not against marketing boards, we're against the Premier. If the farmers want it, we're all in favour. Give them a choice, that's all we're asking. We're not out for the destruction that you mention and I'd like to get on a public platform with you today and I'm right on it right now; I'm right on it right now and I've been waiting a long while. And I only wish I had been in Brandon that day to hear your nonsense that you poured out that day because I heard it secondhand. I was in here representing the people. I tell you -- and when you use my taxpayer's money to go to an Outlook Conference to tell me as a farmer what to do and all you did was condemn the Conservative caucus in here, it's about high time that somebody -- and I'm glad the Member for Brandon West and other members here brought it to the attention of the Legislature because this is not right. It's not right. It's not right and proper and we'll tell you so during the next week of your Estimates too. My God, do you know what he told me two years ago? Do you know what this very Minister told me two years ago?

MR. ENNS: What did he tell you, Earl?

MR. McKELLAR: He told me not to grow oats and flax. And he's the guy that gets up preaching today telling me what to do. Do you know what I did? I grew oats and flax.

MR. ENNS: And made money.

MR. McKELLAR: And I made money; and I made money. That's the kind of advice. My God, I tell you, if you've got to depend on government advice to get rich, to get rich -- and I got something else I want to tell you too.

A MEMBER: Never mind fertilizing . . . either, you're liable to get coffee.

MR. McKELLAR: That's the kind of advice you don't want and that's the kind of advice that people in Souris-Killarney won't take either because they're going places, and they're going places because they don't listen to the Minister of Agriculture and they never will. They never will. They're free enterprisers and the book shows it. The book shows it right there how they vote. I don't have to tell the people how they vote.

MR. ENNS: How many years?

MR. McKELLAR: Got more votes this time than I ever got. Sixth time around, sixth time around. Not many people last six times in this place, I can tell you that right now. You won't either, Sam; you won't.

A MEMBER: We're talking about farming now.

MR. McKELLAR: Mr. Speaker, I want to bring out the Canadian Wheat Board and I'm all in favour of the Canadian Wheat Board, but my God, I want to tell you what they cost the farmers last July, and I never heard a squawk from the Minister of Agriculture because all he knows about is potatoes, and I don't suppose he could grow them the right way up. Do you know what happened to the great Canadian Wheat Board last July? Every farmer had the right

SUPPLY - AGRICULTURE, cont'd

(MR. McKELLAR cont'd) to deliver on an open quota because they opened the quota, they wanted all the grain they could get. And I was glad I had a bit of grain in my granary and I only had it because I didn't use your advice, I grew oats and flax. I'll tell you what happened, Mr. Chairman - you're not familiar. We got some others like Crescentwood and Winnipeg Centre and the Member for Wolseley, they're all experts and they'll know all about this and you won't; you're only from Souris, originally from Souris. But I'll tell you what happened. Every farmer could deliver all he wanted and all he had to do was take a storage ticket and he could sell it the first day of August. And I sold 12,000 bushels of grain, 7,000 of wheat, 5,000 of oats and barley. And do you know what that made for me, or will make for me? Twenty-five thousand dollars. Do you see any information going out from the Minister of Agriculture telling the farmers to take a storage ticket? No, you didn't, you didn't. And how many farmers like myself took advantage of that? About five percent, five percent there, and they lost a fortune. That's that great orderly marketing, great orderly marketing; that's the system. Some got advantage, some didn't. And I tell you, the money that most farmers lost because of this, because they were told to deliver the grain in April, cost them a fortune, cost the farmers of western Canada a fortune. That's the great Canadian Wheat Board. And as mention was made by the Member for . . . what the hell did the Wheat Board do for us three years ago, two years ago? What'd they do for us? I tell you, it wasn't until the industry got them off their rear end and the three wheatpools and the United Grain Growers formed Excan and went out and sold grain in competition that they got off their rear end, and I tell you, Mr. Chairman, something needs to get them off their rear end because they were going to break the farmers unless they did.

Mr. Chairman, you know, the Honourable Minister has got foot in mouth disease and he's been practicing it for the last ten days. Foot in mouth disease and I tell you he'd better learn to shut up. You know, if you can't stand the heat you get out of the kitchen, a simple fact of life in this place. A simple fact of life. And I tell you, you can talk your way into this building, you can talk your way out of it, and unless you change your talk you're going to talk your way right out that front door.

I got a few other beefs I have . . . The Minister brings in a Feed Marketing Commission, feed marketing. I don't remember a vote, I don't remember a vote but I can't sell a damn bushel of grain through a man with a feedlot unless I go through this here one percent deal and all this, and I got to charge him what that price is - what Sam said. Now mention was made by the Minister the other day, and he mentioned today, commodity exchange down here doesn't handle a bushel of grain. I don't think the Minister of Agriculture handles a bushel of grain but the Member for Lakeside can tell you in every Gazette here every second week, these feed prices in there that the Minister of Agriculture is telling every man in the province who is selling grain and every person who is buying grain what they've got to pay. Has he got any grain for sale down in his office on the first floor?

MR. ENNS: I haven't seen any.

MR. McKELLAR: I'll bet you he hasn't got a bushel.

MR. ENNS: There's a few little kernels.

MR. McKELLAR: And I'll bet you you couldn't buy a bushel off him down there because he doesn't have it. But yet he sets the price on every bit of feed grain in the Province of Manitoba, and he never gave anybody a vote either. He's that free enterprise -- he tells he's given everybody the right to vote and everything. No freedom of choice in that deal, and I tell you it's what he did to the farmers in my area, the feedlot operators. I'll tell you what it is. It's put them out of business, put them out of business. It did. I happen to be one of those grain guys and you know what put me out of business? When the Canadian Wheat Board told me I couldn't sell to anybody the other year, hardly, unless I sold in a private trade to a feedlot. Mr. Speaker, he's got foot in mouth disease again and if he doesn't learn to shut up somebody down in Lac du Bonnet will shut him up at the next election.

A MEMBER: We authored and put in the Wheat Board so we are in a position to criticize it from time to time.

SUPPLY - AGRICULTURE

MR. McKELLAR: The livestock industry is in trouble. It's in trouble right today, and I tell you it's going to take all the brains in the world to solve this. I tell you it's so much trouble, hogs are dropping every day. Yesterday I stepped out of the building, I turned on the radio in the car, cattle had dropped a dollar and a half a hundred this week. Hogs are dropping. Can you imagine trying to feed 46 head steers and 46 head hogs at \$2.50 barley, \$1.50 oats. I know enough about livestock because I've had enough of them over the years. I know that you can't do it. You can't do it but the Minister of Agriculture every week quotes in the Gazette, prices go up. He's putting the prices up. Let the things level off. If I want to sell some grain I don't have to have Sam Uskiw tell me what my grain is worth, but I tell you our laws are such right now that everybody's tied up, you can't move. It's wrong, it's wrong in principle, supply and demand will rule every price, it always has. You know, and I'll take my chances with the best of them.

Mr. Speaker, I want to tell you also something, and I hate all this talk about consumer affairs. I want to tell all the non-farmers over there that I as a farmer am subsidizing every one of you people who live in the City of Winnipeg with bread, every loaf of bread. I want to tell you - you don't even know that I'm subsidizing you as a farmer. No mention was made of this yet. No mention was made of this yet, and yet everybody's complaining about the price of bread, they're complaining. I want to tell you that when the flour mills buy wheat from the elevators they pay \$3.25 a bushel, \$3.25 a bushel. The Canadian Wheat Board through the taxpayer, the Canadian taxpayer, picks up \$1.75 a bushel, and the farmers pick up the balance, which is 90 cents a bushel right today. The farmers of western Canada are subsidizing every one of you on every loaf of bread, and don't forget the farmers when you eat the loaf of bread. Don't forget them. He's keeping you guys in the City of Winnipeg and even the fellows who live in River Heights, he's feeding them the same as he does.

And I hate all this talk about - when the Leader of the Liberal Party yesterday, my God, we're not in the slum areas -- we're not half as bad - I tell you our housing situation, and I tell you, I take three blocks from here, right over on Colony, My God, if you want to see any worse houses they're down in Notre Dame. You painted a terrible picture of rural Manitoba yesterday. Things are a lot better than that. We don't need that kind of advertising and I hope the press didn't pay any attention to that speech. I hope they didn't, because we don't need that. There is -- of rural Manitoba are good. They're not that bad. Sure there's odd - but I tell you you've got a lot more poor housing in Winnipeg than we have in rural Manitoba, and I'm proud of rural Manitoba. I'm proud of the area I serve, and I tell you when a city man gets up and condemns the area of which I serve, and the areas of rural Manitoba, it's about high time that somebody in the farming community made him retract it. It's wrong, it's wrong. Don't speak about something you don't know about, don't speak -- that's the best advice I can give the man.

A MEMBER: Hit him again, hit him again, Earl.

MR. McKELLAR: Mr. Speaker, there's one thing I want to mention, I think, and I think it should be mentioned. It's about fertilizer, fertilizer, and we're going to be using that a lot of that in about two or three weeks. But I read in the paper where the Minister of Agriculture thinks he can run the department so well now that he thinks he can take over Simplots. He's going to nationalize Simplots. Well I want to tell him something. Knowing full well what the Minister of Agriculture can operate, knowing what his past experience is, I think he'd be best advised to leave this to Mr. Simplot. I tell you why. When that plant was first initiated it was initiated, the study, through the Department of Industry and Commerce, and there was sufficient demand in Manitoba, along with the demand that would be available in the United States, to meet the requirements of the supply that would come out of that fertilizer plant. And the plant was worth \$30 million at that time. It was in my constituency which I represented, Souris-Lansdowne at that time, and presently in the constituency of Brandon East. This plant was \$30 million and everybody knows pretty well what the financing was, 5 million came as a direct grant from the Federal Government, 20 million loaned from the Provincial Government, and 5 million that was put in by Mr. Simplot, and it had terms too and there were requirements that they had to fulfill. But this was an excellent plant, going to employ 200 or 300 people in the Brandon area and meet all the fertilizer requirements for that part of the province.

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(MR. McKELLAR cont'd)

Now it's fulfilled that, and I know the book came out here and I have it here in front of me - the book was published nine months ago and we only got it the other day. I don't know why the Minister of Agriculture didn't make it public before that time. But this is only one side of the picture, only one side of the picture as I see it. That fertilizer plant did something for the economy of Brandon that nothing else could, and I want to state that over and over again. That fertilizer plant initiated development in Brandon that no other city has had anywhere in growth in the last ten years, and it was done because of the construction of that fertilizer plant. Now that's only one part of the problem as you say. You say farmers are getting cheated, they're getting gypped on their price of fertilizer that they're paying compared with what the Simplot's selling in the States. That might be true, that might be true; I'm not saying that, because prices will vary on each side of the border.

A MEMBER: Why didn't he tell us that when the report came out a year ago?

MR. McKELLAR: There's lots of companies you can buy fertilizer. The Co-ops are selling, the Consumers Co-op, the Pool Elevators, Shell Oil is selling, Imperial Oil. You name it and they're selling fertilizer. Competition's the staff of life, and if competition can't bring down price, well then there's nothing I can do about it or you can do about it or anybody can do about it. And this is actually -- there's lots of competition in the fertilizer. You can buy it cheaper by the carload, you can buy it cheaper by buying five carloads if you want it and you've got as big a farm as the Member for Virden or the Member for Gladstone. Buy volume. There's nothing to stop anybody buying it in larger amounts. But for the Minister of Agriculture saying he could solve all the fertilizer problems by nationalizing Simplot -- it was quoted in the paper, it was quoted in the paper that he's thinking of giving consideration to nationalizing Simplot. Well, he said it isn't true. Mr. Chairman, I don't have to tell him that it's true. I just believe what I read in the paper. I just believe what I read in the newspapers. Mr. Speaker, I tell you . . .

A MEMBER: You've got a believer up there; you've got a believer.

MR. McKELLAR: Mr. Chairman, the Minister's got foot and mouth disease again. He can't shut up. Somebody will put a potato in his mouth some day and solve that problem for him.

Mr. Chairman, I want to close right now to say to the Minister that if you haven't got an argument or a good case yourself you put the blame on somebody else. Mr. Chairman, this Minister hasn't got any policies so what does he do? He accuses everybody in opposition for all his ills. These ills were made by himself through lack of good judgment and not knowing the thinking of the farmers in Manitoba and what they want, and because of this -- and indeed come out and live in western Manitoba for a week even, and talk to the farmers, but what does he do? He gets the government to pay for the hall in Brandon and then he puts on a political show, and he goes back to Winnipeg that same night. Doesn't talk to farmers, doesn't talk to the good free enterprise farmers who can give him lots of advice. These are the people I talk to, these are the people I get my advice from, and I tell you you can't go wrong, you can't go wrong, because these farmers will go places regardless of what government's in power.

Let me close by saying that farmers can operate without provincial government. You're not going to make or break anybody in the Province of Manitoba. You may be helped, you may be hindered, but they can still offer it. Most of the policies come from Ottawa that affect the farmers of Manitoba and I tell you, I tell you, as long as the supply and demand and the demand in the world is such as it is right now, and the farmers -- I know they have the initiative, they have the initiative to go out and grow the grain for the supply that's needed, I don't think we've got any troubles right now as long as governments stay out of the farmer's business. That's all I'm saying. Stay out of the farmer's business. That's the best advice I can give you and I'm going to sit down with that message.

MR. CHAIRMAN: The Honourable Minister of Agriculture.

MR. USKIW: Mr. Chairman, I'm very much interested in the comments that were made by the Member for Souris-Killarney because within those comments was a great deal of inconsistency. He started off by saying that he was a supporter of the Canadian Wheat Board system and then he raised holy hell with the Wheat Board from there on in, and said he believed that he can handle himself through the open market system. I don't know, I at least would hope, Mr. Chairman, that my honourable friend would realize that he was completely inconsistent and therefore it's hard to determine what side of the fence he's really on.

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(MR. USKIW cont'd)

I should like to draw your attention, Mr. Chairman, to a number of other issues raised during the debate over the last few days, and in particular by the Member for Portage la Prairie wherein he was very much concerned about the fact that we have instability in production of certain commodities and instability in the prices of those commodities, and he singled out potatoes and he wanted to know why they were such a high price at this point in time. And he made the comment that it was unbelievable that we should be short of any food product; he just couldn't believe that we could be short. Now I think, Mr. Chairman, it bears observing, the fact that a lot of these commodities, in fact every commodity to a large extent depends on climatic conditions in all of North America, and that because of those variations we find that sometimes we have a lot of production of given commodities and on other occasions we are short of production.

But the Member for Portage tried to imply that there was something wrong in the mechanism of the marketing system and that it indeed was guilty of creating the shortage. And this is one thing that the members opposite, I'm sure, that have any experience would appreciate, that no matter what you do in the marketplace, no matter how close you try to make your decisions, how you aim at your targets in production and distribution pricing, in the end you have to depend on the uncontrollable - and that's the weather. And therefore if you look at commodities such as vegetables, potatoes, fruits, a whole host of other things, even cereals, you will find that on a given occasion you have a short fall in production while at the same time it is true to say that that particular marketing agency did in fact restrict production because its production targets were based on the average return per acre of bushels or pounds or tons or whatever. And therefore, when you have an abnormal year, your production is below average, you have a high-priced situation imposed on the consumer, and that is really something that one can't do much about. You cannot perfect it to accommodate the weather situation.

Now I took from the member's comments that he implied there could be some adjustment in this whole area, which implies something that I think he himself is not prepared to accept, and that is that he was really implying or advocating a utility food industry where there would have to be guarantees of certain income levels as well as maximum controls as far as prices were concerned. That's really what he implied although I don't know whether he realized that, Mr. Chairman.

The Member for Lakeside, who is here, Mr. Chairman, wanted to know from me why it is that, with respect to the milk producers, that I am not prepared to yield for the establishment, yield on their request for the establishment of a milk producers marketing board for the industrial milk producer, and I think the Honourable Member for Lakeside knows more than most others on that side, really the problems of the milk industry, and that it's not a decision that can be made in isolation of the balance of the industry, that it has to be looked at in total. And we are having very positive discussions with all groups within that industry and it's my hope that we will be able to come up with some kind of a plan that would resolve some of the problems.

The key issue on the part of the Member for Lakeside had to do with the land lease program and in that connection he wanted to know what is our ultimate objective, the goal of the department and the government, and it's as if to imply that it was some goal beyond where we can reach to date. I should like to say that we are achieving the ultimate goal every time we accommodate a young man that isn't able to finance his way into agriculture. Every time that happens we have achieved a gain. Every time a farmer that owns a half a section of land and he needs a section or a section and a half to be viable, every time we are able to accommodate additional land resources to the farmer that is not quite viable, we have achieved; our goal has been realized. And we have realized our goal many times, Mr. Chairman, every week over the last two or three months, Mr. Chairman. At the present time we are involved in a number of areas of the province accommodating those very important needs.

MR. ENNS: ...question on this subject matter?

MR. USKIW: Yes.

MR. ENNS: Could the Minister, with the help of the staff maybe, or has the Minister by any chance the information as to how many acres of land the government now owns under this program, or the Manitoba Credit Corporation now owns on this?

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MR. USKIW: I'm not sure that I can be specific at this point but further on during the Estimates I'll have that particular information for my honourable friend. I'm led to believe that we will have spent somewhere in the order of a million or a million and a half dollars by the end of the fiscal year. That particular program started in about November so that's sort of the way in which we are proceeding.

Now the Member for Lakeside sort of wondered out loud whether or not there were motives that he wan't quite aware of, and I want to draw to his attention an important distinction here as between being motivated to control land as opposed to being motivated to satisfy the needs of the applicant, the farmer client, who cannot borrow money to buy land. If we were motivated, Mr. Chairman, to accumulate huge land areas for agriculture, we in fact would be involved in massive land-banking programs, buying it up and setting it aside or whatever. But we are not operating in that way, Mr. Chairman. Every transaction involves the vendor, the seller and a lessee, so that we are not involved in holding land for the sake of holding land but only responding to a demand that is brought on the corporation by either the vendor or a potential lessee, and therefore we think that we are serving a very important role in bringing together people that want to sell land because they wish to retire, and allowing someone to enter into the industry that otherwise could not because of the lack of capital.

Now let's presume, Mr. Chairman, that we didn't have this option open - and here I think the Member for Lakeside would appreciate the points that I am going to make. If we are only going to operate as we have traditionally for a hundred years in this country and allow those people in that are already wealthy, then gradually, Mr. Chairman, we keep depopulating rural Manitoba. Fewer and fewer people will become landowners and operators of land, farm managers, and that will destroy most of our rural community, Mr. Chairman. And I would hope the Leader of the Liberal Party takes note of this point as well. And so what we are really doing is trying to bring new life to rural Manitoba by providing opportunities for young people to stay in their area of endeavour, area of interest, community of interest. --(Interjection)-- Ask my colleague for more money. My friend the Leader of the Liberal Party thinks I should have more money in my budget, and of course you can always use more money. I simply want him to take a moment to reflect on where the budget was a few years ago for agriculture and where it is today, and I think, Mr. Chairman, that my honourable friend would realize that we have made a significant degree of progress in this area.

But it is important, it is important, Mr. Chairman, to appreciate the fact that our forefathers that came to this country from another land, 20 or 30 or 40 or 50 years ago, but in particular pre-World War 1, were people who did not have access to land in the country in which they were brought up. My own particular parents were in that category, Mr. Chairman, where they had no land resource whatever but were classified as peasants in Austria at that time. And you know, when they came here and they were able to accumulate some of their own resources, Mr. Chairman, they were appreciative of that fact. But we are now in the process of repeating history, Mr. Chairman, because the land barons of yesterday are also the land barons of tomorrow, and if you only allow people to own property because they own wealth, because they can afford to buy, then we are going back to where we were when my parents left Austria, Mr. Chairman. --(Interjection)-- No, Mr. Chairman. Mr. Chairman, my honourable friend fails to appreciate the point I'm making because, as the Member for Lakeside would know who was in charge of the Manitoba Agricultural Credit Corporation, that the rejection rate of applications was running around 40 or 50 percent all the time. Why? Why were people rejected, Mr. Chairman? Because a corporation said, "We've analyzed your farming operation. We don't think you should continue in agriculture. It's too small. You don't have enough equity. We can't loan you any more money." We cannot lend you any more money. --(Interjection)-- The honourable member says we should now dish out money without security, and that's idiotic, Mr. Chairman. We cannot do that with the public purse. But through this particular program, Mr. Chairman, a farmer that is short of land, may have a half a section of his own but may need another half, is able to get the other half without having to financially encumber himself beyond reason. And if after five years he's able to accumulate some funds, he can then exercise the option to take title to it.

I should like to draw the attention of members opposite to the fact that in Ontario you can't exercise that option for ten years -- not five but for ten. So I should like to point out that the program is well under way and we will be introducing, Mr. Chairman, amendments

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(MR. USKIW cont'd). . . to the Manitoba Agricultural Credit Corporation Act to build in security in such a way that it will be understood by our clients so that they won't have to depend on whether or not the Minister of Agriculture is going to change an Order-in-Council which may change the whole future of their operation and so on. We will build in some measures to give them stability.

The Member for Rock Lake talked about the intrusions of the Feed Grain Marketing Commission when it was set up. I want to take him back to the year in which that was done, because that is the year, Mr. Chairman, that we had rural bankruptcy. We had one of the lowest income years, in fact if not the lowest since the '30s, during the period between 1968 and -- between 1967 and 1972. I believe one of those years bottomed right out in terms of net income for farm people, when we had all kinds of barley selling at 40, 50 cents a bushel and wheat was selling for a dollar a bushel and everyone was losing money on it, Mr. Chairman. And we attempted to try to arrive at an arrangement with the Government of Canada and the Canadian Wheat Board to put in some floors so that the price would not go down that low, because the consumption was going to be there regardless. There's no need to give away grain whatever. No need at all to give it away, because the animal units were there to consume it, Mr. Chairman. --(Interjection)-- My friend the Member for Rock Lake says, what was the Wheat Board doing? The Wheat Board was doing the best that it could do under a world surplus situation, so don't blame the Wheat Board. They were doing what they could do, but that didn't mean, Mr. Chairman, that our house couldn't have been in order here in Manitoba, Saskatchewan and Alberta. It didn't mean that because a world price was at a disaster level that the domestic user of feed grains had to get a bargain. It didn't mean that at all. We could have had stability here in Canada through the cooperation of the Canadian Wheat Board. And so the Feed Grain Marketing Commission was set up to do just that, to put in some floor so that farmers would not be giving away of their product but would realize some return on their investment. My honourable friend should appreciate the reason for the introduction of that program.

Now I want to deal with the fertilizer report -- not the report, the comments that were made by the Member for Souris-Killarney. He talked about the Simplot plant as being a great thing. And I should like to draw to the attention of members opposite the fact that when the government of the day introduced that particular industry, I call it Step No. 1 or the Simplot plant, towards the giving control of an industry that could have been maintained under control of government while government was financing it more than a hundred percent, Mr. Chairman, more than a hundred percent. And as far as I am concerned, Mr. Chairman, if I was going to put up all of the money, I would want to own the facility, otherwise let the entrepreneur put some of his own cash on the table. If he really believes in free enterprise let him be a gambler. But, Mr. Chairman, the Manitoba Development Fund put up the money and gave title to somebody else without entering into a contract for the supply of fertilizer for the farmers of this province, without one caveat in that agreement that would have some obligation on the company. That was the first fiasco of the MDC of any magnitude, and following that one was the CFI one, Mr. Chairman. Government expenditure without any obligation to supply the needs of Manitoba farmers insofar as fertilizer is concerned. --(Interjection) -- Your businesses.

Mr. Chairman, the Member for Lakeside says, is Simplot in arrears? I ask you, Mr. Chairman, if you were to choose today, if we had no plant, whether you wouldn't at least give consideration to locking in an agreement that would provide for the fertilizer supplies first for the farmers of this province at a utility price, Mr. Chairman, at a utility price, Mr. Chairman, since you're putting up all the dollars. My honourable friends opposite, they like to be the financiers of private enterprise but the rules are: we will put up the money from the public purse and Mr. Private Entrepreneur, you will roll the dice, and if you win, you keep the profits and if you lose, we will pick up the losses. That's the philosophy, Mr. Chairman, that has been operating in this province from 1958 on through to 1969, and that is the reason we find ourselves in one of the most embarrassing situations from time to time. It is because of the mismanagement and the misuse of funds.

Now, Mr. Chairman, I should like to in this connection now draw the attention of the Member for Brandon West, because the Member for Brandon West was unhappy with the comments that were made at the Brandon Conference which he attended. And so were a lot of other people and I don't blame them one bit, Mr. Chairman. I don't blame them. And I didn't

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(MR. USKIW cont'd). . . particularly enjoy having to relate to those people in that way but, Mr. Chairman, I tried to point out to the people at that conference that there was a degree, a massive degree of degeneration in the political process of this province. And, Mr. Chairman, I tried to point out to them, and the questions that were put to me would bear me out, Mr. Chairman, the questions that were put to me would bear me out, such as : Why is the government wasting so much money? That was one question put to me, Mr. Chairman. And, Mr. Chairman, my answer to them was that I was hopeful and I was fairly sure that this government wasn't any more wasteful, maybe not less but not any more than previous governments - I was hopeful that we were less - but I said we didn't have any projects like CFI and I said we didn't misuse our funds such as the building of the Simplot plant at public expense.

A MEMBER: How about Autopac?

MR. USKIW: My friends didn't like that comment; my friends didn't like that comment. The people that wanted to know about the land lease program, Mr. Chairman, asked me in the corridors in Brandon, is it true? Is it true what these fellows are saying? They're talking about the MLA that represented them - Is it true the government is going to take over all of the farms? Mr. Chairman, I had to put the facts on the table and clear the record because those are the individuals over there that have aroused a whole host of people in that part of Manitoba on a falsehood, Mr. Chairman, and if they want to play that kind of a game they're going to get it back from me, Mr. Chairman. What kind of credibility, why would you want to implant in the minds of people a complete falsehood? And by way of example, Mr. Chairman, I provided for the audience the best case in point, and that was the Leader of the Opposition on a radio program talking about the Government of Manitoba launching a land lease program, where there was no option to purchase. No option to purchase. But, Mr. Chairman, I have to remind the audience that we tabled the document in this Assembly which included the option to purchase, and a day before the election he chose to misrepresent the facts to the people of this province. Deliberately, Mr. Chairman: deliberately. And when I challenged him on the airwaves, Mr. Chairman, he said, well the government changed its mind because of the heat of the election. He wouldn't admit, Mr. Chairman, he wouldn't admit -- the Leader of the Opposition, Mr. Chairman, would not admit, would not admit that all of the information was distributed to members of the House before the election was called. He didn't have to speak out of ignorance whatever; the information was there, but they chose to distort everything that was provided for them, every single piece of information.

And my friends in Brandon came to me and they said, "You know, we hear these rumors and we hear those rumors; would you illustrate for us what your programs are all about?" And Mr. Chairman, the people of southwestern Manitoba are suffering because of the misinformation that members opposite have been providing for them for a number of years. And I know that they are somewhat bewildered. I know that they can no longer know what is true and what is not true. I know that is a problem for the constituents of the Member for Morris, Mr. Chairman, and I know it's a problem for the constituents of the Member for Lakeside. Fortunately in that area of the province they're a little closer to home and they get close to the truth, Mr. Chairman. They do visit with me over in Lac du Bonnet --(Interjection) -- and the vote shows it, yes.

Now the Member for Birtle-Russell introduced a number of questions - I don't know if they were really questions. He talked about the giving up of opportunity to do something without really telling me what should have been done, so I wasn't quite able to follow him. He talked about we had an opportunity to do something when grain prices were low, but obviously in his opinion the setting up of a pricing mechanism was doing nothing. I don't know what he had in mind, Mr. Chairman. He implied, Mr. Chairman, that the Farm Water Services Program is of no value, that it's really pushed up the costs, the negative thing. Mr. Chairman, I would predict that if we abolished the program that members opposite over there would cry out that we have taken away something, and I would challenge the Member for Birtle-Russell to get the support of his constituents toward the abolition of programs that are designed to restore rural Manitoba, that are designed to restore rural Manitoba, Mr. Chairman, because that particular program was based, was based on an analysis, Mr. Chairman, not done for this government but provided for the Member for Lakeside when he was in charge of the Department of Agriculture, wherein the report indicated that some 60 percent of our farm people, farm families, had no sewer and water services. Away back in 1968, Mr. Chairman. The Member

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(MR. USKIW cont'd). . . for Lakeside must have presumed, Mr. Chairman, that the, you know, albeit things are not all that good in the countryside, but, you know, that is really something for the individual to deal with; government should not be responsible. And philosophically that may be a bit of a socialistic approach if we're going to intervene and therefore let's not do anything. Because he did nothing. He had a report. Sixty percent of our farm people not being able to turn the tap in the house, Mr. Chairman. That's the point that the Member, the Leader -- 60 percent in 1968, somewhere thereabouts. I can get it precise if you want. That's the point that the Leader of the Liberal Party was alluding to yesterday and I give him marks for it because it is a very important area.

The restoration of rural Manitoba is a big job, Mr. Chairman, and it's going to take some doing. There's no question about that. Many of the programs that we have launched, and I would hope the Leader of the Liberal Party would at least appreciate the whole host of new things that are being done in rural Manitoba, and while it is not enough, Mr. Chairman, while all of those programs are not enough, he must appreciate, Mr. Chairman, the time lag, the need for time to catch up for many years of inactivity, many years of inactivity, Mr. Chairman. Never before, never before, Mr. Chairman, was there an opportunity for the Provincial Government to share, to share in the development of town infrastructure, the street system, the sewer and water system. Very marginal participation on the part of the provincial administration, Mr. Chairman. And we have launched major programs in that direction. The Leader of the Liberal Party, the Leader of the Liberal Party, Mr. Chairman, suggested to me yesterday that what we should do, what we should do is decentralize, and I will agree with him only so far but I would not agree with him when he says I should move my Deputy Minister out to some area of rural Manitoba, because it wouldn't be practical. Your policy advisors have to be right close to your office. I could not call in my Deputy Minister when we're debating the Estimates if he's away out in Brandon or if he's up in Dauphin or whatever.

But let me point out for the Leader of the Opposition the fact that the Department of Agriculture has aggressively decentralized over the last four years. Let me point out that a new office structure is going up in Portage la Prairie in the Town of Portage la Prairie, which will take the Crop Insurance Corporation in that direction. Let me point out that an office building is almost completed in the Town of Beausejour, which moves a number of departments into an eastern regional delivery system. Let me remind members that there have been things brought into Brandon. My honourable friend the Member from Brandon West is sharing in the benefits. And we have moved things into Dauphin.

MR. CHAIRMAN: Order please. The Honourable Member for Pembina.

MR. GEORGE HENDERSON (Pembina): Thank you, Mr. Chairman. I have some remarks I'd like to make. I must say that I think the farm diversification program and the encouraging of livestock has been worthwhile. I also hope that the Minister will devote a lot of his time, or the department's time, to the promotion of special crops, especially in the southern part of Manitoba, because I feel that we're not always going to have good prices for grain and that livestock and special crops are going to really be a very important part of Manitoba. And I think, having said that much good about him, I must say that I think that I have several bad things I must say about him, because during this last while I feel that the Minister of Agriculture became involved in a political process where he's been manipulating words and using weasel words; he's actually been trying to mislead the public and we have an example of it here right this afternoon when he referred to the Conservatives or the House being empty, that there wasn't people here to talk about agriculture. And you can try as you like to twist it, but you were trying to put it on the record that there was people here that you couldn't answer to because they weren't here, you know. This is what you were saying, but they were all here. You couldn't name a one, you couldn't name a one, and you were just trying to put something on the record like as if we weren't there.

You have also been using meetings like the Outlook Conference at Brandon to expand your own thoughts to a great extent, and you don't care if you overdo it. You have a good use of words and you're definitely using it just to get your own thought across, and I don't believe this is right. I was at the municipal convention when you got up and made such a fine speech and said what you thought about the rapeseed vote, what you thought about what the hell's become of democracy in our country and everything. We do know that the ballot was somewhat in favour of the people that wanted it to stay under the present system, but still we realize that the people

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(MR. HENDERSON cont'd). . . that were considering the change wanted to be that way before they made a change. They didn't want to make it on a 50-50 basis.

You also attended the Pool Elevator meeting and all you were there for was for the purpose of trying to brainwash the people into your way of thinking. And we see it every day in the House. This is what you're doing. Your action on the pork producers - in connection with the Pork Producers Marketing Board, and not revealing your price to Japan, and the way you manipulate yourself. What's wrong with telling the people the truth? What's wrong with telling them the truth? If you've made a mistake why not admit it? Then you'd have far less trouble. To have to live down a mistake and to keep hiding behind things is just trying to live a lie, as you could say. Yes I think that the Minister is really losing his popularity in the province. We saw him out at the meeting of the Artificial Insemination Group out at Portage. He'd been asked to attend there but because they were a little bit hostile and maybe they were going to give him a little bit of a rough time, he never showed up.

A MEMBER: Was he trying to brainwash the cows?

MR. HENDERSON: The Premier was asked to be there, he wasn't there. Now I say that possibly about at the time of the election the present Minister of Agriculture was maybe picked to pick up some of the rural seats. Maybe the Premier put his hand on his head and said, "You'll be the next Premier," or something like this, "Go out and win some of the seats." But I say that it didn't turn out that way and I'm sure that if there was a vote taken today it would even be more so, because the Minister of Agriculture and the way he's been acting has really been losing the confidence of the people.

MR. CHAIRMAN: Order please. The hour being 4:30, the last hour of every day being Private Members' Hour, Committee rise and report. Call in the Speaker.

Mr. Speaker, your Committee of Supply has directed me to report progress and asks leave to sit again.

IN SESSION

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

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

MOTION presented and carried.

PRIVATE MEMBERS' HOUR - RESOLUTION NO. 7

MR. SPEAKER: Private members' hour Fridays is resolutions. We are on Resolution No. 7. The Honourable Minister of Industry and Commerce was on his feet the last time. He has 12 minutes left. The Honourable Minister.

MR. EVANS: Mr. Speaker, in the short time that I have left I would like to elucidate on the matter of small business which my honourable friend the Leader of the Liberal Party seems to be very concerned about, and I suppose is something that we can all be concerned about, but I want to assure him that he is not alone in his concern about the problems of small business. The point I'm making and was trying to make last day, Mr. Speaker, in the few minutes that I had available to me, was that essentially this resolution was ineffective, that it was equivalent to trying to shoot an elephant with a pea shooter, you know. The fact is that the measure itself really amounts to very little. There will be, I would suggest, some benefit to the individuals, to the families perhaps, the family businesses you're talking about, there may be some advantage to those people in the sense that they will be able to keep more dollars, they won't have to pay so many dollars to the Federal tax collector. But nevertheless, Mr. Speaker, with all due respect, while this may be some sort of a procedure which will assist certain family-owned businesses to keep money, it will not solve the problem that the Member from Wolseley diagnosed last day when he introduced the resolution. In fact, we can agree there may be some sort of a deplorable trend and we can agree that small business is central to industry in Manitoba.

In 1970, Mr. Chairman, in manufacturing alone 61 percent of Manitoba firms had less than 15 employees, if you can believe this, and that 83 percent, 83 percent of Manitoba companies in 1970 had less than 50 employees, 83 percent of Manitoba companies had less than 50 employees. And I can say with every bit of sincerity that I can muster, that the contribution that the small firms make to the stability and to the vitality of Manitoba is very important and

PRIVATE MEMBERS' - RESOLUTION 7

(MR. EVANS cont'd). . . certainly is of a magnitude out of proportion to the share of employment that they constitute.

Now the point, however, Mr. Speaker, as I said, is that the solution offered by the Honourable Member from Wolseley, the Honourable Leader of the Liberal Party, is not a solution at all. It may put more money in certain people's hands but it will not, it will not do what I believe the intention of the resolution as stated was supposed to do, and that is to protect small enterprise and enhance small enterprise in Manitoba. I want to say, Mr. Speaker, that far more effective than this particular suggestion are the various programs of the Department of Industry and Commerce.

Over the past five years we have altered our incentive programs so that now - and I don't have the figures with me but I can make them available - that now by far the greatest percentage of financial and technical assistance that we offer to business in Manitoba is to firms with 50 or fewer employees. We are not out seeking so-called Swiss entrepreneurs, Swiss financiers, we're not out looking for the great pot of gold at the end of the rainbow that's offered by so-called big foreign enterprises necessarily, but nevertheless we are offering a number of services that I think are very well geared up to assist the existing, the indigenous and essentially the small enterprise, small businessman in Manitoba, not only in terms of incentives but also in terms of the programs of the Manitoba Design Institute, the programs of the Manitoba Research Council, technical grants, and in terms of the programs of trade development.

We know that the takeovers that the honourable member referred to the other day, the Honourable Member for Wolseley talked about takeovers, the shifted head offices to Ontario and Quebec. Agreed, that is happening. But I would suggest, Mr. Speaker, that this is happening because of the economic system in which we operate. The economic system itself, you know, makes for this concentration of business in fewer hands and it's not a phenomenon that has occurred just over the last two years or the last three years or the last five years, it's a phenomenon that's been at work for decades, not only in Manitoba but throughout the industrialized sector of the world. And the measure, as I said, Mr. Speaker, the measure suggested by the honourable member is really an inconsequential measure. I would say that the Federal Government would do well to try to copy what we're trying to do in the provincial Department of Industry and Commerce. I only wish the federal Department of Industry, Trade and Commerce would have more programs that are complementary and that are more in line with what we're trying to do at the provincial level.

I quoted you figures a few minutes ago showing that the bulk of our industry in Manitoba was 50 or fewer employees. This is characteristic of most of the western provinces. And then when I look at the Federal Government's Department of Industry, Trade and Commerce budget, as indeed the western Premiers looked at these figures the last two days in Saskatoon, here we saw that less than ten percent of the total budget of the Department, the federal Department of Industry, Trade and Commerce, was spent in the four provinces in their entirety. Less than ten percent spent in four of the ten Canadian provinces in virtually half of the country at least more than half perhaps in geographic terms. And most of the corporations, as I said, that we have in the west tend to be small, and therefore I say, Mr. Speaker, that if we had the data - and I think we could perhaps get it - in detail we would see that the Federal Government, through its department of industrial development, Industry, Trade and Commerce, is essentially aiding the large corporations. This is a government that the Leader of the Liberal Party is familiar with and likes to support, but it's a government that's helping the big enterprise more than it's helping the small enterprise.

I quote the figures from the Export Development Corporation. Do you know that in Manitoba or in any part of Canada the Export Development Corporation, as far as I'm advised, does not finance any loans for export orders below one million dollars? Now, Mr. Speaker, that virtually eliminates, it just about eliminates any assistance by this federal agency for small export orders out of Manitoba. It virtually eliminates it because of the policy of the federal Export Development Corporation. You can look at the federal Industrial Development Bank. You'll see that they're overly cautious, they tend to favour the big loans as against the loans to small companies. You can look at the federal Department of Supply and Services and you'll see likewise that the small companies -- and, Mr. Speaker, the small businessmen in Manitoba have told me personally that they cannot get to the federal Department of Supply and Services

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(MR. EVANS cont'd). . . in order to convince them that they should give them a break to sell them their goods and services. And there's plenty of evidence to show that the bulk of the federal purchasing, far out of proportion to the population distribution, is done in central Canada. We in Manitoba do not get our fair share and this is because of the favouring of large enterprises as opposed to more favourable attitude towards small enterprises.

I could go on, Mr. Speaker -- I know I'm running out of time; I could look at federal transportation policies, we could look at federal tariff policies and see that by and large, by and large it's the larger corporation that is the beneficiary of these very fundamental economic policies.

So in conclusion, Mr. Speaker, I want to assure members of this House that the Provincial Department of Industry and Commerce will continue to concentrate on assisting small business in Manitoba, and I have statistics to show that we've been doing this over the past few years as compared to years before we took office. And I say, Mr. Speaker, that members of this House must vote down this resolution; it's a Mickey Mouse resolution which will make no difference, virtually no difference in the industrial structure in the Province of Manitoba. It might help certain families, it might help certain people become a little more prosperous than they are now, but as far as the industrial progress of Manitoba is concerned it might as well not exist. We will continue to press forward with positive Provincial Government policies to help the small businessman in Manitoba, to help small enterprise, but, Mr. Speaker, the resolution proposed by the Leader of the Liberal Party will not do what he thinks it may do. But I can assure you that while we're voting this down we will continue to devote the resources of the department to enhance the prosperity, enhance the development of the small businessman in this province. Thank you.

MR. SPEAKER: The Honourable Member for La Verendrye.

MR. BANMAN: Thank you, Mr. Speaker. I take some exception to what the Honourable Minister, the Minister of Industry and Commerce, just said. It seems in my experience and the people in La Verendrye, and I think generally throughout the province, the present government is more concerned about going ahead and bringing businesses in that employ 50, 100, 150 people than the small businesses that are the backbone of our country right now. He just went ahead and read some statements, some figures, showing that most of the small businesses in Manitoba employ a relatively small number of people. These are the people we should be helping. Home-grown businesses, not imported businesses, are the ones we need in Manitoba right now. Under the present system of taxation, and this he says is just a small part of it; well it's a small part but it's time this government went ahead and took a small initiative to help the small businessman. The MDC is a glowing example, a glowing example of what happens when there's improper management and people don't operate right. The people in La Verendrye and especially in Steinbach, La Broquerie, Ste. Anne, have for the past years, since 1918 when the first automobile dealer started in Manitoba, an old firm in Steinbach still owned by the same people, and I can't see how this Minister can go ahead and say that this is a nothing resolution, because it just isn't.

The Town of Steinbach has roughly 130 businesses. There's one or two of them which might be classified as a large industry, and one of them just finished - and I'm sure the Minister is aware of it - that one of the companies just had a large addition to them. We have 130 small businesses in the Town of Steinbach which pay \$250,000 in taxes to the Town of Steinbach. We have 1,200 residences and these pay \$173,000 so what is the backbone of this small community? It's the business. Without these small businesses this town would be in much more of a financial difficulty than it is right now.

You know, there's one basic concept and I would really really appreciate it if the members on the opposite side would read an old nursery rhyme - we'll call it that - that I'm sure that all of us have heard, and that's the one about the Goose that Laid the Golden Egg. And, you know, there's many geese in Manitoba -- (Interjection)-- Well I'm beginning to wonder where they are.

A MEMBER: They're getting goosed.

MR. BANMAN: They're getting goosed, yeah. The story is an old one but I suggest that it still holds true today. You can't go ahead and kill the goose and expect it to keep on laying golden eggs, and this is what this present government is trying to do to the small businessman. Some of the members across the way there consider that a \$50,000, \$60,000

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(MR. BANMAN cont'd). . . business is a small business. Well, may I suggest to you that a 50 - 60, 000 dollar business is a very small business. It takes \$30, 000 to buy a home. Operating capital, which most financial people know, is a most important thing in business. When a company is under-capitalized it leads to difficult situations. The Capital Gains Tax weakens the borrowing power, weakens the earned surplus of a business no matter small or large, and puts undue pressure upon the small family business. To help preserve our small business in Manitoba we, the Progressive Conservative Party, support this resolution and hope that this is only one of the small ways in which small business can be helped to help maintain a proper standard of living and a quality of life for both rural and urban Manitoba.

MR. SPEAKER: The Honourable Leader of the Liberal Party. He'll be closing debate on this motion.

MR. ASPER: Thank you, Mr. Speaker. I'll be relatively brief but I feel that some of the observations made by the Minister who is, I think responsible for being the advocate and the supporter of small business or business generally within the balance of the Cabinet, has not carried out the trust that one would expect of him. I find it peculiar that a year ago when I raised this issue first, I raised it in connection with farms and small business under the subject matter of preservation of local ownership of farms and small business. And there was (a) general support in this House for the resolution that's before us when I asked that it apply to farms; and (b) I recall questioning the First Minister and having him say in this House - and I don't have the quotation although I'm sure he wouldn't dispute it - but he favoured similar legislation or he could see himself supporting similar legislation to support small business. So I find it incongruous, I find it inconsistent that government has decided, as the Honourable Minister indicates, not to support this kind of incentive, this kind of relief to small business when, it's now given the opportunity to do so. As I say, one would have expected the Minister of Industry and Commerce in the balance of a Cabinet, because the Cabinet we know has advocates of all causes within the community that have to be supported and developed by government, his charge is to do those things which will create an incentive, create an attractiveness, create an expansion, create a development in the business community, and in Manitoba he's quite right. We are talking about small business as the Honourable Member from La Verendrye indicates. And any progress that will encourage, stimulate that sector of the community is worth considering, and that's what the resolution calls for.

Mr. Speaker, I fear that the Minister is a slave to his own dogma or the doctrinaire position of a party that is afraid to be seen to be doing something to stimulate in a tax sense, because one of the things he said in a rather exercised manner last time we debated the resolution, was that he accused the Liberal Party, or me, of seeing the tax structure as being the only way to solve problems or to create results. Well, Mr. Speaker, I've never suggested that the tax system is that strong nor that it's that powerful a magnet, but let me assure the Minister that he's myopic to the extreme if he does not recognize the power, the persuasiveness of a tax system in stimulating results.

Mr. Speaker, we've seen the tax system used to encourage childbirth; we've seen it used to encourage relocation; we've seen it used successfully in literally dozens of important areas of endeavour. But suddenly this Minister says, not for business, not for stimulation. And that's consistent with NDP philosophy both here and in Ottawa.

I recall last year when the Federal Government introduced for debate the reduced taxes on manufacturing and processing companies. The NDP in Ottawa, consistent with what's been said here today, resisted this. Now, Mr. Speaker, fortunately saner counsel prevailed and that law went in. The results that are now being documented by the federal Department of Industry and Commerce, of new jobs created, new capital invested directly attributable to that small minor, as he would say insignificant amendment, are staggering. They're in the tens of thousands. As a matter of fact at this stage, Mr. Speaker, I rather think they would be over a hundred thousand new jobs created that are attributable to that minor, modest tax amendment.

So let the Minister of Industry and Commerce search the precedents, the records, of those who have used a tax technique to promote a social or cultural or political result or an economic result, and he will find that it is the most powerful tool at the disposal of any government. If not, explain to me, Sir, why Alberta finds it easy to give up 4 to 12 million dollars per year of death tax by being the only province not to have a death tax. Are they mad? Are

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(MR. ASPER cont'd). . . they people who want to just give away the money. Do you think government doesn't need money? Well, Mr. Speaker, let that Minister at the next conference ask the Premier of Alberta what he calculates the benefits in jobs and industry retention by that simple device, and he will tell you as he told me and as he told all of Canada, that the jobs, the income tax gained, the other revenues gained to government by giving up that tax, the death tax, far outstrips, far outstrips the minor amount of tax given up. In other words, tax baiting is the name of the game.

I said earlier I don't think this is a perfect world and once I know that, I say that the tax system is a valid means of competition between jurisdictions. Nations, provinces, regions, it's a valid technique. If not, if he doesn't like the technique adopted by Alberta, let him then go and say to Premier Bourassa of Quebec, "Why have you wiped out the capital gains tax, the provincial Capital Gains Tax, wiped it out, and the interest income tax, and the dividend income tax, something that people don't know so well in this country?" He has reduced that tax in the Province of Quebec, Sir, to 1/20th of 1 percent. Mr. Speaker, the result of that - and we'll get a chance to deal with this in the budget perhaps - a capital gain made in the Province of Quebec is taxed at a top rate of 19 1/2 percent. A capital gain made in Manitoba is taxed at a top rate of approximately 27 to 30 percent depending on the corporate tax rate.

Now, Mr. Speaker, you are investing. Choose. Will you invest through a Quebec device or will you invest in a Manitoba device, knowing that your after-tax position on profit will be 30 percent better by doing it in Quebec? Mr. Speaker, I hear somebody saying it depends what you're investing in. Mr. Speaker, I'll comment on that in the budget debate because that's not correct. But a Quebecer investing in Manitoba, a Quebecer investing in Manitoba gets that favored capital gains treatment and the Province of Manitoba is breathing air. Mr. Speaker, there are tax trade-offs, and when I heard today, or yesterday, the First Minister say that we would not in Manitoba compete for industry with Alberta, B. C. and Saskatchewan on a tax basis, I heard naivete in the extreme, I heard Manitoba being badly represented at the conference. We'll deal with it at another opportunity, Mr. Speaker.

I say this to the Minister and to the members opposite. If the Minister of Industry and Commerce says that this is inconsequential, then I urge members opposite, since it's inconsequential, try it, experiment with it. Why be afraid to try it if it's inconsequential? We say it's consequential, you say it's not. Try it. Measure the progress, measure whether or not there's a slowdown in the rate of sellout, and if we're wrong terminate the experiment but consider the advisability. That's open-minded.

Mr. Speaker, I won't deal with the arguments raised by the Minister on the Federal Government lack of initiative on small business; I've been as vocal a critic of federal programs as anyone in this House when they don't work to Manitoba's advantage. But I will commend the Federal Government when they deserve commendation, and at this stage in our particular history they do deserve commendation. Only in the past few days the Federal Government has announced the spending in Manitoba of \$19 million out of a \$79 million public works budget. Mr. Speaker, the Federal Government has announced the removal of a . . . of 200-odd jobs to Winnipeg from Ottawa in the Defense Research Board. And Mr. Speaker, the Minister of Industry and Commerce knows this perfectly well. He uses his time simply to take advantage of his speaking opportunity to try to score political criticisms against the Federal Government and that's fine; I'll join him in that exercise frequently. But today I simply ask members opposite to consider the advisability of a very sound proposal, one which will not cost this province tax revenue, which will simply defer it, not cost it but defer it, because this is not a tax abatement scheme, this is a tax deferral scheme, and Mr. Speaker, on that premise I urge people in this Chamber to support the resolution and indicate, send the signal forward that we are interested in helping small business.

QUESTION put and motion defeated.

MR. SPEAKER: The Honourable House Leader.

MR. PAULLEY: Mr. Speaker, I understand there is an inclination, now that Resolution No. 7 has been disposed of, to adjourn the House. I wonder if the other House Leaders would indicate whether I am correct.

MR. SPEAKER: The Honourable Member for Morris.

MR. JORGENSON: Mr. Speaker, I think that that was the agreement, that we would deal with that one particular resolution and whether it took the full hour or half the hour we

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(MR. JORGENSON cont'd). . . would adjourn following the consideration of that resolution. But I should like to make a suggestion if I may. If there appears to be a general inclination to adjourn at 4:30 every night, would it not be possible to consider the possibility of reconvening in the afternoon at 1:30 rather than 2:30? I don't know why we need two hours for lunch, and that way we could get into Private Members' Hour at 3:30, not lose any time, and still be out of here at 4:30. If that suggestion meets with the approval, perhaps we can come to some arrangement, not necessarily today but before next Friday. An alternative to that would be perhaps we could meet at 9:30 in the morning rather than 10:00 o'clock, adjourn at 12:00 and back at 1:30. We would not lose any time then with that process. --(Interjection)-- Yes, I'm suggesting that we try it for Fridays only because there seems to be an inclination for some members to get out earlier on Friday because some of them have distances to travel.

MR. SPEAKER: The Honourable Minister of Labour.

MR. PAULLEY: I wonder, Mr. Chairman, did I hear my honourable friend correctly? First of all he said - as I heard him, or didn't hear him - that it would be adjournment at 4:30, and then subsequently I thought I heard him say 3:30 and he -- may I ask him to clarify that it would only be applicable to Fridays and not other days as well. He nods his head in assent, Mr. Speaker, so may I assure you Mr. Speaker -- 1:30 to 3:30 was that?

MR. JORGENSON: Government business and then Private Members' Hour from 3:30 to 4:30.

MR. PAULLEY: Yes. There would be no loss of time. Yes. As I understand it, Mr. Speaker, the proposition would be that we would on Fridays shorten our lunch hour by one hour, come into the House at 1:30 rather than at 2:30, that government business would go until 3:30, from 3:30 to 4:30 would be Private Members' Hour, and adjournment on Fridays only, at 4:30. Mr. Speaker, I cannot give an indication of agreement to that, as I'm sure my honourable friend would recognize, but I do suggest, Sir, that the House Leaders of the three parties could at some convenient time, preferably before, say, next Wednesday, have a discussion on this particular proposition as to whether or not it should be adopted. I believe my colleague the Member for Radisson . . .

MR. SPEAKER: The Honourable Member for Radisson.

MR. HARRY SHAFRANSKY (Radisson): Mr. Speaker, I would just like to remind the members of the Golden Boys Hockey Roster that the players should try to get to the Arena by a quarter to seven in the evening, a quarter to seven in the evening. The dressing room that we will be using and the equipment will be in the Club hockey changing room on the west side, but we are going to be using the east side as our bench. That is it, so all players be there by a quarter to seven.

MR. SPEAKER: The House now desiring to adjourn, the House is adjourned and stands adjourned until 2:30 Monday afternoon.